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—
Chair

The Honourable Shawn Murphy

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• (1630)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): Colleagues, I'd like to start the meeting.

I want to welcome everyone here. I especially want to welcome Auditor General Sheila Fraser and Mr. Ste-Marie.

This is a special meeting called by a request of five members of the committee. It's to deal specifically with the alleged leak that was talked about at our meeting last Thursday.

We'll start with opening remarks by the Auditor General. Following that, with the committee's permission, I propose that we just follow the same format of eight minutes, eight minutes. Although we're only here for an hour, I think it will work out the same.

Madam Auditor, the floor is yours.

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

With me today is Assistant Auditor General Jean Ste-Marie. We thank you for this opportunity to discuss a newspaper article that claims to contain information from a report scheduled to be tabled in the House of Commons tomorrow.

I would like to begin by saying that I take my relationship with Parliament very seriously and that my office takes every reasonable step to ensure that our reports are not disclosed publicly until tabled in the House of Commons. Premature disclosure represents a disregard for the statutory right of the House of Commons to receive the report.

This is not the first time one of our reports has been leaked to the media, but overall it is not a common occurrence. Since 2001, eight audit reports, including the one we are discussing today, have been the subject of leaks by journalists before they were tabled in the House of Commons. This represents a very small proportion of the 128 reports I have tabled during this period. Nonetheless, I consider eight leaks too many.

When the 2006 status report is tabled tomorrow, you will notice that the information published in some newspapers on May 11 is not entirely accurate in some important respects. We believe the journalist who wrote the article did not possess a printed copy of the report but was passing on information that he received verbally.

Let me now outline some of the safeguards we have in place to protect the confidentiality of our reports at three critical stages in the

process—when we consult the organization being audited in order to validate the facts as we are finalizing our report, when we brief government officials and ministers, and when the report is at the printer.

[Translation]

With regard to the security of the report when it is being printed, we ensure that the personnel employed by the printer handling our reports have all the appropriate security clearances and enforce a rigorous control of printed copies of our reports.

Our own policies as well as our professional standards require us to consult the departments and agencies we audit about the contents of our reports. We consult them more or less continuously over the course of the audit. The purpose of this consultation is to produce a report to Parliament that is based on accurate and complete information.

Draft audit reports represent one of our greatest security risks as they summarize our findings. We have put in place a number of safeguards to protect our draft reports from public disclosure during the stage when we are consulting the department or agency in order to validate the facts in our reports.

Our Office's Code of Professional Conduct requires that all staff be familiar with and observe the security requirements set out in the Security Policy and Guidelines issued by the Office. Under this policy, audit principals are responsible for ensuring safe storage of draft reports and restricting access to them.

Draft reports shared with departments and agencies for the purpose of validating facts and discussing our observations and recommendations are considered "designated information" and are labeled "Protected A".

When we provide draft reports to the organization we audit, we send a letter outlining the following safeguards: that this document be treated with appropriate discretion until it is tabled in the House of Commons; that it should not be copied; and that all copies provided should be returned to the Office or destroyed. If they choose the latter option, they must provide my Office with a certificate to that effect.

•(1635)

[English]

Each draft report that we provide to the departments and agencies that we audit is marked, on each page, “Not to be copied. Draft document for the purposes of fact verification and comment only. Property of the Auditor General. Protected A.” Every copy sent to the entity is numbered to facilitate its tracking and retrieval.

In the last few weeks before tabling, we meet with senior officials of the Treasury Board Secretariat and the Privy Council Office. The purpose of these meetings is to assist these central agencies in their coordination of government-wide oversight. In the last few days before tabling, as a courtesy, we also offer briefings to ministers responsible for the departments and agencies we audit, since they will be responding publicly to our reports. In the case of all briefings, we rely on the discretion of those involved.

As you can see, my office takes steps to protect the confidentiality of our reports before they are tabled. In our opinion, there has been no breach of a law that would require us to report this incident to the RCMP. Rather, there has been a breach of the government security policy.

That concludes my opening statement, Mr. Chair. I would be pleased to take any questions the committee members may have.

The Chair: Thank you very much, Mrs. Fraser.

Before I start the first round, I would ask members to exercise a degree of caution in their questions. There is a certain amount of speculation going on here. It's not the purpose of this committee to speculate. Again, I'd urge caution in your examinations.

Mr. Wrzesnewskyj, eight minutes.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Thank you, Chair.

I'd like to thank the Auditor General for coming to this meeting. In fact I'd go further and thank her for all the work she has done.

The offices of government in general—and many politicians—unfortunately are not held in the sort of esteem we'd wish, but your offices certainly are. I believe all the MPs here share in that public admiration of your offices. That's why we treat with such seriousness any erosion of the confidence that the public has in those offices, with the potential for these sorts of leaks. The purpose behind calling this meeting is to see whether or not we can go through a process that hopefully will arrive at a result and find the culprit or culprits in this particular case. It is also to try to guarantee that this sort of thing becomes not only a rarer and rarer occurrence—it's a very rare occurrence as is—but in fact something that never takes place.

I'd like to begin by requesting, Auditor General, would it be possible for your office to provide a flow chart, once the particular report that was referenced in the article has been tabled, of all the individual people who may have had this report or a draft of this report in their hands?

Ms. Sheila Fraser: Mr. Chair, that probably would be feasible, but I hope you recognize that many, many people have either had a draft of the report or have seen parts of the report. Even for third parties outside government who are mentioned in the report, it is part

of our process to share with them the text that concerns them. People have been briefed on the report.

I don't know how many people we're talking about, but certainly it's dozens and dozens and dozens of people.

Mr. Borys Wrzesnewskyj: But it would be possible to provide this type of flow chart.

Ms. Sheila Fraser: With difficulty.

Mr. Borys Wrzesnewskyj: This sort of flow chart, I would envision, would have three different bodies. Obviously there would be your offices, and you've made it quite clear that you've done the investigations in your offices. Then there are the outside contractors, printers, and finally government officials.

With the government officials component, I heard a number bandied about, that there were six reports handed over to the department and signed for. Would it be possible to provide that component, as opposed to the other components, a little more expeditiously?

•(1640)

Ms. Sheila Fraser: To my knowledge, there were more than six reports provided to the department and various people within the department. There were also several drafts during the process. I'm not sure how many drafts there actually were, but there were a number of drafts throughout the process that were shared with the department.

Mr. Borys Wrzesnewskyj: At the meeting on Thursday, you stated that your departmental security officer is conducting an investigation. Has that investigation concluded?

Ms. Sheila Fraser: Yes. I received a draft report from our departmental security officer, who essentially looked at our internal procedures to make sure there was no breach within our own office and within our procedures.

Mr. Borys Wrzesnewskyj: You also said that meetings took place with senior officials of Treasury Board Secretariat and Privy Council Office. What would have been the methodology? Would they have been given reports in advance of those meetings? Was information passed on in a verbal manner at these meetings? How exactly does that take place?

Ms. Sheila Fraser: This is a standard practice that's been conducted in the office for many years, to my knowledge, where before the tabling of a report—a couple of weeks, perhaps two to three weeks before—the people who are responsible for the various audits meet with senior officials of the Treasury Board Secretariat and the Privy Council Office who have previously received drafts of reports, either through the departments or through us if the audit concerns them. We are available to them to respond to questions or issues that they would like clarified.

Mr. Borys Wrzesnewskyj: So I guess it would be safe to assume that perhaps a couple of ministers have had an opportunity to see this report.

Ms. Sheila Fraser: And it's also part of our standard practice to brief any minister whose department or agency is contained in the audit report. Those briefings generally occur certainly no sooner than the week before tabling and often a day or two before tabling.

Mr. Borys Wrzesnewskyj: When will the security officer report be made available?

Ms. Sheila Fraser: I have a draft report now. I would expect that he will be completing that over the next few days.

Mr. Borys Wrzesnewskyj: You had also stated at the last meeting that you have suspicions as to where this leak occurred. Did the report that was provided to you in draft form confirm those suspicions?

Ms. Sheila Fraser: I'm not sure that those suspicions could ever be confirmed, quite frankly, unless the person who spoke puts up his hand or the journalist reveals their source, both of which I expect are very unlikely to happen.

The departmental security officer essentially looked at our procedures and went through all the different procedures that the teams should have followed. He concluded that our people had followed the procedures. Our procedures, as I mentioned in the opening statement, largely deal with the physical security of the actual report itself, and so he mainly focused on that aspect of it.

Mr. Borys Wrzesnewskyj: In point 14, you touched on the issue of RCMP involvement. During the last meeting there was an innuendo or a question whether perhaps the printers may have been the source of this. Advance information and advance copies of this sort of report have tremendous potential value. Has it ever occurred in the past that perhaps a contractor, realizing the value of these sorts of reports, could have sold information?

•(1645)

Ms. Sheila Fraser: To my knowledge that has never occurred. I think I would have been informed if that had ever occurred.

I would remind members that there are serious inaccuracies in the information in that story that is purported to represent the report. If it was a question of a physical copy of the report being available, one would presume that it might have been more accurate.

The Chair: Thank you very much, Mr. Wrzesnewskyj.

Monsieur Sauvageau.

[Translation]

Mr. Benoît Sauvageau (Repenigny, BQ): Mrs. Fraser, Mr. Ste-Marie, I concur with Mr. Wrzesnewskyj who qualified your work as exemplary.

My question is as follows: in paragraph 3 of your statement, you mention that of the 128 audit reports tabled, eight have been the subject of leaks since 2001.

Can you tell us what happened to cause these leaks? Did your Office investigate these incidents? Did you uncover the source of the leaks? Each time a leak occurred, did you tighten up your distribution procedures?

Ms. Sheila Fraser: Each of these leaks was investigated by staff in my Office. In the majority of cases, reports were not leaked by someone who had received an actual paper copy. Rather, we believe

the information was leaked by a journalist who obtained verbal information from a particular source. I personally know of a few cases in which discussions were held with senior departmental officials. In another case, I had conveyed to the clerk my concern over some leaked audit information.

Mr. Benoît Sauvageau: To your knowledge, were those parties responsible for the leaks ever sanctioned?

Ms. Sheila Fraser: Mr. Chairman, it's difficult to be 100 per cent certain as to who is responsible for leaking the information. Therefore, it's impossible to impose any kind of sanction.

Mr. Benoît Sauvageau: Without naming names, because you claim to have your doubts, can you tell us if in fact the leaks occurred at the stage described in paragraph 13 of your presentation? For instance, you state the following:

13. In the last few weeks before tabling, we meet with senior officials of Treasury Board Secretariat and Privy Council Office.

Since the leaks occurred a few days before your reports were released, do you think they happened at this stage of the process? You claim that neither your Office nor likely the Printer is responsible, and perhaps not the departments either.

Ms. Sheila Fraser: Mr. Chairman, I don't wish to speculate about what may have happened or about the identity of the guilty party or parties. I prefer to stick to the facts. The information we have does not confirm the source of the leaks and I would rather not speculate any further.

Mr. Benoît Sauvageau: You state the following in paragraph 14 of your presentation: "In our opinion, there has been no breach of the law that would require us to report the incident to the RCMP". And you go on to say: "Rather, there has been a breach of the Government Security Policy."

Would you like to see a more stringent Government Security Policy in place? In your opinion, should we adopt legislation providing for security regulations? Should more rigorous practices be adopted?

Ms. Sheila Fraser: The policy respecting the disclosure of information and confidentiality is quite clear. Again, I don't think we need to adopt more rules. However, we need to ensure compliance with the rules already in place. The various departments have a responsibility to adopt the necessary measures to ensure confidentiality and to see to it that their staff comply with departmental policies.

The government has assured me that it will investigate the leaks. It's now up to the government to take action.

•(1650)

Mr. Benoît Sauvageau: I don't know whether or not you can comment on the new government's insistence these days on greater transparency. Witness Bill C-2, the proposed Accountability Act, that has been introduced.

In your opinion, should the government report be made public, since the government is an all out advocate of transparency?

Ms. Sheila Fraser: Mr. Chairman, it's up to the government to decide if it wants to make the report public. It's not my position to venture an opinion on the subject.

Mr. Benoît Sauvageau: The committee would therefore need to ask the Chair to recommend to the government that it make its report public, in keeping with the principle of transparency.

I have no further questions, Mr. Chairman. I'd like to share any time I have left with Mr. Nadeau. How much time do I have left?

[*English*]

The Chair: You have two minutes and 45 seconds...no, excuse me. Monsieur Nadeau is next, for two minutes and a half minutes.

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Good day, Mrs. Fraser, Mr. Ste-Marie.

It's obvious that a leak occurred, as the Ottawa Citizen reported. Is this incident similar to the eight previous leaks mentioned in your report?

Ms. Sheila Fraser: I would say that it is. We believe the other leaks also stemmed from conversations between a journalist and a certain person. The source of the information was never identified. There are probably many similarities between these leaks and the incident that occurred this week.

Mr. Richard Nadeau: I see.

Thank you, Mr. Chairman.

[*English*]

The Chair: Thank you very much, Monsieur Nadeau.

Mr. Williams is next for eight minutes.

Mr. John Williams (Edmonton—St. Albert, CPC): Thank you, Mr. Chairman.

I would also like to thank the Auditor General for her work and for the integrity and credibility with which she is held in the highest regard in the country.

Leaks are always unfortunate, but they do occur, as you have pointed out. This is the eighth one—seven under the Liberals and now this one under us. It just seems to be a fact of life, although I would rather that it wasn't this way.

I note Mr. Wrzesnewskyj's comment that he takes these things with so much seriousness, but I never heard him say anything about taking these things seriously before the last election when he was on the other side. He has a new lease on life on this seriousness thing, so we'll see how it lasts.

But you know, Mr. Chairman, under the Liberals everything in the budget was leaked weeks ahead of time, so there was no news and no surprises when we had the budgets delivered by the minister—

The Chair: Do you have a question for the Auditor General?

Mr. John Williams: No. I'm speaking to you, Mr. Chairman.

Every announcement of the Liberal government was preceded by a leak so that everybody knew it was coming. Now Mr. Wrzesnewskyj seems to be quite incensed that this type of information is given to the media ahead of time. So I'm not exactly sure where he's coming from. Maybe he thinks we should be moving everything around in brown envelopes with cash attached, or

something like that, to ensure that it is actually secret and nobody knows what's contained in there.

But to the Auditor General, are you confident that you have done everything you can within your office to protect the confidentiality of the report and ensure its integrity?

Ms. Sheila Fraser: Yes, we believe that our procedures are sound. Our departmental security officer has made a couple of recommendations that we will be putting into place coming out of this incident. But as I said earlier, our main concern is around the physical security of the actual report—the document itself.

I would just add for committee members that it is absolutely essential that we be able to discuss audits, audit findings, and recommendations with the department we are auditing, if we are to have an audit that is appropriate at the end. So this process of consultation is absolutely essential to us.

Mr. John Williams: Thank you.

We know that the gun registry is a controversial issue. As you know, when Mr. Rock was Minister of Justice he said this was only going to cost taxpayers \$2 million, but in fact I understand it's closer to \$2 billion.

It's been fraught with problems like waste, mismanagement, and incompetence. Computer programs ended up in the garbage half written because somebody changed their mind—throw that away and start again. Taxpayers' money was abused and misused. The litany of problems in the gun registry seems to have been unending. Then of course, we have the chiefs of police saying they would rather have police on the streets than put money into the registry. So it's no wonder this is an issue that is germane to the media, and they would want to write about this particular program.

I noted that the Auditor General talked about the fact that this leak is similar to those in the past. I'm wondering if this has maybe come from a disaffected Liberal who is embedded in the government, who we have to root out to get rid of so this doesn't happen again.

• (1655)

Ms. Sheila Fraser: I will leave that speculation up to the member, thank you, Mr. Chair.

Mr. John Williams: Anyway, Mr. Chairman, we have the assurance of the Auditor General that this is being managed as best it can. We have the integrity of the government. This is a government, as you know, that has tried to keep a lid on many things. I'm reasonably confident that the Conservative government is not leaking this information.

Tomorrow we're going to find out what is fact and what is fiction. As you say, everything that has been leaked is not exactly as it's written in the report. I can't imagine why we're even meeting here today, Mr. Chairman, because surely if we were to call the meeting later on, if we find out what is fact and what is fiction, what is real and what is imagined, then we would have something to deal with. The Auditor General can't tell us what's in the report today. She has to respect her confidentiality. This feigned indignation by the Liberal Party seems to be quite out of character. Maybe they have new ideas now that they're in opposition that introspection is the way to go.

We'll see how it unfolds tomorrow. We look forward with great interest to what you have to say tomorrow, how Parliament has been kept in the dark by the Liberal government. You've alluded that there's going to be a special observation on that particular issue.

All of these things are now going to be wide out in the open, Mr. Chair; therefore, I think there's a lot more to be dealt with than the Auditor General's report, a lot more substance. Let's move on and deal with these issues, fix these issues, and save taxpayers' money, rather than go on some witch hunt here trying to find out about a leak that nobody can point the finger to.

The Chair: I want to thank you, Mr. Williams, for your advice and comments.

Mr. Christopherson, eight minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Mr. Chair.

Welcome again, Madam Fraser and Mr. Ste-Marie.

Let me just say through you, Mr. Chair, to Mr. Williams that it's interesting to watch a lot of different people shifting ground and using significant talents in a different kind of way.

I want to jump straight to the meat of the matter. I understand where the intersection is between your office—the report—and the departments, the ministers. Having been a provincial minister and having gone through this, I know you do need that. It is fair. I have no problem with that as a process. But at the end of the day, either we have a process that is respected, we take action to ensure people understand it's important, and we expect it to be respected, or we change the rules so that there isn't this expectation. But what we cannot accept is that this kind of leak is taking place and we're doing nothing about it. Moaning and groaning and saying that we're not sure we're going to be able to find out who did it, wringing our hands and saying maybe there's not too much we can do—it seems to me that's not acceptable.

There needs to be some kind of action. There has to be some kind of follow-up, or we're just pretending this is important.

I've heard you, Madam Fraser. I noted what's in your report today, where you say that the premature disclosure represents a disregard for the statutory right of the House of Commons to receive that report. I believe at our previous meeting you said—and correct me if I'm wrong—that it was an affront to Parliament. And I understand that for people across the country this is inside baseball and it doesn't matter much. And that's cool. I respect that. The big issues are going to come tomorrow.

Nonetheless, if we believe that this is a new era and that government and Parliament really are going to try to be ethical, transparent, and accountable, then this just can't stand. It cannot stand as something we just live with. It's either a priority, and we respect it and treat it that way, or it's not, so let's change the rules and stop pretending. But to leave the rules the way they are and ignore them gets us nowhere.

Mr. Williams suggested it might have been a disgruntled Liberal embedded in the bureaucracy. It could very well be, but it's interesting, because when you talk to police who are looking at crimes that involve money, the first thing they ask you is, who benefits from what took place? If you take a look at what happened, you'll see it certainly didn't help the Liberals. It had nothing to do with the NDP. It had nothing to do with the Bloc. The only ones who would benefit are the Conservatives, because this is a highly charged issue, and you guys are going to get raked over the coals tomorrow.

Get ready; it's coming. And that's legitimate. But it still leaves us with this huge issue.

You've made reference, Madam Fraser, to the government security policy. I have to say that one is new to me. Can you give me a quick outline of what exactly that is? Is it applicable only to your department and only to these reports?

• (1700)

Ms. Sheila Fraser: No, in fact the government security policy applies to all departments and agencies in government.

Jean, do you want to review what it is?

Mr. Jean Ste-Marie (Assistant Auditor General and Legal Advisor, Office of the Auditor General of Canada): It's a policy that's made under the authority of the Financial Administration Act, relating to the duties of employment of public servants and crown servants. Basically that's what it is. It's not an act of Parliament; it's merely a policy made under the Treasury Board authority that covers the issues we're dealing with.

Mr. David Christopherson: I understand. I don't mean to be rude; I'm just worried about my time.

It covers duties that would include honouring confidentiality, much like the code of conduct for MPs is honouring confidentiality. So this is a significant issue when the new government has said that ethics, accountability, and transparency are the cornerstones of its administration. I need to ask...and of course, Madam Fraser, I respect your thinking on this. You've made the point that you don't think this is a matter for the RCMP. Fair enough. Where do we go? Do you have any ideas on how we go about taking action to send that message?

Ms. Sheila Fraser: We said it isn't a matter for the RCMP because it is not a breach of law per se. Perhaps I would ask government what investigation they are conducting, because they've indicated they will be conducting one, I presume, to see that the departments involved have in fact done everything reasonable to ensure they have respected the government's security policy.

Mr. David Christopherson: I have no problem if the committee decides to wait, because I am not going to let this go. At least, we need to take some action commensurate with the importance we place on it, or change the policy. That's my thinking. Either honour it, uphold and enforce it, or change it and stop pretending. I'm quite willing to wait for the government report.

My difficult with it is—never mind that it's Conservative—the principle that you've got government inspecting government, investigating government, to decide if government did anything that government ought not do. It makes sense that if you want to have people accept that you didn't do anything—if that's the finding—it best comes from somebody who's at arm's length from the government, or an agency or entity. That's why I immediately said the RCMP. But I was open to other ideas. Whether or not, Chair—I look to you—we've got room enough here to send it to the Ethics Commissioner, is this someone who can grapple with it? Do we want to wait for the government report to determine whether or not we are satisfied that it's been a thorough investigation, and if not, what our options are?

I have to say to you, Chair, that if I'm the only one, I'll lose to the majority—and obviously the majority rules—and so be it. But I have to tell you, this is serious enough that we ought not let it die here. We can't make these statements about confidentiality, respecting Parliament, respecting procedures, respecting the Canadian people, and then when it's breached, do nothing because we think it will be too hard to find the culprit. That's not acceptable. We either find some means.... I have to tell you folks that even if we never find out who did this, we have to let it be known that if you do this, you're going to generate some heat and probably find yourself in a position of having to lie to cover your rear end or admit it. We will not treat it lightly and ignore it.

That message has to get out there. Mr. Chair, obviously I'll listen to the rest of the speakers, but I would hope that at the end of this meeting we have some pathway we feel will ensure that this doesn't fall off the table and get forgotten. Then it repeats itself the next time we have a leak. If we've had eight, there's reason to believe that if don't change something we're going to have nine. I'll be interested to hear what further comments come, Chair, but I am very much looking for whatever action this committee will take to ensure that we are respecting our own policies and ensuring that accountability and ethics are something we will uphold among ourselves and the departments—not just individually as local members of Parliament.

Thank you, Chair.

• (1705)

The Chair: Thank you very much, Mr. Christopherson.

Ms. Ratansi, for eight minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, Mr. Chair.

Thank you, Madame Fraser, for being here.

I think we should come back to what Mr. Christopherson has said, that this is an issue of a leak, and it is an issue of accountability. Whatever the audit report comes and finds will be discussed later, but we must address the premise that the privilege of Parliament has been violated. The privilege that is ours, as MPs, has been violated. I

was surprised that an FCGA could say, “What is this?” It's an ethical issue.

I remember very clearly, when I was a risk manager at the Province of Ontario, we had the biggest boondoggle under the Conservative government in the form of the Arthur Andersen contract. It was a half-billion-dollar boondoggle, sole-sourced, and the minister was not held responsible, yet ethically we never, ever reviewed it. Nobody knew about it. So I do not know why we don't leave two issues aside: one is the report itself; the other is the ethical premise of a leak.

If I understand the process correctly, you go and meet with the department to discuss the mandate and the objective of the audit, and then once the audit has been done you consult whoever is responsible for getting factual information, and after that you give a draft report, which is marked “A”.

Now, does everybody understand what “A” stands for? I can appreciate where you're coming from. A lot of people used to get the reports, and despite the fact that there was huge political advantage in leaking information about the BTI system that the provincial audit was against, nobody leaked it. I can't understand how a draft report can get leaked. Or is it the briefing that you give, and you think that because it's a verbal briefing...? Do you give the ministers a verbal briefing or do you give them an overview of the report?

Ms. Sheila Fraser: Let me just go back and explain.

When we conduct the audit, we obviously have to have many interactions with departmental officials, so we start off in the very beginning explaining what the audit is and what the criteria are. We will discuss those criteria with the government departmental officials, and they will generally be in agreement, or if they have concerns about them they will express them.

As we conduct the audit, of course, we have to have discussions with people to obtain information—explanations and context—about certain transactions. Reports on findings are prepared, which will be shared with the public servants, and then an initial draft of the report will be prepared. We give that draft to the department, and it is marked “Protected A”.

Everyone in government should understand the different classifications of protection of documents. That's all part of the security policy. It's fairly common practice within government departments to have classifications, so I would expect that people would understand that.

It is also accompanied by a letter indicating that this is confidential and is not to be shared or copied or whatever. There is a discussion that goes back and forth around the facts, so departments can come back to us and say that a certain issue they've put in is not correct or that they have additional information to give us. They can also give us comments on tone, if they believe that certain aspects of the draft report could be misunderstood.

I would like to think there is only one draft; in fact, there are many drafts that go back and forth over a period of probably six to eight weeks. Then we have a final draft, which we send to the department, actually to the deputy minister. At that time, we ask the deputy minister to provide us with the department's response to the recommendations and to indicate whether they agree with the facts of the report. Once that is done, we include the response of the department in our audit, and then the report is finalized and goes off to the printers. That happens probably a month or two before the actual tabling date.

In this process, of course, the departments will actually share audit findings with the central agencies—the Treasury Board Secretariat and the Privy Council Office. A few weeks before tabling, as I mentioned, we have a briefing with those officials, at which time the people who conducted the audit are available to answer questions of clarification.

Then a few days before tabling, I offer to brief ministers. It is a verbal briefing. In many cases, obviously, they've already been briefed by their departmental officials. It is usually a short briefing—half an hour to an hour—simply to go through the facts, as we see them, and the recommendations that we have made.

• (1710)

Ms. Yasmin Ratansi: So in fact, if somebody were to do a forensic audit as to where the leak took place, and you have done an investigation that says your department is not responsible, therefore they would have to trace the bouncing ball through the department itself to the deputy ministers, the various managers, the various program people with whom you've had interaction, because they would be privy to the information.

Ms. Sheila Fraser: Yes. As I mentioned in the statement, we do not believe the journalist actually had a physical copy of the report, but it was rather a verbal briefing. So it could have come from a number of people who would have had information about the audit and about issues raised. But as I also mentioned, there are inaccuracies.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): If you don't mind, Chair, I have a quick follow-up question.

With respect to the government conducting an investigation, have you been consulted thus far in terms of this investigation? Have you been made aware of the magnitude and the scope of this investigation?

Ms. Sheila Fraser: No. The government has certainly indicated to me that they are very concerned with this, that they are quite displeased with the fact that this leak occurred, and I saw this announcement that there would be an investigation. But I'm not aware of the scope of the investigation or the specifics of that investigation.

Hon. Navdeep Bains: From your experiences and your viewpoint, do you think it makes sense for the government to conduct this investigation? As the member from the NDP indicated, does it make sense that the government conduct an investigation on themselves? In your expert view, don't you think it should arm's length?

Ms. Sheila Fraser: There is a responsibility in the government security policy that departments should take action if there has been a breach of that policy. Clearly there has been a breach of the policy,

and it is the responsibility of the department to take action. And each department will have what we call a security officer who would normally conduct that kind of investigation.

The Chair: Thank you.

Mr. Fitzpatrick, eight minutes.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Thank you, Mr. Chair.

I do want to commend the Auditor General. I know this whole issue puts you in a very delicate position. You have to choose your words very carefully, and I think you've done a terrific job of handling this. Even in the report you gave today, I think you sort of indicate some of the steps you've taken to ensure there is security in your operations. But I realize you can't really go much further than that without maybe even jeopardizing your own security in the matter.

On this committee I want to make something clear. When we do come to conclusions and findings when we've studied something, we try to make factual determinations based on evidence. As much as people would have their opinions or want to speculate on matters, that is not evidence. That's not a way to base factual findings. The whole game that's going on here right now is of people speculating as to who might have been responsible for this thing. I want to have evidence and facts to support that kind of determination.

On the point that Mr. Christopherson raised as to who benefits on this matter, I want to make something quite clear. I'm trained as a lawyer, and every experienced trial lawyer or defence lawyer I know coaches witnesses and the accused, or whoever they're representing: if there is something damaging that the other side has on you, it's much better that we manage it and get it out in advance before they bring it out.

An hon. member: Oh, you're suggesting the Liberals were doing this?

Mr. Brian Fitzpatrick: He can speculate as to who this benefits, but my legal training tells me quite clearly who might want to get something out there and try to divert people away from the real substantive issue, which is the gun registry itself, which is a sad Liberal legacy in this country.

We had a report a couple of years ago that outlined the sad legacy—the effectiveness of this program, the massive waste of taxpayers' money—and the thing just went on and on. We were told by Allan Rock that the thing would cost us \$8 million. There are tons of things we could do to make streets safer in this country for which we don't have the resources or things in place, but we continue along this path of failure.

What we really should be doing is preparing ourselves for the report tomorrow. Hopefully the speculation in this story is without basis, and we will find that the Liberals did correct these massive defects in their gun registry, and this is a great system. But we should be focused on making this government more effective and more accountable.

To me, this sort of thing is problematic. I'm of the view that you can have all the rules in the world and all the security you want in the world, but it only takes one bad apple in the system to jeopardize any security system. I'm sure the President of the United States today and in the last year or so has numerous examples of things that were leaked—security matters that shouldn't have been out there that have caused him no amount of anguish—and he probably has security coming out of his ears to prevent that sort of thing.

If it were that easy—just more rules, as Mr. Christopherson said—why wouldn't we just pass one law and outlaw dishonesty? If we outlawed dishonesty this should never happen again. We can make more and more rules, and more and more things complicated, but if somebody really wants to jeopardize security they can do so.

Let's be clear. We've had eight of these things since 2001. That's an error rate of about 7%. Seven of those occurred under a Liberal administration, and I don't recall having any special meetings to deal with all the breaches that occurred under the other...

To Madam Fraser, when we had these other seven breaches, do you know whether the Prime Minister's Office really conducted a due diligence examination of how these breaches might have occurred, or whether any investigations were ever carried out by Prime Minister Chrétien or the most recent Prime Minister?

• (1715)

Ms. Sheila Fraser: I'm not aware if any investigations were carried out or not. There may have been investigations within the departments, but I am not aware of that.

Mr. Brian Fitzpatrick: Those are my comments.

I'm looking forward to your report tomorrow. You have done a wonderful job of exposing the problems in the gun registry.

If there were one person who could come to my riding and run as an MP who could blow me out of the water, it would be you, Madam Fraser. The people in rural Saskatchewan think you are a great person. You're a hero to them for exposing this massive waste of taxpayers' money and the really serious violation in the day-to-day lives of law-abiding citizens as the criminals just carry on doing what they do, ignoring all these laws we try to create with gun registries and so on. That just impacts on law-abiding people who aren't really causing society any difficulty. You truly are a hero to these people.

Thank you very much.

The Chair: You have two minutes left if you want to keep talking, Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: Well, I think I have said enough.

The Chair: Mr. Sweet, for five minutes, please.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Thank you, Mr. Chairman.

There has been a lot of lauding of your capabilities and your integrity, so I'll echo my comments from the last meeting.

Mr. Chairman, I want to cover off a few things.

It was asked earlier whether in the last seven leaks, which by the way were very similar to this one, there was ever an emergency meeting like this called. There is no recollection on this committee of

one of these meetings ever being called, of it ever having had this kind of high level of importance for the Liberal Party the last time.

Also, we were talking about who benefits. I appreciate my colleague of the same first name who mentioned the idea that somebody in this government would benefit, but clearly the only people who would benefit would be those, as mentioned earlier, who would want to bring disregard on the report, because the report is very damaging and very damning on the issue of the gun registry.

• (1720)

Mr. Borys Wrzesnewskyj: How would you know?

An hon. member: Did you read the report?

Mr. David Sweet: No, but we've already had a precursor report from the Auditor General.

I want to ask this. You mentioned in number 4 that what was mentioned in the newspaper was not entirely accurate, but then you alluded to there being substantial inaccuracies. You didn't use the word "substantial", but you said "when you see the number of inaccuracies". If I may ask, are there substantial inaccuracies in what was in the newspaper compared to what is in the report?

Ms. Sheila Fraser: There are important inaccuracies, and that, of course, is what's difficult about a leak on a report that hasn't been tabled. We really can't discuss it. We can't discuss it, nor can the government discuss it. I always find it a bit odd that there seems to be all this commentary about a report that actually hasn't been made public yet, and no one knows for sure if the information being provided to the journalist is in fact accurate. It puts us all in a very difficult position, because I can't even say what's inaccurate.

Mr. David Sweet: It has been mentioned that the meeting is premature.

Ms. Sheila Fraser: You will see tomorrow what is the true story.

Mr. David Sweet: We won't know until tomorrow what relates to what.

I did want to mention that in number 5 you mention that there are safeguards in place, and that is mentioned again in number 8. Are there new safeguards in the last couple of days, or does that just refer back to number 5?

Ms. Sheila Fraser: These are our standard procedures, which have been in place for many years now, for dealing with the report—the physical copies, the types of briefings we do, and when we do those briefings. This has been standard practice for the office for quite a while.

Mr. David Sweet: I want to ask just one more thing about similarities to the last seven leaks. Other than being printed in the newspaper, what are the similarities to the past seven?

Ms. Sheila Fraser: Leaks that have come generally just a few days before the report is actually tabled—though there have been cases where there has been information leaked months before the tabling of a report—in most cases tend to be on issues that I guess we could call controversial, perhaps, or likely to get public attention.

I don't want to be facetious, but we don't see a lot of leaks about managing financial information, for example. I wouldn't expect that there would be.

The Chair: Thank you very much, Mr. Sweet.

We're near the end of the meeting now. *Monsieur Nadeau, une question très courte?*

[*Translation*]

Mr. Richard Nadeau: Mrs. Fraser, Mr. Ste-Marie, it's clear to you and to everyone assembled here today: we simply can't do an overview of the situation and say that a report will be tabled, that the situation is not that serious.

Mrs. Fraser herself said that she took the situation very seriously and that it reflected contempt of Parliament. Eight leaks occurred and while that may not be a high number, it's nonetheless eight leaks too many. We've just had a ninth leak, the first under the new government.

We're here tonight because of the gravity of the situation. We have questions to ask and we want to know how the process works. As such, we're helping the Auditor General do her job and we're helping the government, and Parliament, to operate more effectively.

Having said that, Mrs. Fraser, of the measures and systems already in place, which ones should be more closely scrutinized by the committee?

• (1725)

Ms. Sheila Fraser: It's difficult to answer that question, Mr. Chairman. All we can do is wait and see how the investigation unfolds. Based on the findings made, we'll have to see what kinds of improvements are in order.

Obviously, if this investigation reveals that changes are indeed warranted, we'll certainly take any recommendations into consideration and implement any necessary changes. May I remind you that being able to discuss the report with you is critical to our work. I would find it most unfortunate if additional procedures were put in place to restrict even further our ability to have discussions with other parties.

Mr. Richard Nadeau: Thank you very much.

[*English*]

The Chair: *Merci beaucoup, Monsieur Nadeau.*

I have just one question, and I believe you've answered, Madam Fraser. If this problem were to become systemic, you'd be looking for options. I take it you're saying that if you decided not to disclose or communicate with the government and the department involved, it really wouldn't be a satisfactory way to conduct your office's business.

Ms. Sheila Fraser: That's right. It is absolutely essential that we be able to discuss our audit findings with departmental officials. If it were to become recurring and really problematic, that this was happening a lot, then we would obviously have to change our procedures. I would find that very unfortunate for all of us, because I think the consultation and the exchange with departmental officials ensures that we have a quality product at the end.

The Chair: Madam Auditor, on behalf of everyone on the committee, I want to thank you and Mr. Ste-Marie for coming here today on such short notice. As everyone is aware, this is a very serious issue. It's taken seriously by this committee, by Parliament,

by the government, and of course by the Office of the Auditor General. We'll certainly not bury it, as Mr. Christopherson says—he didn't say to bury it; he said not to bury it. We will follow up with the steering committee and come back to the meeting. Again, we're open to suggestions through the steering committee, and it may be a problem we'll never get to the bottom of.

But again, I want to thank representatives from the Auditor General.

Mr. Christopherson.

Mr. David Christopherson: Is the Auditor General free to go now, so I can just speak now to the committee?

I realize you've made a reference to the steering committee, that we send the issue there. Perhaps I could just try a suggestion, because if we can get a motion here, it will save us....

I'm not going to let go of this. I've made that clear. I'm going to keep pushing it, and I'm sure others are too. But it's not a witch hunt; it really is a matter of making sure that people are at least hesitant, if not outright afraid, to do this again down the road, at the very least. So there's some action, some follow-up, required. In the interest of trying to keep it as non-partisan as it can be, recognizing what we're dealing with, could I just ask...and I'll leave it to you, Chair, whether you want to take this as a motion. I'll read it to you and leave it in your hands.

I will move “that the government provide a representative to the public accounts committee to explain the investigation process and timelines regarding the leaked Auditor General report”.

I can't think of anything less dramatic or less headline-grabbing than to just ask at this stage a similar kind of meeting. The government could pick whatever representative they want just to come in and let us know what the process is and the timeline. We can either say that's fine and we'll wait or not; that's up to us then. But that's what I would propose, as a solid step to keep this in focus but not pretend in any way that this is more important than what we're going to talk about tomorrow. It's not. I just don't want this to get lost, Chair.

So I leave that with you, and I'm in your hands.

The Chair: Do you want to deal with this motion of Mr. Christopherson right now?

Mr. David Christopherson: It's not a motion yet. I will provide it if you need it.

• (1730)

Mr. Brian Fitzpatrick: Mr. Chair, the rule is 48 hours of notice, and the reason for that is to give it some thoughtful consideration before you deal with it.

Mr. David Christopherson: What we will do is revert back to what the chair was suggesting. I was seeking to find out if there was unanimity in agreement to deal with it as a leak issue rather than a partisan issue, but if you want to defer it to the committee and keep it alive that much longer, I'm cool.

The Chair: You can bring it back to the steering committee, Mr. Christopherson. You are on the steering committee, as is Mr. Fitzpatrick, and we'll bring it back before—

Mr. Borys Wrzesnewskyj: There might be unanimity on this particular motion.

No?

The Chair: Okay, then. Again I thank you all.

The meeting is adjourned.

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