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—
Chair

Mr. Bob Mills

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• (1115)

[English]

The Chair (Mr. Bob Mills (Red Deer, CPC)): I call the meeting to order. We are waiting for a couple more members who did advise me that they would be a little bit late.

I welcome Ms. Fraser and Mr. Thompson to our committee.

I just want to note for the members—and I apologize for the scratchy voice, but that's how it is—that we do have a CBC camera here, which was requested. Of course, House procedures do allow us to bring that camera in. He will not roam around; he is in a fixed position. You'll see him behind us here.

Also, lunch will be brought in for the members around 12 o'clock.

I also want to let you know that we did contact Mr. Marleau, the Information Commissioner. He is very new to his job and feels that he hasn't met with his own committee yet. So he regrets not coming before us.

On Monday, which is our next meeting, we will have someone from the advisory panel to the environment commissioner; Denis Desautels, the former Auditor General, will possibly be a guest as well; and someone from the Privy Council Office will also appear. Of course, our attempt will be to take the last 15 or 20 minutes to actually look at the motion, make amendments, and vote on that motion next Monday. I think that was the intention agreed to by Mr. McGuinty, that this would be the process we would follow.

Mr. Warawa.

Mr. Mark Warawa (Langley, CPC): I have a question out of curiosity. I have no problem with the CBC being here, but you said it was a request.

The Chair: The CBC requested it, and under the regulations of a year or so ago they are allowed, through request. There are many rules that they must follow, but the clerk will keep that monitored.

Mr. Mark Warawa: That's fine. I was just curious whether the request came from the committee or from the CBC.

The Chair: No, it came from the CBC, from the press gallery.

Mr. Mark Warawa: Thank you.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): What is the process? Do we ever vote on these things when that comes forward?

The Chair: No. Under the new regulations, it is acceptable. We push very hard to allow cameras into committee meetings.

Mr. Maurice Vellacott: So you're saying that's just the call of the chair?

The Chair: Yes.

Anyway, I just give you that as information, that they are here, in case you wondered why we have the camera in the room.

Are there any other questions?

We will begin, then, and I'll turn the floor over to Ms. Fraser.

Again, we welcome both of you here. We appreciate you coming on short notice and giving us so much time. We almost make you honorary members of our committee or something.

So, welcome.

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Thank you, Mr. Chair.

We are pleased to be here to meet with the committee members and to speak to the motion that is currently before the committee. As you mentioned, I am accompanied by Ron Thompson.

As I indicated in my letter to the committee on Monday, policy advocacy and legislative audit are incompatible. This is a recognized principle in the auditing profession, and it is based on the standard that governs all auditors in Canada. This principle is also widely observed by legislative audit offices in many other countries.

It is interesting that the same issue arose in 1994 and 1995 when discussions about the creation of a commissioner of the environment began. At that time, my predecessor, Denis Desautels, indicated to the environment and sustainable development committee:

In Canada, it's generally accepted that legislative auditors avoid observing on high-level policy and they concentrate their comments on implementation of that policy. Therefore, responsibility for such matters as review of the appropriateness of policy and arbitrating environmental disputes should not be given to my office, as this could quickly and seriously jeopardize the Auditor General's traditional independence, objectivity, and credibility. There would be similar risks for a separate environmental auditor general if he or she were given audit responsibilities along with these other duties.

The then Auditor General also explained to the committee how the office had in fact been conducting environmental audits since the early 1990s using the same rigorous audit methodology that was being applied to all other work in the office.

[Translation]

Nonetheless, in its May 1994 report, the committee recommended that the Office of the Commissioner be established separate from the Office of Auditor General, with access powers similar to those of the Auditor General, but with broader responsibilities: specifically, policy evaluation, advocacy of sustainable development and the evaluation of sustainable development practices and technologies. The committee also encouraged the Office of the Auditor General to continue to expand on its environmental audit role.

The government, in its response to the committee's report, explained that not all functions as proposed by the committee could be undertaken by a single body, and that the various roles, as envisioned by the committee, could be "undertaken more effectively and efficiently by working through existing institutions and mechanisms, new government initiatives, and the proposed new commissioner." It added that it was more efficient to have the Auditor General continue to play its audit role and that integrating the audit of environmental issues with the audit of economic and social issues would in fact reinforce sustainable development.

I believe that we have fulfilled that role. In fact, environmental aspects are considered in all of our work by all audit teams throughout the office. For example, in our review of financial statements, we audit the government's liability for contaminated sites. When we audit crown corporations like Atomic Energy of Canada, the audit scope includes the environmental aspects. The office has become a world leader in environmental auditing. Auditors from around the world have requested our advice and many of them have taken courses on environmental auditing that we developed here in Canada.

• (1120)

[English]

Should Parliament decide to establish a new office outside the Office of the Auditor General, with a focus on advocacy and providing advice to government, it is my view that environmental auditing should remain with my office.

The issue is about expectations that are being placed on us that we cannot fulfill. I mentioned Bill C-288 last week. In that case we were able to resolve the matter, and the policy advisory role was transferred to another body. In fact, it was transferred to the national round table. Bill C-377 is a more recent example, and that is the reason I have brought all of this forward for the consideration of the committee.

That concludes my opening remarks, Mr. Chair. We will be pleased to answer any questions committee members may have.

Thank you.

The Chair: Mr. Rota.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Thank you, Mr. Chair.

Thank you for being here, Ms. Fraser.

Under the current structure, the environment commissioner is appointed by the Auditor General and reports to Parliament on behalf of the Auditor General. Given the rising importance of the

environment, would you agree that we now require a totally independent office of Parliament—someone who reports directly to Parliament, as opposed to reporting through the Auditor General's office? Are we getting direct input? Would it be any more efficient?

Ms. Sheila Fraser: I think the real issue is about the mandate and responsibilities that would be given to a distinct office. Would it go beyond auditing to policy advice, evaluation of policy, and assessment of programs the government puts forward? Those are the kinds of issues that seem to be coming up more frequently, certainly in some of the draft legislation that is being put forward. That is not a role that the Office of the Auditor General or a legislative auditor can fulfill.

I think the issue is what role that independent office would be given. If it is a role of audit, I see no advantage in creating a separate organization. I would be quite concerned, because, as I was trying to point out in the opening statement, environmental auditing is incorporated into many of our audits. It's not simply the work of the commissioner's group. The commissioner's group also works with all the other audit teams within the office to bring forward environmental audits. Audits that could be classified as environmental in nature are not all reported in the commissioner's report. We have done a lot of work on the test ranges in national defence, fisheries, and a number of other areas that are not reported through the commissioner's work but are reported in the Auditor General reports.

So we would have to continue to do environmental auditing, and I don't see that there would necessarily be an advantage in establishing a separate office to do environmental auditing. If there were to be a separate office to do the policy advice, that of course is a mandate we could not fulfill.

Mr. Anthony Rota: It's been said in the past that the Auditor General's office has an audit function, definitely, but it has a bit of an advocate's position as well, advocating for policy in different areas. Could you clarify for us how you would differentiate between what you do in the Auditor General's office as, say, an advocate for the environment, and how that would fit together, and how you could see that working?

• (1125)

Ms. Sheila Fraser: Advocacy—I'm not sure this is the right term. We certainly try to promote good management practices, be it financial management, human resource management, environmental management. We certainly have a role, I think, in education on issues, but all the work we do is based on the audit work we do. We will not comment on government policies.

If I can take an example, which I think is an example we use quite frequently when we explain that we don't have a policy—we can't comment on policy. When we did our audits on the firearms registry, we never commented about the policy of having a registry. We talked about the management and the implementation of that policy. To us, there's a very clear distinction. When we talk about, for example, Kyoto, it is because government has signed, there is a commitment in place, and we audit to that commitment, but we would not go out and make a comment as to whether that commitment is appropriate or not. So we start with the establishment of policy by government and then look to see, are commitments being met, and is policy being implemented as was intended by Parliament?

Mr. Anthony Rota: Since the news broke regarding the dismissal of the Commissioner of the Environment, questions have surfaced with respect to the independence enjoyed by officers of Parliament. How do you view this dismissal with this in mind, and what measures are you going to put in place in your office to ensure that objective, frank, and independent analysis of government continues?

Ms. Sheila Fraser: I obviously cannot comment on the circumstances surrounding Madame Gelin, and I would take some exception to the word “dismissal”, but I obviously can't go much further than that.

As the legislation is established, the Commissioner of the Environment is an employee within the Office of the Auditor General, has the same status as any other assistant auditor general, such as Mr. Thompson and others. So the decisions over hiring and all the rest of it, and the naming of the commissioner, are ones for the Auditor General.

Agents of Parliament or officers of Parliament have a different regime. We are Governor-in-Council appointees and have certain protections, if you will, within our act about how Governor-in-Council appointees—the Auditor General and others—can be dismissed. The Auditor General can be dismissed, but only after a vote of the House of Commons and the Senate.

Mr. Anthony Rota: How did offices in other jurisdictions, such as the United States and the Government Accountability Office, have the mandate of providing priority environmental policy expertise? That's clearly taken out of our mandate here in Canada. Is the mandate for Canada's Office of the Auditor General set by legislation, or is it policy that is running it? You are commenting on policy to a certain extent. I know you've mentioned you are dividing the two, but there is comment on policy just by the fact you are auditing it.

Ms. Sheila Fraser: I can begin by saying that the mandate of the Government Accountability Office of the U.S. and the Auditor General of Canada are very different. The GAO in the U.S. does work conducted on behalf of Congress, and 90% or more of their work is directed by Congress. In some ways, I think you could say they're almost like a research branch for Congress. So they provide information that Congress asks of them, whereas under the Auditor General Act it is the Auditor General who decides what audits to do. Obviously, we take requests from parliamentary committees into consideration, but we are not required to do the audits that parliamentary committees will ask us to do.

We base all our work on the standards for audit and insurance that govern auditors in Canada and are in fact even part of the

international standards. It is very clear in those standards that there are two standards that affect how we deal with policy. One is what is called self-review: you can't conduct work and then audit it because you would be in a conflict. The other is what is called the advocacy threat: that you cannot advocate a policy or a principle and then audit it. So we follow those standards very rigorously, and I think they have served us very well. And that is why we are credible in our work: we are seen as being objective as to the policy. We obviously audit the implementation, and I think it's true to say that at times when you see very poor implementation it can call the policy into question, but we would not as an office comment on the policy itself.

•(1130)

Mr. Anthony Rota: It's a chicken and egg situation. You're looking at the policy and you're commenting on it, yet your comments are going to influence the policy.

In the past, has the Auditor General's office, even under your supervision, ever provided priority expertise to the Government of Canada, even if it has been asked for?

Ms. Sheila Fraser: We have, at times, given comments to government when they are considering a policy. I can think of a couple of cases. But it has always been based on audit work. We basically say that in this audit we found issues around XYZ, and you should probably consider that in developing this policy. I can think of one example when they did the internal audit policy. We had done an audit just before that. We said we think you should consider this, this, and this.

Of course it's up to government to decide how they want to address that.

Mr. Anthony Rota: You're saying you can give prior advice based on past experience. It's advice that is based more on the process, as opposed to what will actually happen in the country or in the actual implementation if this policy takes place. It's going to be more the process you are commenting on.

Ms. Sheila Fraser: That's right. Our work is really limited to the management of a policy, not the decision to implement a policy or not.

Mr. Anthony Rota: How am I doing for time?

The Chair: Your time is up. We'll come back to you on a second round.

Mr. Lussier.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Thank you, Mr. Chairman.

Madam Auditor General, I'm particularly concerned about staff duplication. To begin with, I would like an overview of the situation. Were any full-time staff assigned to the Office of the Environment Commissioner?

Ms. Sheila Fraser: At the Office of the Auditor General, we are divided up into groups of auditors. We have about 10 groups which are each comprised of 40 to 50 people, and one of these groups is the commissioner's group. So there are about 45 people who work full-time in the commissioner's group.

Mr. Marcel Lussier: Can the environment commissioner borrow staff on a temporary basis from the other nine groups to conduct some of his audits?

Ms. Sheila Fraser: Yes, the commissioner can. Obviously, the commissioner's group works with other groups as they conduct their audits and other groups can, in turn, occasionally conduct audits which may be included in the commissioner's report.

The example I'll use is the audit on water quality on reserves. The team responsible for the Department of Indian and Northern Affairs Canada carried out that audit; however it was included in the commissioner's report.

Mr. Marcel Lussier: Do you keep a record of this type of collaboration? For example, are you able to say that over the course of last year 200 person-days were spent on environmental issues? Do you compile such data based on attendance lists?

Ms. Sheila Fraser: Not really. We keep records of the time spent on various products. Obviously, we can't tell you how many audits were carried out where the environment was the sole focus or one of many. We could provide an estimate in response to the question you're asking, but we do our calculations based on the various products.

For example, we keep separate records in relation to the commissioner's statutory duties, i.e. petitions and sustainable development strategy audits, as well as for the activities carried out by the Office of the Commissioner.

• (1135)

Mr. Marcel Lussier: I now have a better idea of the employees' structure.

We are also wondering about advisory committees. Are there any advisory committees which specifically deal with environmental issues?

Ms. Sheila Fraser: There is an advisory committee to the commissioner which appraises the commissioner of any major developments and discusses the focus of potential audits. As with all audits we conduct at the office, there are advisory committees specific to each audit.

Mr. Marcel Lussier: Who appoints the Environment Commissioner's Advisory committee members?

Ms. Sheila Fraser: The commissioner does, in consultation with the Auditor General.

Mr. Marcel Lussier: I would now like to discuss paragraph 5 of your presentation.

You state that the commissioner's role should "include policy evaluation, advocacy of sustainable development", etc.

My question is in relation to a term you used in your presentation, policy advocacy. Is advocating sustainable development policy advocacy?

Ms. Sheila Fraser: I would point out, Mr. Chair, that paragraph 5 refers to the committee's 1994 report.

Mr. Marcel Lussier: I see.

Ms. Sheila Fraser: It refers to what the committee recommended.

I think you would have to clarify exactly how it's done. If you say that sustainable development is an important issue in Canada and that it must be implemented, well then I think that is acceptable. If you go so far as to say that the government must adopt such and such a policy or go down a particular path, then it is inappropriate for us to do that.

Mr. Marcel Lussier: Can you tell me in French what you said in English when you said that there was a very fine line when it comes to commenting on government policies. What is your role?

Ms. Sheila Fraser: Our work involves accepting from the outset the policies the government has developed, policies which have been adopted by Parliament. We must not comment on these policies. We can audit the implementation, ensure that the policies comply with the legislation in place, but we cannot say, for example, that particular legislation is required or that a statute should be amended. We can sometimes raise other concerns, but it would be inappropriate for an auditor to get involved in policy development because the auditor will be forsaking his or her independence and objectivity, and as a result, the credibility of his or her reports.

Mr. Marcel Lussier: I would like to ask you another trick question.

Is advocating Quebec's policy to lessen Quebecer's reliance on oil policy advocacy in your opinion? Quebec has a very clear policy stating it will reduce its reliance on oil by introducing new energy sources with a strategic view to reducing greenhouse gas emissions. In our opinion, there is a very direct connection between greenhouse gases, oil and the oil sands.

If a commissioner were to get involved in this issue and state that reducing reliance on oil is a very noble goal, is the commissioner engaging in policy advocacy?

Ms. Sheila Fraser: I think that it would be inappropriate for a commissioner to comment on a policy which is first and foremost a Quebec policy and not a federal one. If there were a federal policy or a statute stating that we must curtail our reliance on oil, it would be appropriate for us to request information on any strategies adopted, the plan, and the measurement of its implementation.

What we are able to audit is the implementation of this policy and the effectiveness or efficiency of the way it is being managed. It would, however, be inappropriate for us to say that such a policy must be adopted. It is up to parliamentarians to do that.

Mr. Marcel Lussier: So, if a commissioner were to say that he or she encouraged a reduction in Quebecers' reliance on oil, that would be meddling in an area which is off limits.

• (1140)

Ms. Sheila Fraser: You'd have to look at the specific circumstances, but I think that would be walking a very fine line.

Mr. Marcel Lussier: I still have two minutes left. Would you like to use them, Paul?

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you very much.

Good morning, Ms. Fraser. I am really glad to see you here today.

In your presentation, you said:

Auditors from around the world have requested our advice and many of them have taken courses on environmental auditing that we developed here in Canada.

Given your skills in other areas, I am hardly surprised.

Do you know the lay of the land in other organizations? Is there a comparative table outlining the approach of other G7 or OECD countries, countries that may be compared with Canada?

Ms. Sheila Fraser: The Office of the Auditor General is a member of an organization which comprises the offices of United Nations member countries' auditor generals. We have chaired an environmental audit task force for the past six years. Over 50 countries are represented on this task force. The vast majority of them really have very little experience in environmental auditing, despite being fully aware of how important it is and wanting to do more.

There are a few countries which—

Mr. Paul Crête: Could you give us some details on four or five countries that carry out environmental audits?

Ms. Sheila Fraser: I think we have that information. I can get it to you. Most countries don't specifically have a commissioner as we do in Canada, but their office of the Auditor General looks after environmental auditing.

Mr. Paul Crête: In paragraph 9, you stated:

[...] the issue is about expectations that are being placed on us that we cannot fulfil.

If the government made you responsible for an evaluation which wouldn't normally be considered part of your auditing role, but which would not be a requirement under other legislation, would you agree to that? For example, what if you were called upon to do environmental auditing, but were asked to focus on a specific area. Could you do that sort of work? And if you could, have you thought about the recommendations? In other words, do we need an environment ombudsman?

Ms. Sheila Fraser: Obviously, when we've seen bills calling on us to do something which is incompatible with our role and our standards, we have worked with the bills' sponsors in an attempt to amend them to make them consistent with what we are in a position to do. In addition to this, we have suggested they find other organizations which may be able to carry out this role.

The round table was the organization referred to in Bill C-288 which would take on responsibility for these activities.

Obviously, should government or Parliament decide to create another officer of Parliament or another organization to play the role we cannot play, we would not be in a position to comment on this.

Mr. Paul Crête: Do you feel that there is a role which is currently not being carried out by anyone?

Ms. Sheila Fraser: Based on the bills which have been brought to our attention—and that's why I have raised this issue with the committee—there seems to be a discrepancy between expectations

being placed upon us and what we are actually in a position to do, and people are not aware of this. We considered that the onus was on committee members to determine whether indeed there is a discrepancy and to decide whether this discrepancy should be examined by this committee.

Mr. Paul Crête: Thank you very much, Ms. Fraser.

[English]

The Chair: Just for members' information, everybody did get a copy of the summary from the working group on environmental auditing. It gives you a bit of background on what's happening in some of those 50-plus other auditing groups.

Tim is still working on a little more information for us, as that was brought up last time. So we will have more information on that for you.

Mr. Cullen.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair.

Thank you to the Auditor General for being here today.

It's been said and needs to be said again that you have done exemplary work over the years. Congratulations on that.

There seem to be two fundamental criticisms or concerns that you raised on the notion of moving the Commissioner of the Environment out. One is around effectiveness—the ability to effect change within government policy and performance. The second is around straying into policy. You've talked about expectations that have been raised.

On the expectations question, I remain confused, because I don't know why that would matter, why you would care or why the Commissioner of the Environment would care that an NGO or a member of Parliament incorrectly interpreted the mandate of the Commissioner of the Environment.

I remember reading Mr. Rodriguez's bill, Bill C-288, the first time, and there was a note in it about who would assess the government's policies. My first thought was “We have to strike that out, because it doesn't work.”

So there will always be expectations. Some will be right and some will be wrong. But I will not use that as a motivation to direct my deliberations on this.

On policy, you said that auditors can't audit themselves. It's a very important principle. If the Government of Canada has a legally binding commitment to do a certain thing—let's take the Kyoto Protocol as an example—and the government then puts forward a plan that, by their own admission, will fall short of that commitment, is there any room for an auditor to comment on that?

• (1145)

Ms. Sheila Fraser: Yes. Can I just answer both parts of the question?

On the issue of the expectations, yes, there was Bill C-288, but there's also Bill C-377, which again comes back asking the commissioner to do policy analysis and provide advice to government. So we interpreted that to mean there were expectations of parliamentarians that we could not meet, and said this is something the committee might want to raise.

If the committee believes that this is easily addressed and there is no expectation gap, then that's fine. I interpreted these draft bills differently in thinking that people expected more from our office and from the office of the commissioner than we can do under our legislation and under the standards that guide our work.

You are correct to say that when there is a legally binding agreement or when there is a policy or a law from government, we can quite legitimately ask what the plan is to address this, and what kinds of measures you have put in place to ensure that you meet those targets. If government itself is saying that we're not going to meet them, it is quite legitimate for us to report that. That is what we did this past fall, in fact. We said that the measures are not in place—

Mr. Nathan Cullen: And that's wrong.

Ms. Sheila Fraser: —and it's going the wrong way, and something needs to be done if we are to meet this commitment.

Mr. Nathan Cullen: I can remember specific conversations like this at this committee, with the former commissioner. The government had made commitments for fiscal reform, to change the way we tax in Canada in order to encourage more environmental initiatives. The previous government had made numerous commitments to that, yet when the finance department was asked for those commitments, they weren't forthcoming. They said we just simply won't do it.

What's strange for me, as a person not familiar with government and auditing practices, is that someone would just refuse an auditor's clear recommendation.

I suppose what I'm getting at is that the line between auditing and looking backwards exclusively under traditional practices, and looking forward and saying your actions don't meet your legally binding commitments—which seems to stray almost into policy—doesn't seem as clearly defined as one would hope it would be in an ideal world. There are moments when you say to government, as the auditor, “Your future actions and your policies are not matching your commitments, and you must change course or change your commitments”.

Ms. Sheila Fraser: I would just like to add, Mr. Chair, that in order to make the statement that your actions are not meeting your commitments, we would have to base that on an evaluation done by government. We would not conduct that evaluation ourselves. We could say government does not know if it's going to meet it; government doesn't have a plan in place to meet this commitment; or government has done an evaluation, and the evaluation says they won't meet it. We, ourselves, as an audit office, would not do that evaluation.

Mr. Nathan Cullen: If the government came forward and said—again, I'll take the environment because it's the most pertinent, obviously—that we plan to reduce pollution by 100 megatonnes, and then presented a plan that would, by its own admission, reduce it by

much less than that, a commissioner of the environment would comment on that, I would assume.

Ms. Sheila Fraser: The Commissioner of the Environment could say, “The government has said they would do this, and the plan only gets them this”, but that would be as far as—We can only report, if you will, the facts.

• (1150)

Mr. Nathan Cullen: And you would leave the conclusion to members of Parliament to say either change your commitment or change your plans, because you're out of line.

Ms. Sheila Fraser: That's right.

Mr. Nathan Cullen: The question of effectiveness—you raised this before, and I'm very confounded by the idea. You said that the office of the commissioner's recommendations had not been taken up enough, and you used the number 20%, I believe. Where did that number come from?

Ms. Sheila Fraser: That is our own internal tracking with departments as to how much progress they have had.

Mr. Nathan Cullen: What was that based on? Is that since the commissioner has existed, or—?

Ms. Sheila Fraser: We look at recommendations four years after the fact. We would expect that after four years, the recommendations would have been put in place.

As I mentioned, I think that in this review we want to do, we have to understand why that is the case and go to the departments. I think the next report we will be coming out with, for which we actually go back and re-audit, will give us a much better sense of how recommendations are actually being put into place for more rigorous follow-up.

Mr. Nathan Cullen: Can you provide the report that led you to the 20% figure? I think it's important for us to understand your own assessments of effectiveness, and in connection to what types of policy decisions we're trying to make here at the committee.

If the argument is made that the Commissioner of the Environment's office must remain here because it will be more effective than it would be externally, then under true auditing practices there must be a basis for that assessment, on which you would come to that conclusion.

Ms. Sheila Fraser: With respect to the issue of effectiveness, one of the measures we use is implementation of recommendations, and we are trying to increase that across all of our work. The internal review that we talked about was to look more specifically at whether there are specific issues related to the way we have been doing our audits and, for example, follow-ups. We haven't done a lot of follow-ups, and that I think has been a very useful tool with many others to come back to parliamentarians and say we reported this to you so many years ago. So maybe one of the things that we want to do is to do follow-ups more frequently. This is a personal impression, but I don't think that should be the basis for deciding to move it in or out. I really think that this is about trying to improve our audit practice.

You were indicating there was no expectation gap. If that's the case, and people don't want policy advice and don't want that, then the discussions probably end.

Mr. Nathan Cullen: It's not so much that there probably isn't an expectations gap, it just doesn't matter. If members of Parliament write bills or non-government organizations create expectations that aren't fitting the mandate, then that's our own fault.

So let me just talk in a moment about the notion of effectiveness. I'm trying to imagine, because the idea is that you'll release reports and at every quarter a part of your report will be on the environment.

Ms. Sheila Fraser: That was a proposal for consultation with members. There has been no final decision on that.

Mr. Nathan Cullen: That's one of the options.

Ms. Sheila Fraser: It was one of the options, and we would certainly like to hear what members think about it.

Mr. Nathan Cullen: I will tell you what I think, if I may.

I'm trying to remember back to the reports that you released that had a big impact. I live in a rural riding. The gun registry one, for example, had a big impact through the media.

Ms. Sheila Fraser: Media impact.

Mr. Nathan Cullen: Sure, yes. True indeed, because we are still with the gun registry.

The sponsorship program. I'm trying to imagine one of these little books being presented along with your conclusions on the sponsorship program and trying to imagine any attention being given, no matter what was in this environment book, because what happened in those moments in terms of the media and the public attention clearly went to something that was quite large and lasted for a year or two.

My opinion, and I am not so much asking a question as I am stating this, is that the chances of the environment being elevated even further with you releasing other reports on other audits just based on past experience and effectiveness—I'm really suspicious of that. I just can't imagine a report on water quality on first nations reserves given by the Commissioner of the Environment standing with a sponsorship program report. It's got a snowball's chance. There's just no way.

Ms. Sheila Fraser: I would just assure the committee that I hope I never have to have another report like sponsorship.

Mr. Nathan Cullen: I'm sure the current government hopes you never have another report like the sponsorship as well.

Ms. Sheila Fraser: We have issued probably close to 150 audits. I would say there have been three or four that have received that kind of exceptional media attention.

• (1155)

Mr. Nathan Cullen: My last question—

The Chair: Hopefully we'll get back to you.

Mr. Warawa.

Mr. Mark Warawa: Thank you.

Ms. Fraser and Mr. Thompson, the reason why you're here before us today, of course, is for us to hear your testimony regarding the motion that was tabled last week from Mr. McGuinty suggesting that the office of the environment commissioner be separate from the Auditor General's office.

I have a couple of questions. Mr. Chair, I will be splitting my ten minutes with Mr. Harvey, so I'll just be taking five.

How is the Office of the Auditor General audited?

Ms. Sheila Fraser: Audited?

Mr. Mark Warawa: Yes. Can your office be audited?

I really appreciate the job that you've done in making sure you measure the effectiveness of how we work as government. I love your reports. I keep in my folder here the highlights since 1998. I won't read those. But I'm sure you'll be keeping this government accountable too.

How is your office audited?

Ms. Sheila Fraser: In fact, several audits are done of us. Obviously a financial audit is done each year. That is done by a private sector accounting firm, and those audits are published in our departmental performance report.

The real issue, though, is not our management of finances, because it is not that complicated within our office. The issue is really about the quality of the work we do and what we have done.

In 2001, I believe, we had a peer review done of our financial audit practice by a major firm in the private sector. The report was released in 2004.

In 2000 we had an audit done of our performance audit practice, of which the environmental audit is part. That was done by peers of ours. An international team—the audit offices of France, Norway, and the Netherlands, led by Great Britain—did an audit of us. The report is on our website. As with any audit, there were recommendations, and our action plan to address those recommendations is there as well. We are planning to have another peer review done by an international group of colleagues before the end of my term.

Mr. Mark Warawa: You mention in paragraph 7 that your office has become a world leader in environmental auditing. You've also mentioned that in the 50 nations in the international auditing community, most governmental environmental auditing is done through an auditor general's office or through a design similar to what we have. Is that because of the success we've had in Canada—because we are world leaders—or is it the other way around?

Ms. Sheila Fraser: I'm not sure I can answer that. There are some countries—New Zealand, for instance—that have a distinct commissioner of the environment. Most countries, though, do not have that kind of position, and most countries, quite honestly—well, some of the European countries do a fair bit of environmental auditing work. I would look at countries like the Netherlands, Norway, and probably Great Britain, to a certain extent; they in fact do environmental auditing, and it is done by the auditor general or the auditor general's equivalent, so it is part of their work.

I was trying to make the point in my opening statement that our environmental audit practice is not limited simply to reports issued by the commissioner. It is integrated into all the audit work we do, even financial audits or audits of crown corporations; the environmental aspect is integrated throughout the practice.

Mr. Mark Warawa: What would be the pros and cons, the advantages or disadvantages, of having the commissioner's office separate from your office?

Ms. Sheila Fraser: As I said earlier, I think the issue is really about the role the separate office would have. If it were to have a role of policy analysis advice to government, that is obviously not a role we could play, and so obviously there would not be a conflict with us. If it were set up as a separate audit group, I would be concerned for a number of reasons. Duplication would be one, but also we would have to continue to have a group of environmental auditors within our office to be able to do all our other audits. The environment is a very important part of government management, so I would certainly be very reluctant to say I'm not going to do that anymore and someone else will do it.

I look at other organizations that exist and may have an auditing role as well—for example, in the case of the Public Service Commission, which has an audit role over classification, we still continue to do audits of human resource management, so it's not because somebody else may have parts of it that we would not audit a very important issue.

• (1200)

Mr. Mark Warawa: Thank you.

The Chair: Mr. Harvey is next.

[*Translation*]

Mr. Luc Harvey (Louis-Hébert, CPC): Ms. Fraser, I listened to my colleagues' questions and I think they're trying to politicize the environment commissioner's role. Based on their questions, they seemed to be trying to make the commissioner a policy advocate.

The Auditor General's role is apparently to compare the government's objectives and the outcomes. Is that correct?

Ms. Sheila Fraser: The objectives must be made clear and explicit, whether via legislation, a policy, or some other mechanism. Objectives may, for example, be announced during an election campaign by a party hoping to form a government. We wouldn't comment on such objectives. However if a policy or legislation were adopted, we would review its implementation and audit the way in which the government is meeting its objectives.

Mr. Luc Harvey: If there were to be an independent environment commissioner, would you still need to conduct environmental audits?

Ms. Sheila Fraser: Absolutely. The environment is a very important issue and is part of many of our audits. We would need to continue with our environmental auditing and maintain the expertise we have at the office.

Mr. Luc Harvey: So if this comes about, there would be a direct duplication of a service.

Ms. Sheila Fraser: Indeed, that is if the separate office had an auditing role.

Mr. Luc Harvey: I see. The crux of the matter then is to determine whether, at this time, the environment commissioner should no longer be under your watchful eye. But based on your answer, regardless of what happens, even if the position of environment commissioner wasn't created, specific environmental auditing would still need to be carried out.

Ms. Sheila Fraser: It would always be part of our role to conduct environmental auditing. Should the position of environment commissioner be created as a separate entity, a lot would depend on the terms of reference given to her organization.

Mr. Luc Harvey: When people try and use you or a commissioner for partisan purposes—try being the operative word—your response is that it is important you do not get involved for the sake of your credibility. Why do you say this?

Ms. Sheila Fraser: We must always remain objective, and be perceived as being so, in the work that we do. If we were to get involved in policy development and public commentary on a policy, we would no longer be credible and our work would suffer as a result. The Auditor General's independence is absolutely crucial to each and every activity engaged in by the auditor.

Mr. Luc Harvey: I see. So you walk a very fine line in your position.

Ms. Sheila Fraser: It is quite clear to us that we must never comment on policy. We can talk about its implementation, performance, measurement mechanisms to determine whether objectives are being met, but we must never comment on a policy.

• (1205)

Mr. Luc Harvey: How much time do I have left, Mr. Chair?

[*English*]

The Chair: You have 20 seconds left.

[*Translation*]

Mr. Luc Harvey: This comment is addressed to Mr. Lussier.

The oil burnt in Quebec doesn't come from Alberta's oil sands, it comes from overseas. It's imported and refined at the Ultramar plant, which is located right near Quebec City. So when the Bloc Québécois makes the spurious connection between pollution in Quebec and what I've just referred to, it is once again engaging in somewhat biased rhetoric.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Mr. Harvey.

I'm not sure where that fits into this discussion.

Mr. McGuinty, for five minutes.

Mr. David McGuinty (Ottawa South, Lib.): Thank you very much, Mr. Chairman.

Thank you very much, Ms. Fraser, and I'm sorry I'm late. I was in the House debating another motion on Kyoto and important issues related to a lot of the work we're talking about today.

Ms. Fraser, as a parliamentarian, I feel a strong sense of responsibility to come back to last week. I guess I would preface my questions to you by reminding you, and everyone who might be watching and following, that as an agent of Parliament, you are accountable to parliamentarians, and it is our job to occasionally ask tough questions.

I'd like to come back to some of the discussion we had last week. We met last week in camera, against my protests at the time, and we were told that you would be making an announcement later that day. There have been many questions raised since then by the public, by the media, and by my constituents, who are asking me if I can give them an answer about what has transpired.

I think you know that your testimony here in committee is protected by parliamentary privilege. You know that it has no bearing on any kind of legal matter that might be outstanding, and I don't think it would prejudice the outcome of any potential legal dispute. And I don't know what the state of that is at all.

As a parliamentarian, I have to ask you now, directly, for your full disclosure of what we discussed last week. I guess the question is whether, yes or no, in simple terms, Madame Gélinas was dismissed from her post as environment commissioner last week. And if she was dismissed, what were the grounds for her dismissal?

There were statements made last week by you about the effectiveness of the commissioner's reports. Some have come to me and said that obviously the Auditor General was not satisfied with Madame Gélinas' performance, to which I cannot reply. Did this contribute to your decision to dismiss her, if she was in fact dismissed?

So maybe we can start with that, if we could.

Ms. Sheila Fraser: Mr. Chair, with all due respect to the member, as I said last week, I cannot discuss these issues. It is a question of respect for individuals. I think it would be totally inappropriate for me to be discussing this in public. I am not trying to cover things up, but I believe very strongly in respecting individuals in this case. There are privacy issues, and I cannot discuss this here. I can't go any further than what I said last week.

The Chair: Mr. McGuinty, could you get on with your motion? I think you're stretching it a little bit. I believe you've heard that answer now at least three times, and pursuing it I don't think will accomplish very much. We can talk after about other options you might want to take, but if you could, just get to the motion at hand.

Mr. David McGuinty: Well, the only question I would put to the Auditor General, then, before I come to the motion at hand, is this: If not here, then where? Where is this to be discussed, if it's not here with parliamentarians?

Ms. Sheila Fraser: Mr. Chair, I do not believe that discussing personnel issues at the Office of the Auditor General that involve people within that office is appropriate in any public discussion.

The Chair: Okay.

You may proceed, Mr. McGuinty.

• (1210)

Mr. David McGuinty: I will. I will proceed.

Ms. Fraser, as the Auditor General presently overseeing the commissioner's position, did you partly come to your position today because there was a difference in opinion on how the mandate ought to be exercised by the commissioner?

Ms. Sheila Fraser: Mr. Chair, I raise the question of what appeared to be an expectation gap for consideration by the committee because there have been two draft bills put forward that ask the commissioner to do work that is incompatible with the mandate. It is, I think, an issue that is worth consideration by the committee. Or at least the committee can give us an indication that, no, that is not a consideration and they don't think there is that expectation gap. That is why we brought it forward to the committee, to see if the committee felt that there was.

The Chair: Mr. McGuinty, we have two questions here. We have your motion about splitting the office, and then the Auditor General has suggested that we come up with parameters for that environment commissioner, either in or out. So I suggest we deal with that independently.

Your time is just about up, but I will give you one more question if you can make it fairly quick.

Mr. David McGuinty: Can you help us understand the mechanism by which your office receives funding? How important is that mechanism for the independence of your office?

Ms. Sheila Fraser: Up until this past year, the funding went through the same process as any department. So we would put a submission in to the Treasury Board Secretariat, and it would go through the normal course. We raised the issue in the office for many years that we didn't believe that process was sufficiently independent, and that the people who were assessing and recommending the funding were the people we audited.

We are very pleased that there has been a change. There is a parliamentary panel now that reviews the funding requests of all officers of Parliament. It is a panel that is advisory to the Speaker of the House. We met with the panel just this past November, and we appeared with the Treasury Board Secretariat.

The Treasury Board Secretariat obviously conducts the usual analysis of the funding requests and submission. They were in agreement with the submission and recommended the submission we put forward. But the parliamentary panel also reviewed it and recommended it to the Speaker. The Speaker then transmitted that recommendation to the President of the Treasury Board. It does not have the force of automatic application; it's a recommendation.

All the officers of Parliament are in agreement with this mechanism. There's a two-year pilot, and we're hopeful that it will continue and give us a little more independence and parliamentary oversight.

Of course, the office also appears before the public accounts committee—in fact I just appeared on Monday. We review our report on plans and priorities and the departmental performance report with that committee as well.

Mr. David McGuinty: Thank you.

The Chair: Thank you, Mr. McGuinty.

Mr. Calkins, please.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chairman.

I'd like to thank you again, Madam Fraser.

Mr. Thompson, I'm not sure if we can bestow on you an honorary membership to the committee, but I certainly appreciate the amount of effort you've made to appear before this committee recently.

I think I made it clear in the last discussions we had that I'm very concerned about the integrity of the Office of the Auditor General being threatened by adding the role of advocacy. I believe that as a parliamentarian it's my responsibility to advocate policies, and as a government parliamentarian it's my job to advocate the policies of the government. You've been very clear on that. I don't think we need to go down that road any more.

We've talked about duplication as well. You're concerned about splitting the office, and some of the duplication that would occur simply because you would still have some overlap in your office between an independent office, auditing environmental perspectives, and so on.

If we talk about the duplication from another perspective and look at the mandate of the national round table, it clearly says that it "acts as an advocate for positive change, raising awareness among Canadians and their governments about the challenges of sustainable development".

From a Canadian taxpayer's perspective, I believe government funding is provided for the national round table. We're already funding advocacy using tax dollars, and my constituents have complained to me that the tax dollars shouldn't be used to fund advocacy at all. But that's from my constituents, and I'd like to throw that little plug in.

From a duplication perspective, it seems to me that creating an independent office that does more advocacy doesn't seem to be a wise use of tax dollars. In your experience, are there other government organizations that I'm perhaps not aware of that already get paid or receive government funding to advocate on behalf of the environment?

•(1215)

Ms. Sheila Fraser: I'm really afraid, Mr. Chair, I can't answer that. We haven't done a review of organizations that might receive funding that do environmental advocacy. Obviously there are many groups out in what we call civil society that do that kind of promotion, and education role as well, and whether they would receive government funding or not I really don't know.

If I could just add, certainly from the comments of members that we've received, I think they view our reports as credible and useful, and I would certainly hope we would be able to continue that work as we do now.

Mr. Blaine Calkins: I'm not sure, maybe this is a quick yes or no. Because the national round table does receive federal funding, are they under the scrutiny of the Office of the Auditor General?

Ms. Sheila Fraser: They can be subject to audit by us. I don't believe we have actually audited them, not that I know, but yes, they would be part of the agencies and organizations that we could audit.

Mr. Blaine Calkins: I just want to be clear, Mr. Chairman, that I'm not going after the national round table here; I'm just trying to draw some comparisons on where tax dollars are going and where they should be going.

If you were to do an audit of the national round table, with a mandate of advocating on behalf of the environment, how would you as an auditor audit the advocacy capabilities of the national round table?

Ms. Sheila Fraser: We would have to look, as at any organization, at how did they interpret their mandate, what do they see as their objectives, how would they measure that, and then what kinds of resources do they have to do that and what plans do they have in place to do that?

Obviously there are many objectives that are difficult to quantify, and we would really look at how any organization manages itself and how it establishes its own practices and objectives.

Mr. Blaine Calkins: How much time do I have left, Mr. Chair?

The Chair: You have 30 seconds.

Mr. Blaine Calkins: I'll go really quickly here.

I was really impressed with the comment you made that the Auditor General's office here in Canada is a world leader. If the mandate of the Auditor General's office or the environment commissioner were changed to include an advocacy position, what effect would that have on our international credibility?

Ms. Sheila Fraser: If the mandate of the Office of the Auditor General were somehow changed to include advocacy, we would have a very serious problem with that, because we would not then comply with the standards that govern our work.

We have a standards-setting body in Canada that sets all of the standards for audit, and there is a very clear standard that talks against advocacy, and we would not comply with those standards. So I would obviously object very strenuously to that, and we would not be able to do that kind of work.

The Chair: Mr. Lussier.

[Translation]

Mr. Marcel Lussier: Madam Auditor, the commissioner's role is to monitor sustainable development and to report on the departments' progress. Each department must bring forward an action plan either periodically or annually. Do you have to comment on these action plans? Does each department actually submit an action plan? Are you able to reprimand departments that fail to table their plan or are late in doing so? Have you ever been called upon to engage in such commentary?

•(1220)

Ms. Sheila Fraser: Under the changes made to the Auditor General Act in 1995, some, but not all, departments are required to submit a sustainable development plan every three years.

Mr. Marcel Lussier: Every three years.

Ms. Sheila Fraser: There are about 25 or 26 departments that are required to prepare the plans and to table them. The most recent ones have just been tabled or are about to be.

Mr. Marcel Lussier: Where are they tabled?

Ms. Sheila Fraser: In Parliament.

We audit these plans, which contain a number of measures. We choose some of these measures and audit them to determine whether the departments have implemented them as they had promised. We also comment on the quality of the plans. The commissioner is required each year to devote part of the report to sustainable development strategies.

Mr. Marcel Lussier: Are you saying that the current government has already tabled or will be tabling many of these action plans?

Ms. Sheila Fraser: They were tabled in December.

Mr. Marcel Lussier: Is there a deadline for doing this every time there is a new government? When a new government comes to power, can there be a three-year delay before the action plans are tabled?

Ms. Sheila Fraser: No. This is mandatory. Departments must table these plans. The plans were supposed to be tabled in 2006, and they were tabled in 2006.

Mr. Marcel Lussier: I see. So departments have less than 12 months to table their action plans.

Ms. Sheila Fraser: The plans have to be tabled every three years. The officials who work on these plans must table them according to the schedule set out in the act.

Mr. Marcel Lussier: I was talking about tabling the plans in the context of a new government.

Ms. Sheila Fraser: Departments are required to table the plans, just as they must table financial statements every year, even if there is a change in government. The only factor that could affect the tabling of the plans would be whether or not Parliament is sitting.

Mr. Marcel Lussier: I see. There have been two environment commissioners, Mr. Emmett and Mr. Gélinas, and Mr. Thompson is performing the duties of the commissioner in an acting capacity at the moment.

How long does it take to replace an environment commissioner? Should we expect to see a new commissioner within 12 months, 6 months or a week?

Ms. Sheila Fraser: Thanks to our review and to the meetings we want to have with members of Parliament, we could draw up the profile of the next commissioner. The recruitment process could easily take as long as six months. I therefore expect that we will have a commissioner in place in about one year.

Mr. Marcel Lussier: Thank you very much. That is all I had.

[English]

The Chair: Thank you.

Mr. Vellacott.

Mr. Maurice Vellacott: I will have us turn our attention to reading the motion. Mr. McGuinty had a motion before us, in which he's calling for the role of the commissioner to transition to

...a full and independent Agent of Parliament ("Office of the Commissioner of the Environment and Sustainable Development") reporting to Parliament directly through the Speakers of both the House of Commons and the Senate—

I would like to ask you, Ms. Fraser, if you could explain whether there would be additional bureaucracy or repetition of functions if that were to happen.

Particularly, you may have read an article by former Liberal Minister of the Environment Sheila Copps. In it, she makes the point that at the time when she was the Minister of the Environment we were in the process of laying off 40,000 public servants, so it seemed logical to cut down on the creation of a new bureaucracy.

With that as a backdrop, could you respond in terms of whether or not there would be additional bureaucracy and some repetition of functions if that new and fully independent agent of Parliament reporting directly to the House and the Senate were to be established?

Ms. Sheila Fraser: Obviously, Mr. Chair, it will depend very much upon the functions that are given. The specific duties and functions are not described in the motion. If it were an audit function, yes, there could be duplication. If it were not an audit function, then we would have to look to see whether there were other bodies carrying out the functions being proposed. So I can't really answer the question because I don't know what the expectation would be.

If you go back to the report of the Standing Committee on Environment and Sustainable Development from 1994, what is actually quite clear is that they gave a different role to the independent commissioner that was being proposed by the committee. I can just quote from the foreword of that report. They are talking about the creation of an independent commissioner, and they say:

This proactive role is the purview of a Commissioner whose functions typically include policy evaluation, forward-looking advice, anticipation, prevention, advocacy, and the coordination of diverse initiatives.

Then they go on to say:

—the Committee has concluded that an expansion of the role of the Auditor General would enhance the accountability aspect of existing public policy—This rear view mirror role could provide useful insights on past performance, and would be a complement to the primary work performed by the Commissioner.

When we read this, it would appear that the committee back in 1994 saw the role of the commissioner and the role of the Auditor General as being very different. The Auditor General would do the audit function and the kind of review of the past, whereas the commissioner would have more of an advocacy role, commenting on policy, with a forward-looking kind of role. Those are very different roles.

• (1225)

Mr. Maurice Vellacott: This may be one, but I don't mean it as an unfair question: Do you have any kind of comparative when we look at some of those others, like the Commissioner of Official Languages or those bodies? In the most positive sense of the word, what kind of bureaucracy is required, along with the expense of running such an office in that fashion? In terms of numbers of employees—

Ms. Sheila Fraser: The budgets of their offices would probably be anywhere from \$2 million to \$5 million. They obviously have to set up an administrative structure.

Mr. Maurice Vellacott: Right. And how many employees are there, approximately?

Ms. Sheila Fraser: Forty or fifty employees.

Mr. Maurice Vellacott: Forty or fifty employees.

Thanks very much.

The Chair: Thank you.

Mr. Cullen.

Mr. Nathan Cullen: Thank you. I'll just quickly follow up on Mr. Vellacott's point.

As was pointed out, if I am to take climate change as an issue, which the Commissioner of the Environment obviously has much to do with, the expense was pointed out for inaction or failed action when it comes to climate change. I was asked yesterday by people from the lower mainland in Vancouver what adaptation would cost with a one- or two-metre rise in sea level for the lower mainland.

Mr. Warawa will know these. The immediate estimates that are going around Richmond and Delta are in the billions. So if we want to do some costing in terms of effectiveness, the more we can spend on prevention—

I believe the Commissioner of the Environment's office is primarily about preventative action in some ways, in order to not have us go down the wrong track. So let me ask you a couple of things.

You just made a suggestion that I think might be somewhat helpful for the committee. In 1994, when the committee was seized with the same question, there was much more of an advocacy role imagined for this office, and perhaps there was some distinction that the committee would consider in terms of what a commissioner might be all about. There are five functions: guardian, advocate, auditor, information provider, and adviser. Those five functions are contained in one office. It seems that would be challenging, under your experience.

Ms. Sheila Fraser: Yes.

Mr. Nathan Cullen: That's what New Zealand has in its Parliamentary Commissioner for the Environment. That's outlined as their role.

The one in the United Kingdom, which has had some great amount more success than we have had—and I wouldn't attribute it only to this—has three particular roles, according to their website: "Respond openly to Government policy initiatives", which is clearly into the realm of commentary on what the government's plans are; "Invite debates on controversial subjects"; and "Undertake watchdog appraisals of Government's progress".

It seems to me that it's an old adage in business that you can't manage what you can't measure. With an issue like climate change, where early action pays long-term benefits and inaction is very expensive, the stakes are quite high if we get this wrong. So far, we have gotten it wrong, I think, and the commissioner's reports and auditor's reports have said so in terms of what we hoped to do and what actually happened.

To not have somebody in that advocacy role, as Mr. Vellacott or Mr. Calkins mentioned, allows the issue of what the government's doing with respect to climate change to go to the to-and-fro of the political moment. Other things get attention. The accountability on something like emissions reduction, which is difficult to do, is not very strong.

I think you've made a suggestion to us that perhaps the original mandate or envisioned mandate for the Commissioner of the Environment—and one that's used by other nations that have been more successful than Canada in that advocacy or policy discretion role, while occupying a central place within the bureaucratic structure—might be something this committee should consider in regard to Mr. McGuinty's proposal.

● (1230)

Ms. Sheila Fraser: I brought forward the original committee recommendation because I found it very interesting. It clearly recognizes that there is a difference between audit—which is the retrospective, which is what the Commissioner of the Environment has been doing so far—and that forward-looking analysis of plans in a proactive kind of role, which an audit office cannot fulfill.

I'm not quite sure how the New Zealand one works, but the U.K. commission is like an advisory body to government. It's not an independent audit office type of model like the one we have.

Mr. Nathan Cullen: But it uses that advice based upon audits and what has worked and what has not worked. They draw upon the auditor's work.

Ms. Sheila Fraser: Sure, and I would hope the work of any audit office would help to inform and give objective information that could then be used for more proactive discussion.

Mr. Nathan Cullen: That seems to be what we've lacked over the years: the capacity to have a true watchdog.

This is my last question, because I know I'm going to run out of time.

On this straying into what is policy or not policy, we spoke about this recently this week. I don't get it, frankly. On the one hand, you're saying we must be very careful to have the auditor's office not commenting on policy. It's a fundamental. But in your letters to us, particularly the letter on February 5, you advocate for a certain policy measure—and I mean this with all respect, but I'm frankly just a little confused by it.

Ms. Sheila Fraser: I guess, Mr. Chair, we allow ourselves to comment on policy when it affects the Auditor General Act, because it has a direct impact upon the office and I don't think we can stay indifferent to that.

Mr. Nathan Cullen: I see. Okay, that starts to square the circle a bit for me.

All I'd say in my last comment to the committee members is that if we maintain the goal as members of Parliament to have the responsibility that the government performs well when it comes to the environment—and I would suggest performs better—then that watchdog, that role it has—

It's a question of legitimate voice. Mr. Calkins talked about the national round table and others, but it seems right now that the word of the Commissioner of the Environment in the last year certainly has been something that each and every member around this table has used to try to effect change. On any notion of losing that—and I know you'll make an argument on one side, of keeping it separate, and I'm going to be making arguments on the other, of having greater independence, not having it a part of your general reports, those types of things—anything we can do to strengthen that, not lessen it, particularly at this crossroads point for our country, seems important, because it's a unique role. I know of no other role, really, in the country, in my experience with the environment, than the one Madame Gélinas occupied in my two and a half years here. It was a very unique voice that we all, from all parties, relied upon consistently, because you couldn't question it.

And I know you'll make a point as to why it needs to be only backcasting, but I think there's a space—I really believe there's a space—to compare the government's commitments to its plans, and if they don't match, to say so, because in our world, matching promises to the reality is very difficult.

So I'll leave it there.

The Chair: Thank you.

Mr. Warawa, and then Mr. Godfrey.

Mr. Mark Warawa: Thank you, Chair.

I have a question to Mr. Thompson. Is the audit process continuing on the environment, with you now as the acting environment commissioner? I believe there is a report coming out in the not too distant future, so I'm wondering, what is the status of the audit on the environment?

As we all know, it's the number one priority of the government. Canadians have made it very clear that we need action on the environment. In the past, the office of the commissioner has been critical. My hope is that we get a good report, but we will be accountable for whether or not we're taking action and meeting policy.

So I just want an update. Is it proceeding?

Mr. Ron Thompson (Interim Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Thank you, Mr. Chair.

Mr. Warawa, it certainly is proceeding. We have a group of about 40 or 45 environmentalists who are also auditors, who are highly motivated young men and women. We have a report due for October that is going to be the statutory work—work on petitions, work on SDSs, on sustainable development strategies—but we're also going to take a very detailed look at some of the SDSs, to get into some of the departments to find out whether in fact these SDSs are achieving what they were designed to achieve, which is to put the environment and sustainable development on management's table.

We also have a report coming that we're hard at work on for February, which is a retrospective, a look back over about ten years. We're going to look at key recommendations and observations made by the commissioners over the past decade, and we'll be reporting that to you in February.

What we want to do with that is get a sense of, I guess, at the end of the day, have governments taken the environment and sustainable development seriously? One measure of that is the extent to which action has been taken on issues that we've raised and recommendations that we have made.

Looking beyond that, we have a plan that we've developed over the past several months. We know what we would like to report in subsequent years, and I'd like an opportunity, actually, to talk to individual members at some point to review with you the plan that we've evolved to date.

But the commissioner's office is alive and well, and the audits are on target.

● (1235)

Mr. Mark Warawa: Thank you.

Ms. Fraser, you've asked for input from committee members, and you've said that you will be meeting with us. There have been a few comments regarding the possible new reporting structure. Could you share with us—again, not dealing with policy—what are the advantages of going to the four times a year as opposed to the once a year? You've heard concerns that it will be lost in another report and not have the impact. Are we talking about four opportunities to hold the government to account on the environment, as opposed to one time a year?

I have five children and four grandchildren, and they definitely need to be told more than once, to be held to account. So is that their perspective, that the message would be getting out more often, or is it going to be lost? You've heard some of the concerns, so could you share with the committee what you see as the advantages of having it four times a year?

Ms. Sheila Fraser: The proposal would be to go to three times a year. A couple of the advantages we thought of, either a joint tabling or to do the—It's really about the tabling of the reports and to perhaps do a joint tabling. When the Auditor General tables, the commissioner also table reports at that time, or the environmental work be tabled at that time.

We saw two advantages to that. One was that when we deal with Auditor General reports we tend to get a broader variety of journalists, the kinds of journalists who are interested in government management issues. When we table the environmental reports, we tend to get a narrower focus. They view it as being an environmental issue and not that broad kind of government issue. So we thought we could get more journalists actually interested in the issues, and that might give us more attention.

Another issue too that we thought would be helpful is that all the Auditor General reports are automatically referred to the public accounts committee, and the public accounts committee really has a very rigorous kind of regime with departments about holding them to account for management issues. We believe that some of the environmental management issues should also be going to that committee.

That doesn't mean we can't find a way to do that anyway, but I realize the more policy kinds of committees like this committee don't have the same approach as the public accounts committee to bring the departments in with us to ask for an action plan and to hold them to account.

Those were the two main reasons for proposing a change.

Mr. Mark Warawa: Thank you.

The Chair: Thank you, Mr. Warawa.

Mr. Godfrey.

Hon. John Godfrey (Don Valley West, Lib.): I'd like to make two observations, Auditor General, and then get some comments.

I've made this first observation before: that as I read the Auditor General Act, under subsection 7(2), it is very much a question of auditing things that have happened—it's accounts that have not been paid, essential records have not been maintained, money's been expended for purposes other than, etc., with the exception of paragraph 7.2(f), which I shall return to.

Under the section on sustainable development, which is presumably to guide the commissioner, we are looking at something that is much more prospective. That is to say, first of all, we are advocating for sustainable development. We think it's a good thing. It's like official languages: we think that's a good thing or we wouldn't have a commissioner, presumably, by definition. But it's toward sustainable development and it's defined as an evolving concept and it deals with issues that are not mentioned in subsection 7(2) of the act, such as meeting international obligations, promoting equity, and dealing with the needs of future generations.

So by definition there is a split between looking backward, which is the function of the Auditor General, and this inevitable looking forward, which is implied by sustainable development and the commissioner. That's the first observation.

The second observation is that under subsection 7(2), this auditing of essential records and money being expended, there is paragraph (f), which says "money has been expended without due regard to the environmental effect of those expenditures in the context of sustainable development".

So my second conclusion is that the Auditor General's office deals with sustainable development in two ways. It has a specific function for the commissioner, and then in all the work, as you say in point 7 of your remarks today, "environmental aspects are considered in all of our work by all audit teams throughout the Office". I thought about that. I went back to your 2006 audit for November and I recognize there are places where it would be very hard to make a case that there was something to do with sustainable development, like pension and insurance administration for the RCMP.

However, I did come to chapter 7, "Federal Participation in the British Columbia Treaty Process", and there are many observations you make on a number of subjects of importance, such as narrowing the gap of living standards, lost economic opportunities. But what I find curious in this is here was an opportunity in commenting on this to insert an element of "And by the way, since we're spending all this money, under paragraph (f) I'm going to ask the question, where's the

sustainable development part? There's a reference to resources, but there's not a reference to whether this is sustainable."

In other words, I'm not sure that even with the current integrated model, at least if this is anything to go by, other than doing the obvious for atomic energy and so on, that there was an opportunity to exercise (f), if I might put it there, which was missed. Have I missed something myself in that?

• (1240)

Ms. Sheila Fraser: I guess we could go back and look at it. Obviously, we look a lot at how the departments frame these processes and how they describe them. This was really about the management of a negotiation process.

Hon. John Godfrey: You comment on legal, political, and economic options. You lay out all sorts of other considerations—land, resources, governances, finances, financial benefits. But at no place was the lens of sustainable development applied in an integrated fashion when there was an opportunity to do so. You raised all sorts of other issues, like equity issues, social...good things to raise. All I'm saying is that it's not evident to me that you were considering environmental aspects in all our work by all our audit teams when you had the opportunity.

Ms. Sheila Fraser: I would have to go back and look at the planning. In all of the planning for all of our work there is a distinct consideration the teams have to do on this. I could go back and find out what considerations were given to it in that particular audit.

Hon. John Godfrey: What I'm saying is that although it's listed directly in your functions, it does not seem to be part of the standard set of questions you ask where it might be appropriate, where things like natural resources, government money, and land are being dealt with.

Ms. Sheila Fraser: If I could take exception, Mr. Chair, it is asked when we do the scoping of audits. We do look at that as a requirement for all the audit teams, but in certain cases it may be determined that this particular line of inquiry is not as important as others, and the teams will focus on certain specific aspects.

Hon. John Godfrey: To which a conclusion might be, well, maybe one of the reasons we need an independent commissioner for the environment is so that it will be top of mind and not tenth of mind.

• (1245)

Ms. Sheila Fraser: Would you suggest, then, that this commissioner would be doing an audit of the B.C. treaty process?

Hon. John Godfrey: What I'm suggesting is that the current arrangements, in which you defend having the audit function within your office, do not seem, in this particular case—maybe unfairly—to have been given a weighting that is the equivalent of the economic aspects or the social aspects, which you reference specifically. It's just not one of the three pillars of development. It's like it's two, and where does sustainable development go?

The Chair: The bigger question, Mr. Godfrey, would be how many more cases are there? There's always going to be the exception.

Hon. John Godfrey: I think this was the only place within the 12 chapters. Well, there's one on sustainable development and Technology Canada, but that's a different issue.

All I'm saying is that it doesn't seem to have been integrated in the way that one might have expected if the Auditor General's office were as alert to these issues as an important question as is suggested by your document.

The Chair: Your time is up.

Mr. Crête.

[Translation]

Mr. Paul Crête: Thank you, Mr. Chairman.

Do you have any progress report or an evaluation of the way your office has carried out its mandate since receiving it following discussions in 1994-1995? Has it been determined whether the mandate you were given on environmental matters was realistic and achievable?

Initially, we wondered whether it would be advisable to give the job to two different people or organizations, in other words to separate the audit and advocacy functions, to use your terms. Do you have any written evaluations about this?

Ms. Sheila Fraser: No, because we accept the mandate we were given. It is very clear, from the professional standards we have to work with, that we must restrict ourselves to the audit functions. We should not comment on policies, for example. We have a professional standard that provides guidance.

As far as we are concerned, the mandate and the way in which it should be interpreted are clear. We wanted to raise the issue at the committee because there seem to be some expectations that we cannot meet. We wanted to know whether this deserved consideration by the committee.

Mr. Paul Crête: In any company, whenever an objective has to be met, it can be determined whether the objective was 90% met or that part of it could not be achieved, because it did not really come within the mandate of the company.

So you do not have an evaluation of this type in writing?

Ms. Sheila Fraser: No. However, that is partly why we wanted to carry out the review this summer. We wanted to hear what parliamentarians think—because they are our main clients—as well as what other people think about our effectiveness and the way in which we carry out our mandate. We wanted to see whether we could improve. That was the objective of the review.

Mr. Paul Crête: You quoted Mr. Desautels, and as I understand it, his comments could be summarized as follows: both the Auditor General and the Environmental Auditor General should be carrying out auditing duties only.

Ms. Sheila Fraser: Yes.

Mr. Paul Crête: At the time, did Mr. Desautels express an opinion about the advisability of incorporating these two activities into the same organization?

Ms. Sheila Fraser: At the time, he proposed the same arguments: namely, that the role of the advisor to the government cannot be assumed by an audit office. The two functions are incompatible. The

Office of the Auditor General at that time had been doing environmental audits since the early 90s, and Mr. Desautels wanted that activity to continue being performed by the office.

If the committee wanted to set up another organization that would play more of an advisory role, that would be fine. However, we have to make it clear to committee members that these two activities are incompatible. Actually, the committee did make some recommendations along these lines at the time.

Mr. Paul Crête: The person who performed these duties is no longer in the position. Have you suspended these activities or have you ensured that the work will continue to be done in this area?

Ms. Sheila Fraser: The audit teams are continuing to perform their duties. As with all our reports, the work is done not only by the Auditor General or the commissioner: we have whole teams behind them. The people on the team are continuing to work. Of course, Mr. Thompson will be guiding their work over the year ahead.

• (1250)

Mr. Paul Crête: I know that your team works hard and well.

So you are continuing to operate under the same mandate, except if the government changes your mandate.

Ms. Sheila Fraser: Actually, it would be Parliament that would change the mandate.

Mr. Paul Crête: Right.

Thank you very much.

[English]

The Chair: Thank you.

We'll go to Mr. Regan.

Hon. Geoff Regan (Halifax West, Lib.): Thank you, Mr. Chair, and through you to Ms. Fraser.

I noted your comment that environmental considerations are integrated through all aspects of your work, because what struck me was that in any organization, as we would find in the Canadian population, you will have individuals who have a different level of intensity of concern about the environment. So it's pretty hard to ensure that their look at issues is going to involve a consistent and even level of concern.

It strikes me that when you look at whether or not you should have a separate Commissioner of the Environment, the question is whether we consider this issue important enough that it warrants, as government and Parliament have decided privacy and official languages warrant, a separate structure. And is it worth—I think it was Mr. Warawa who was talking earlier about it—the cost? If we feel that privacy is important enough to warrant spending some dollars and having a separate office, and I think it is, as is official languages, then why do we not feel that the environment is important enough to warrant a separate office? Perhaps what he's telling us is that his party doesn't feel that it's important enough to warrant that.

I guess this brings me to this question: If the Privacy Commissioner is not within the Office of the Auditor General, then should it be, and if not, then why should the Commissioner of the Environment be within it? When Parliament looks for someone to be the Commissioner of the Environment, their top consideration will be whether this person is going to be focused very strongly on the environment above all else. It's a different consideration, obviously, from what Parliament looks for in filling your role. I think what I'm trying to get at is whether it should be separate on that basis.

Ms. Sheila Fraser: Quite frankly, Mr. Chair, if Parliament decides to create a separate Commissioner of the Environment, that will be the decision of Parliament. The only point I am trying to make is that the Commissioner of the Environment, to date, has done audit work, according to professional standards, and that there seems to be an expectation or a desire for the commissioner to do different kinds of work.

I just wanted to make the committee cognizant of the fact that auditors cannot get into the kind of work that some would wish us to do, and that should be part of your consideration in looking at this motion. So in defining what the functions would be, it is very important to keep the policy advice and future-oriented analysis separate from audit. That was strictly all we were trying to bring forward.

Hon. Geoff Regan: Thank you, Mr. Chairman.

The Chair: Thank you.

Are there any other questions?

Thank you very much, Ms. Fraser and Mr. Thompson. I'm sure we'll see you again, as honorary members of our committee.

Thank you very much.

The meeting is adjourned.

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