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Tuesday, November 13, 2007

—
Chair

Mr. Shawn Murphy

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• (0910)

[English]

The Clerk of the Committee (Mr. Justin Vaive): Honourable members of the committee, I see a quorum.

We can now proceed to the election of chair. I'm ready to receive motions to that effect.

First, I must inform members that the clerk of the committee can receive motions only for election of the chair. The clerk cannot receive any other types of motions, cannot entertain points of order, nor participate in debate.

Is there a motion?

Mr. Williams.

Mr. John Williams (Edmonton—St. Albert, CPC): Thank you, Mr. Chairman. I know you can't receive anything other than motions. I was going to give you my opinion on a chair, but since I can't do that, I would love to nominate Mr. Murphy as our chair.

The Clerk: It has been moved by Mr. Williams that Shawn Murphy be elected as chair of the committee.

Are there any further motions?

Is it the pleasure of the committee to adopt the motion?

Some hon. members: Agreed.

The Clerk: I declare the motion carried and Mr. Murphy duly elected.

Before inviting Mr. Murphy to take the chair, if the committee wishes, we will now proceed to the election of vice-chairs.

I'm now prepared to receive motions for first vice-chair.

Pursuant to Standing Order 106(2), the first vice-chair for this committee must be a member of the government.

Are there any motions?

Hon. Charles Hubbard (Miramichi, Lib.): I would nominate David Sweet. I understand he's done a very good job in the past, and he was recommended by Mr. Williams, who was a former chair of this committee. I'm sure he'll do a great job as vice-chair.

The Clerk: It has been moved by Mr. Hubbard that Mr. Sweet be elected as first vice-chair of the committee.

Are there any further motions?

Is it the pleasure of the committee to adopt the motion?

Some hon. members: Agreed.

The Clerk: I declare the motion carried and Mr. Sweet duly elected first vice-chair of the committee.

[Translation]

I am now ready to receive motions for the position of second Vice-Chair.

Pursuant to Standing Order 106(2), the second Vice-Chair must be a Member of an opposition party other than the Official Opposition party.

Are there any nominations?

Mr. Lussier.

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Clerk, I nominate Mr. Jean-Yves Laforest for the position of second Vice-Chair.

The Clerk: Mr. Lussier moves that Mr. Laforest be elected second Vice-Chair of the committee.

Are there any other nominations? Is it the pleasure of the committee to adopt the motion?

Some hon. members: Agreed.

The Clerk: I declare the motion carried and Mr. Laforest duly elected second Vice-Chair of the committee.

[English]

I now invite Mr. Murphy to take the chair.

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): First of all, I want to thank my mover and thank the committee members for their support.

Before we go any further, I do want to extend a very warm welcome to three new members of the committee. Mr. Marcel Lussier has joined us from the Bloc Québécois, and we have two new Liberal members, Mr. Charles Hubbard and Mr. Mark Holland.

I want to welcome each of you to the committee. I do hope you find the committee rewarding and enjoyable, as does everyone.

The next item of business, colleagues, is the routine motions. If this committee so wishes, we can start them now. I understand we do them one at a time.

Okay, then, we will proceed in the order that they are in now. We will go over the last routine motions we had.

The first item, colleagues, is the services of analysts from the Library of Parliament. The motion reads:

That the Committee retain, as needed and at the discretion of the Chair, the services of one or more analysts from the Library of Parliament to assist it in its work.

This is a very routine motion. This committee couldn't function without its analysts, so I assume someone's going to move that motion. We would be in deep trouble if we didn't get this one passed.

(Motion agreed to)

The Chair: The second one:

That the Subcommittee on Agenda and Procedure be established and composed of the Chair, the two Vice-Chairs and a member of the other opposition party.

Mr. Brian Fitzpatrick (Prince Albert, CPC): I so move.

The Chair: So moved by Mr. Fitzpatrick.

(Motion agreed to)

The Chair: Reduced quorum:

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

Hon. Charles Hubbard: I so move.

The Chair: Agreed?

Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): I'd just like to consider an amendment to that motion, which would read:

That the Chair be authorized to hold meetings to receive evidence and to have that evidence printed when a quorum is not present, provided that at least three members...

Is that the motion we're on right now?

The Chair: Yes.

Mr. David Sweet: Yes.

...provided that at least three members are present, including one member of the opposition and one member of the government. In the case of previously scheduled meetings taking place outside the parliamentary precinct, the committee members in attendance shall only be required to wait for 15 minutes following the designated start of the meeting before they may proceed to hear witnesses and receive evidence, regardless of whether opposition or government members are present.

● (0915)

The Chair: I think this is a fairly significant change. I'll read it:

That the Chair be authorized to hold meetings to receive evidence and to have that evidence printed when a quorum is not present, provided that at least three members are present, including one member of the opposition and one member of the government.

Then it goes on:

In the case of previously scheduled meetings taking place outside the parliamentary precinct, the committee members in attendance shall only be required to wait for 15 minutes following the designated start of the meeting before they may proceed to hear witnesses and receive evidence, regardless of whether opposition or government members are present.

I'll ask the clerk to speak to what goes on in other committees.

Justin.

The Clerk: I don't know if we've had examples of this type of motion in other committees up to this point, but obviously in terms of timing for committees, when committees are to adjourn or not continue, that's obviously up to the committee in any instance. If it is the pleasure of the committee to codify it in this form, it would be up to the committee to determine that.

The Chair: I'm going to ask the mover to explain the second paragraph. If I understand it, the quorum is set by the Standing Orders. The regular quorum is seven, right? That's in the Standing Orders, and that can be from any party. To vote on a matter we need quorum.

We are entitled to hear evidence and run a normal meeting with reduced quorum. According to our present Standing Orders, with reduced quorum we need one member of the opposition, one Liberal member. That is the normal standing order that's—

Mr. John Williams: Opposition includes the Bloc and the NDP.

The Chair: You're right, Mr. Williams, it's not the official opposition; it could be Bloc or NDP. That is the normal standing order that's seen in most committees.

I'll read the second paragraph again:

In the case of a previously scheduled meeting taking place outside the parliamentary precinct, the committee members in attendance shall only be required to wait for 15 minutes following the designated start of the meeting before they may proceed to hear witnesses and receive evidence, regardless of whether opposition or government members are present.

Perhaps, Mr. Sweet, I'll get you to explain that. I should point out, first of all, that I've been on the committee for over seven years now and we've never had a meeting, I don't think, outside the parliamentary precinct.

Mr. Williams, am I correct?

Mr. John Williams: Not in all the time I've been here, Mr. Chairman—since 1993.

Mr. David Sweet: Mr. Chairman, that simply was to make sure there was some efficiency, and obviously the clerk rightly said that the Standing Orders would be what we would operate by. This would not unduly hamper the committee from going forward. My main concern was the first paragraph of the motion, that there was a government member also available, and I'm quite fine to strike the second paragraph.

● (0920)

The Chair: Fine. Discussion?

Mr. Holland.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Chair, I just don't see the need for the change. I think it's been pointed out that the circumstance simply hasn't arisen. I think the chair has the ability, under the Standing Orders, to make a determination when a meeting should start. There are also provisions as to what to do if we don't have quorum and when we can hear witnesses. I don't think handcuffing you in this manner is particularly productive.

The Chair: Any other discussion?

We're going to vote on Mr. Sweet's amendment first....

Monsieur Laforest.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Chairman, the Bloc Québécois was not in favour of adopting the proposed amendment. However, since Mr. Sweet has agreed to delete the second part, we will be supporting the amendment.

[*English*]

The Chair: Mr. Laforest has suggested a friendly amendment.

Mr. Hubbard, on this issue.

Hon. Charles Hubbard: Mr. Chair, I think it's getting a little bit complicated. It has a lot of significance here because it's a change in the way the committee has functioned, at least since John Williams started in 1993-94.

May I suggest that we table this until a future meeting, rather than deciding today. It would give us time to see it in writing and to look at the consequences of what that amendment would make in terms of our meetings.

The Chair: Mr. Hubbard has made a motion to table this until the next meeting. That's not debatable, so I will ask for a vote.

On the motion to table, are we all in agreement?

(Motion allowed to stand)

• (0925)

The Chair: We will bring up that motion at the next meeting.

The next routine motion, colleagues, is the distribution of documents: that only the clerk of the committee be authorized to distribute to the members of the committee any documents, including motions, and that all documents that are to be distributed amongst the committee members must be in both official languages; the clerk shall advise all witnesses appearing before committee of this requirement.

Oh, I'm sorry. I just read Mr. Sweet's thing.

The routine motion is:

That the Clerk of the Committee be authorized to distribute to the members of the Committee only documents that are available in both official languages.

Were you proposing an amendment to the distribution of documents, Mr. Sweet?

Mr. David Sweet: No.

The Chair: Okay.

The motion is pretty simple. So moved by Mr. Hubbard.

(Motion agreed to)

The Chair: The next motion, dealing with working meals, is:

That the Clerk of the Committee be authorized to make the necessary arrangements to provide working meals for the Committee and its subcommittees.

So moved by Mr. Williams; he likes to eat.

(Motion agreed to)

Mr. John Williams: That's unanimous, Mr. Chairman.

The Chair: The next motion deals with witnesses' expenses:

That, if requested, reasonable travel accommodation and living expenses be reimbursed to witnesses, not exceeding two representatives per organization; and

that, in exceptional circumstances, payment for more representatives be made at the discretion of the Chair.

So moved by Monsieur Laforest.

(Motion agreed to)

The Chair: The next motion is:

That, unless otherwise ordered, each Committee member be allowed to be accompanied by one staff person at an in camera meeting.

So moved by Mr. Christopherson.

(Motion agreed to)

The Chair: The next motion refers to the transcripts of in camera meetings:

That one copy of the transcript of each in camera meeting be kept in the Committee Clerk's office for consultation by members of the Committee.

So moved by Mr. Christopherson.

Yes, Mr. Williams.

Mr. John Williams: I have no problem with the destruction of in camera meeting evidence later on, if we're discussing reports and so on. But I remember way back we had a meeting with a gentleman who many people may remember, Mr. Chuck Guité, and another guy, Mr. Tremblay, who has since passed away. This was the first meeting regarding chapters 3, 4, and 5 of the Auditor General report of February of 2004, which became quite infamous in the country.

Anyway, it was agreed at the time that the in camera meeting testimony would be held secret until such time as all criminal proceedings, if any, were dealt with and subsequently made public. These transcripts were made public some years later, Mr. Chairman, and I think the committee should be cognizant of the fact that there may be times when we want to make in camera meeting testimony public at a later date.

So while in the normal course this would be fine, I would say to the committee that we of course can amend and make a specific rule regarding a specific in camera meeting to ensure that becomes public if we feel it's in the public interest.

The Chair: Is there a change in the motion?

Mr. John Williams: I'm not proposing any change to the motion, Mr. Chairman. I'm just telling the committee to remember that we do have the authority to waive this rule for any particular committee meeting we would have.

The Chair: Mr. Williams is exactly right. The committee is master of its own proceedings, and it can change them in certain instances. In that case we did, I believe, with the consent of the witness—

Mr. John Williams: No, there was no consent of the witness. We told them right at the beginning—we made the decision beforehand—that we would hear the witness testimony in camera but that it would be made public at a later date, and those were the conditions under which the witnesses appeared.

The Chair: That does not require a motion.

All in favour of the motion as presented.

(Motion agreed to)

The Chair: Notice of motions. This is the standard 48-hour notice, which I will read:

That 48 hours' notice be required for any substantive motion to be considered by the Committee, unless the substantive motion relates directly to business then under consideration; and that the notice of motion be filed with the Clerk of the Committee and distributed to members in both official languages before consideration be given.

I take it that Mr. Sweet has presented an amendment that he wants the committee to consider. I will read Mr. Sweet's amendment:

That the 48 hours' notice shall be required for any substantive motion to be considered by the Committee, and that the period of notice be calculated from the time the motion has been distributed to the members of the committee by the Clerk of the Committee, and that the motion shall be distributed to members in both official languages, and that all motions received by the Clerk shall be placed upon the agenda of the first Committee meeting following the period of notice.

Perhaps I'll get you to speak to that, Mr. Sweet.

Mr. David Sweet: Mr. Chairman, the idea of this amendment is to allow all members to be duly able to think about any motion that would be coming regarding any topic. It gives them 48 hours from the time it's distributed in both official languages, and then they can thoughtfully debate and vote on that specific motion. That was the purpose of it. Actually, it is akin in spirit to the one Mr. Hubbard tabled in order to investigate it more. This is designed so that we can make sure that all motions are thought through carefully.

The Chair: I have a question, Mr. Sweet.

Is that not the practice that is followed now?

Mr. David Sweet: Right now—you'll see the difference in the other motion, Mr. Chairman—this would circumvent any motion being accepted that's germane to the subject at the time.

• (0930)

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Chair, I'll just quickly clarify the distinction.

Right now it's possible for a member to raise a substantive motion without 48 hours' notice if that motion pertains to the substance of what's being discussed before the committee. What we're suggesting is that all motions, regardless of whether or not they are germane to the substance of the committee's debate, require 48 hours' notice. That's the distinction.

The Chair: Mr. Christopherson.

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

That's what I thought was the distinction, and I have a problem with it. The whole purpose of it is to allow people not to be caught off guard, so that nobody can plan a sneak attack, and so that nobody gets ambushed, and so that we don't have this big issue that's going to create headlines and nobody knows anything about it. But if we're already dealing with a matter, to then break that down and slow it down even more, to say that even though we're already engaged in an issue, and we're in the middle of it and trying to make determinations on where we're going to go, we suddenly have to stop and give 48 hours' notice to put a motion, I have a problem with that. If collectively we think the motion that's being put forward is too substantive to move on too quickly, then we can just move to table, and we can buy ourselves that time. But it seems to me that we don't want to give somebody the ability to obstruct the efficiency of the

committee in dealing with fundamental issues that are already properly on the agenda, on the floor in front of us, in which we're already engaged, and to bring all the discussion to a halt and buy themselves this 48 hours when we already have the ability to do that if procedurally we feel we need to slow down a bit.

I'm not comfortable, nor do I see the need to provide this new tool—I see it more as a tool than a protection—to members of the committee.

Things work fine the way they are.

The Chair: Mr. Holland.

Mr. Mark Holland: Thank you, Mr. Chairman.

I would just point out that Mr. Sweet's motion is actually in violation of his own motion. We didn't receive this 48 hours in advance. We're receiving it today.

I don't know how serious Mr. Sweet is about this, but I would agree with Mr. Christopherson that it doesn't make a good deal of sense. If the committee were already seized with a matter, it could debate it. Mr. Hubbard proved earlier that if the committee is not ready to deal with a matter it can simply table it. This would unduly slow things down, and the committee already has within its power to set aside something it is not ready to deal with.

The Chair: Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: What Mr. Christopherson said made a fair amount of sense. The difficulty that I think all of us experienced in previous meetings was when there was something remotely germane to the topic at hand and a motion was pulled out of the blue calling for witnesses that nobody knew anything about, and so on, or was presented to us with no background on it, and we were all asked to give some sort of informed judgment or opinion on it. Sorry, that's not the way good decisions are made.

If we think back to those circumstances, we can agree in almost every single case that there would have been no problem with the 48 hours' notice to deal with these matters. The steering committee people could have looked at these things and dealt with them in some rational, logical way, and there would have been no injustice to anybody. It maybe helped individual people get a headline or a story out of it or something, but it sure didn't help anybody on this committee make sound, informed judgments, and sometimes it just led down a path to nowhere when we actually got into these motions. I think I can understand the gist of this motion—that it has to be darned relevant to the things that are at hand, and not some remote thing that nobody knows anything about except the person making the motion.

The Chair: Mr. Sweet.

Mr. David Sweet: Thank you, Mr. Chairman.

I don't think thoughtful due diligence presents any obstruction to the efficiency of the committee.

To Mr. Christopherson's point, if there is unanimous consent at the table, then we can still move ahead with a motion at the time, and that provision would still be there.

• (0935)

The Chair: Monsieur Laforest.

[Translation]

Mr. Jean-Yves Laforest: Mr. Chairman, the motion on the table seeks to improve the way in which the committee operates, but in my opinion, it fails to do that. I have been a member of the public accounts committee for a year and I feel the current format serves the committee well and allows for some interaction when necessary. Therefore, I disagree with this motion.

[English]

The Chair: I would like to make a comment on Mr. Fitzpatrick's point.

We did have a lot of motions appearing in this committee to call additional witnesses. However, as chairman, I have always dealt with them as substantive motions. In all cases the mover got unanimous consent to bring them—not in all cases, but in some cases. That's a little background.

Mr. Christopherson.

Mr. David Christopherson: I'll say this very briefly, because I don't think we need to draw this out.

The difference is that you are increasing the threshold. On the one hand, you're giving the committee the ability to say no, we don't want to deal with this right now, and a majority can decide to table. If we change the rule, it takes unanimous consent to allow a substantive matter to be at the committee, so the threshold is much higher, and the efficiency is going to go right down.

In my opinion, I don't think the government has made their case for the change.

Thank you.

The Chair: Is there any other discussion?

We're going to vote on Mr. Sweet's amendment. Do I need to read it again?

I'll read it again.

That 48 hours' notice shall be required for any substantive motion to be considered by the Committee, and that the period of notice be calculated from the time the motion has been distributed to the members of the Committee by the Clerk of the Committee, and that the motion shall be distributed to all members in both official languages, and that all motions received by the Clerk shall be placed upon the agenda of the first Committee meeting following the period of notice.

You have heard the amendment.

(Motion negatived)

The Chair: We're back to the original motion, and I'm going to read that again:

That 48 hours' notice be required for any substantive motion to be considered by the Committee, unless the substantive motion relates directly to business then under consideration; and that the notice of motion be filed with the Clerk of the Committee and distributed to members in both official languages before consideration is given.

That motion has been moved.

(Motion agreed to)

Mr. John Williams: Was that carried?

The Chair: That was carried.

The last routine motion is time allocation. I will read it:

That the witnesses be given five (5) minutes to make their opening statements and if they have additional information, it should be deposited with the Clerk of the Committee and:

That during the questioning of witnesses the time allocated to each questioner be as follows: On the first round of questions, eight (8) minutes to a representative of each party in the following order: Liberal, Bloc Québécois, Conservative, NDP, Liberal and Conservative, on the second round of questioning, five (5) minutes per party in the following order: Liberal, Conservative, Bloc Québécois, Conservative, NDP, Liberal and Conservative.

Do I have a mover for that motion? Mr. Christopherson.

Any discussion? Mr. Hubbard.

Hon. Charles Hubbard: I think it's important for our committee to consider that all of us sit here for two hours at committee, and when you look at the time that each member has, the eight minutes and then the five minutes, there are going to be people sitting here for two hours who will never have an opportunity to ask a question. I really think there's something wrong with that when we're denying members who participate.

I know eight minutes has been traditional, and that takes up 40 minutes. Is it fair to all members of a committee to use so much?

I don't like making amendments on the spur of the moment, but I think, Mr. Chair, that as a committee we have to reflect on that and see that all members who sit here and faithfully perform their duties should have an opportunity to participate. Should it be only five minutes for the first round and maybe three or four minutes for the second in order to get more participation?

• (0940)

The Chair: Mr. Williams.

Mr. John Williams: I think Mr. Hubbard mentioned that it's maybe not appropriate to deal with these things off the cuff. The eight minutes and the five minutes have served us fairly well.

If you want to get into a line of questioning, and in the public accounts committee we are into lines of questioning—we're not here to elicit policy statements from the witnesses that most other committees would expect; we sometimes have to ask some pointed questions of witnesses and follow up to ensure that we're satisfied with the answers. Therefore, short rounds like five minutes and three minutes are really not appropriate for this committee. Without serious study, I think we should leave it as is.

If Mr. Hubbard feels that way, perhaps the steering committee can look at it and come back with a recommendation, but I think we should pass it as it is right now.

The Chair: If I may speak briefly to it, as chair, I see situations where an examiner gets into it and they're just getting to the nub of the issue and the eight minutes are up. I feel bad in cutting it off, although I have no choice under the routine motions. Of course, normally, the next examiner will go to a totally different subject or topic. Sometimes you wonder if we'd be better off if we had fewer questioners rather than more, but these are the Standing Orders.

I know your point, Mr. Hubbard, but again, I appreciate Mr. Williams' point too.

Any other discussion?

Mr. Fitzpatrick.

Mr. Brian Fitzpatrick: I'd just pass the comment on to Charles, too, that the experience I have here is that we have some pretty experienced witnesses who appear before this committee. They generally look at trying to get out of here without having to give any more information than possible, to talk out their time and so on. Eight minutes really is inadequate to deal with those people as it is. To shorten it up I don't think would make any sense at all.

If some members feel strongly, they can split some of their time with some of their members if they want. I don't see shortening these things up; I'd say we should be looking at lengthening them.

The Chair: Are there other comments or discussion?

I'm going to put it to a vote.

(Motion agreed to)

Mr. John Williams: Was that carried, Mr. Chair?

The Chair: That was carried.

That concludes the routine motions, save one that will be put on the agenda at the next meeting after the parties have had time to deliberate on the amendment and the original motion.

We'll invite the analysts over.

Alex and Lydia, come on over and join us. The motion passed, thankfully.

Colleagues, that concludes the business that was on the orders of the day. However, as everyone is aware, this committee is way behind in our agendas and our reports, etc., so in order not to waste the remaining time in the meeting, I asked the clerk to invite the Auditor General here so that we could start on her report.

However, before I do that, that is a decision to be made by the entire committee, not by the chair or by the clerk. So we would require a motion to call the Auditor General up to start the presentation of her report. That was the report tabled two weeks ago, her October 2007 report.

Is someone prepared to make a motion that the Auditor General be called?

Hon. Charles Hubbard: I so move.

The Chair: Is there any discussion?

Mr. John Williams: That will require unanimous consent.

The Chair: That will require unanimous consent, Mr. Williams. As chair I would want all parties to be in agreement. If one of the parties were fundamentally in disagreement with the procedure, I would feel comfortable not doing it.

All in favour of the motion to call the auditor?

(Motion agreed to)

• (0945)

The Chair: It's carried unanimously.

We're going to suspend the meeting for two minutes.

• _____ (Pause) _____

• **The Chair:** I'd like to call the meeting to order.

Welcome to the first meeting of this session of Parliament. I'd like to publicly welcome again our three new members: Monsieur Lussier, Mr. Hubbard, and Mr. Holland.

Colleagues, we have with us today the Auditor General, Sheila Fraser. She's accompanied by assistant auditors Ronnie Campbell and Hugh McRoberts. She is going to start the presentation of her October 2007 report, which was filed in Parliament approximately two weeks ago.

What I've proposed to do, colleagues, is to go to 11 o'clock. I will ask members of the steering committee—Mr. Christopherson, Monsieur Laforest, and Mr. Sweet—just to stay around for five minutes after. I just want to have a very brief conversation.

Having said that, I will now turn the floor over to Mrs. Fraser for opening comments.

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

We are pleased to be here today to present our fall 2007 report, which was tabled in the House of Commons on October 30.

As you mentioned, I am accompanied by assistant auditors general Hugh McRoberts and Ronnie Campbell.

Several chapters of this report touch upon the government's use of information for managing. Fundamental to the success of any organization is knowing what information that organization needs, collecting it, and using it to manage well.

One of our audits looked at an important source of information used by governments, that being the population census. Specifically we looked at how Statistics Canada managed the 2006 census.

[*Translation*]

Governments and other institutions use census data for many important purposes. For example, federal transfer payments to the provinces—amounting to around \$62 billion in 2006-2007—are based in part on census population estimates. It is therefore critical that Statistics Canada ensure the quality of the information it collects.

We found that Statistics Canada managed the 2006 census successfully. It acted to improve the quality of the information on population groups that have been hard to count. And it made considerable efforts to ensure that the privacy of information supplied by respondents was protected.

We noted some areas that could be improved, and we are pleased that Statistics Canada has agreed to our recommendations for improvement.

● (0950)

[English]

In chapter 4, our audit of military health care, we noted that Canadian Forces members surveyed by military clinics were satisfied with the care they received, but we found that National Defence itself has little information to assess the quality of care provided by the military health care system in Canada. National Defence does not have some of the basic information we would expect to see in a well-managed system of health care. For example, it did not know whether all of its health care professionals were licensed or certified to practice.

It also lacks the information to know whether levels of service at the clinics are appropriate to medical and operational needs and whether the costs of providing them are reasonable.

Better information from its health care system would help assure National Defence that military members are receiving quality health care at the appropriate level and cost.

[Translation]

Another area where information is fundamental is managing the border. In order to keep the border open and also secure, the Canada Border Services Agency must have the right information and use it effectively. We did not audit all aspects of border security; we looked at the Agency's efforts to enhance its identification of risks and its targeting.

It would be impossible for the Agency to examine every person and shipment entering the country and still maintain an open border. This underlines the need for effective targeting methods so that low-risk people can enter while appropriate action is taken for those who are high-risk.

We found that the Canada Border Services Agency has made significant investments in automated systems to identify high-risk travellers and shipments before they enter Canada. These tools are still in the early stages of development and implementation, and border services officers continue to rely more on their own analysis and judgment to select shipments for examination.

We looked at whether the Agency has measures in place to tell it how well its initiatives are working. We found that it does not capture enough information on the results of its activities to know whether it is doing a good job at the border or to know whether improvements are needed.

We hope this audit will be useful to the Agency as it moves forward with its enhanced approach to border security. I am pleased that it has accepted all of our recommendations.

[English]

A related issue is how the federal government ensures the security of sensitive information and assets that it makes available to industry in the course of contracting. We found serious problems in a system that is supposed to ensure the security of government information and assets entrusted to industry. I am particularly concerned about failures to identify security requirements for major defence construction projects.

We found that many in government who play a role in industrial security are not sure of their responsibilities. Further, the industrial security program has a major role but does not have the stable long-term funding needed to hire and retain enough qualified professionals.

Failing to protect sensitive information in contracting can pose serious risks to the national interest. Reducing these risks will take a concerted effort to strengthen accountability, clarify policies, and ensure that roles and responsibilities are clearly understood and respected.

Another area of concern featured in this report is the federal government's handling of the Inuvialuit Final Agreement, which in 1984 settled Inuvialuit claims to lands in the western Arctic. We found that 23 years later the federal government has yet to meet some of its significant obligations under the agreement. For example, it has not yet taken the necessary steps to transfer control and use of several parcels of land to the Inuvialuit, nor can it demonstrate that it is meeting its obligations to inform the Inuvialuit of federal contracts in the settlement region.

In 2003 we made similar observations about the department's approach to agreements with the Gwich'in and the Inuit. It is disappointing that Indian and Northern Affairs Canada has continued to focus only on specific obligations and has not worked in partnership with the Inuvialuit toward the goals of this agreement.

● (0955)

[Translation]

We recently began to include some of the smaller federal organizations in our regular performance audit work. Despite their relatively small size, these organizations can have a significant impact on the lives of Canadians.

This year, we looked at the Canada Industrial Relations Board, the Canadian Forces Grievance Board, and the Courts Administration Service. I am pleased to report that the results of our audit were generally positive.

In all three cases, we found good procedures and proper controls for the use of acquisition cards, executive travel, hospitality expenses, and executive compensation and benefits. We did find some problematic human resources practices in two of the organizations, and each is working to resolve them.

The Canada Revenue Agency has made a significant investment in employee training and learning on tax issues. We found that it has in place many of the processes needed to manage its investment well; it now needs to implement them fully.

The Agency's ability to protect Canada's tax base depends in large part on the knowledge and skills of its employees, especially those who must interpret complex, technical, and frequently changing tax laws and regulations. I am pleased to see that the Agency is on the right path in managing its investment in their development.

[English]

As you know, the annual report of the Commissioner of the Environment and Sustainable Development was also tabled in Parliament on October 30. In that report, the interim commissioner concludes that the weaknesses identified in sustainable development strategies over the past decade still persist to this day. He found that most departments still have not identified the significant sustainable development impacts of their policies and programs. Yet this was Parliament's expectations for the strategies.

The commissioner is calling on the government to carry out a thorough review of its current approach to sustainable development strategies. I am pleased that the government has agreed with the commissioner's recommendation and has made a commitment to complete it by October 2008.

Sustainable development strategies are a very important management tool. I would like to encourage the public accounts committee to review this matter. Attention from this committee would reinforce the importance of the review and would signal the expectations of parliamentarians. As well, hearings before the public accounts committee often encourage government to produce action plans with detailed timelines. This, along with recommendations from the committee, could result in concrete action.

That concludes my statement, Mr. Chair. We would be happy to respond to questions members may have.

Thank you.

The Chair: Thank you very much, Ms. Fraser. *Merci beaucoup.*

We will have time, colleagues, for probably one round of eight minutes and then a very short round after that.

Mr. Holland, eight minutes.

Mr. Mark Holland: Thank you.

I'll split my time with Mr. Hubbard so that we...

The Chair: Mr. Holland, I should point out that Mr. Hubbard will have an eight-minute round himself.

Mr. Mark Holland: Okay.

First of all, Ms. Fraser, thank you so much for appearing before our committee today. It's good to be back on this committee and it's good to see you again.

There are a couple of things. Today, principally, we're going to focus on what chapters we as a committee want to review and what areas we think we should follow up on. So my questions will largely deal with that.

First of all, there are a lot of important matters for the committee to deal with. But I do think, given the noise in Parliament on the day the report came out, perhaps the issues didn't get as much attention as they merited.

I noticed in your opening statement that you didn't reference some concerns you had with respect to high-risk individuals and shipments that were not being intercepted upon entry. I'm wondering if you can touch on that for us today and your concerns in that regard.

Ms. Sheila Fraser: Thank you, Mr. Chair.

As was mentioned, we did note in the report that there were certain individuals who were on watch lists who did not go through the secondary inspection we would have expected. As well, certain containers were allowed into the country and had been clearly identified as ones that should not be able to come in. The difficulty we had is that the agency doesn't have a system to collect information, so we were unable to determine, for example with the containers, if it was because they had received additional information and determined that this was a low-risk container or if it was simply an error that occurred and the container came in and should not have come in.

It's the same thing with the people on the watch list. It was difficult to know why those people were let in. Was it an error, or was it because, as we mentioned in the report, sometimes the name doesn't exactly match?

So one of our major recommendations in all of this—and a recommendation actually the office has been making for several years—is that the agency should have much more information, should know the results of its secondary inspection, for example, and should have much more rigorous information systems. They are working on developing this, but it's still in the very early stages.

• (1000)

Mr. Mark Holland: Why have they not responded? Why have they taken so long to respond? We know on certain issues we're spending over \$1 billion hiring border guards, but this you've been raising for several years. What's their explanation as to why this hasn't been implemented or why they haven't acted on it?

Ms. Sheila Fraser: You would really have to ask the agency that. In part it's probably a question of funding. They have made the statement to us several times, and we noted in the report, that they believe they do not have enough funding. We obviously didn't get into an assessment of that. But they are expecting to have a request go in for additional funding.

Mr. Mark Holland: But to you, the issue they raised was one of resources? The problem was simply a lack of funds?

Ms. Sheila Fraser: That seems to be the major explanation they're giving to us now. As to why it wasn't done in the past, I really don't know. You'd have to ask the agency people.

Mr. Mark Holland: The other area where there is a concern with lack of information is National Defence, with respect to soldiers and the quality of health care they are receiving. We want to make sure that if soldiers are overseas, or here, they're receiving adequate health care. You didn't touch a lot on that. I'm just wondering if you could speak to what the problem is there with respect to the information being received and what kind of response you're getting to that concern.

Ms. Sheila Fraser: I would just like to clarify that the audit we did was on health care services in Canada. We have a report that we will be tabling in the spring that will be looking at support to deployed operations. So this is really the health care system here in the country.

Again, the department does not have the information that one would expect. Most of the medical records, for example, are paper records. So it's very difficult to get any kind of trend or any sort of analysis without going through individual charts, which is an almost impossible thing to do.

They started developing a system—in 1999, I believe it was—and only expect it to be completed in 2011, which appears to us to be a very long time. It would seem again that funding may be an issue there, that the funding was not given to this and may have been put into other higher priority items. I guess there's just really a sense that they have managed the system without the kind of information one would expect.

They have done periodic surveys, and that is how we were able to point to one survey that found that the members were saying they believed they were getting very good health care. But we would have expected much more information to manage this very important system.

Mr. Mark Holland: In fact that lack of information was so acute that in some cases you weren't able to ascertain whether or not some of the health care professionals were properly licensed.

Ms. Sheila Fraser: The department was not able to tell us if the health care professionals had the necessary certifications or were licensed. We ourselves did an audit, or ascertained that the medical doctors were all certified and did have a licence to practise within Canada in one of the provinces. But the department was not able to tell us that.

Mr. Mark Holland: Obviously the concern is that we're entering into a period of rising military budgets. There is a lot of new money flowing into the military, and it's concerning. One of the areas that's concerning in health care, which you raised as well, is mental health. This is becoming more and more an issue, obviously for our soldiers who are returning after active duty, who are faced with mental health issues. You referenced the fact that there really is not enough support in this regard being given to them when they come back. I wonder if you can speak to your concerns in that regard and to what your response was.

Ms. Sheila Fraser: In the current system, when a member is not able to obtain mental health care services from a practitioner within the military health care system, they are then referred to the public system. So the services are made available to them.

One of the issues that we have noted, though, was that when they are referred to the public health care system, they then kind of lose track of it. They don't know the outcomes, and they aren't able to follow the case as well. So there is an issue around that. They weren't able to give us any information about the numbers of cases either. We asked for that information and it wasn't available.

•(1005)

Mr. Mark Holland: I have another question, Mr. Chairman. If everybody finishes a little bit early, perhaps we'll have an opportunity at the end to discuss which chapters we want to look at.

The Chair: Normally that would go to the steering committee, Mr. Holland. But then we could go to main committee.

Mr. Mark Holland: Sure, that's okay. I'm fine.

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

Monsieur Laforest, huit minutes.

[Translation]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman. I will be splitting my time with Mr. Lussier.

Good day, Ms. Fraser and welcome to the members of your team. I have two comments of a general nature, which will serve as both comments and questions.

In your last report, you stated that you had encountered some problems accessing certain information. I believe that in the case of the Treasury Board Secretariat—I cannot recall exactly which file was involved—you had problems accessing information. Did you encounter similar problems this time around as you conducted your various audits?

Ms. Sheila Fraser: No. We were able to gain access to all the information we requested.

Mr. Jean-Yves Laforest: Thank you.

My second comment is also of a general nature. Earlier, I mentioned that I have been a member of the public accounts committee for one year and that I have had an opportunity to analyse various reports submitted by your office. On several occasions, you have pointed out that an agency or department had been audited three, four or five years earlier. Departmental officials had indicated that they would take the necessary steps to correct problems identified. Yet, when another audit was done five or six years later, the problem was still not resolved.

I see that in each of your report's chapters, you come to the same conclusion in terms of the reaction of the department or agency audited. For example, you observe that the Department of National Defence has accepted your recommendations and is taking steps to address the concerns... I imagine that the response was the same five years ago. I didn't read it, but I imagine the report said the same thing.

We've talked about this situation before and I find it worrisome. Have you already planned to conduct some surprise audits? Perhaps your audits are always unannounced, but maybe, for three or four years, you could audit a particular department or agency to ascertain if...

Take Chapter 4, for example. We read that in 2002, 25% of Canadian Forces members who reported some mental health problems expressed satisfaction with the care they received. That was in 2002, already five years ago. Is there some way that Canadian Forces members could be surveyed again next year? We know that some are experiencing some serious psychological problems. Could a similar audit of military health care be conducted again in 2008 and if necessary, again in 2009 and 2010?

I understand that you cannot conduct repeat audits unnecessarily, but you understand the principle here. It is a matter of putting the departments and agencies on the spot. As I see it, it is easy for them to say that they accept the audit results and will take steps to put measures in place, but the process is so time-consuming that many issues remain unresolved.

Ms. Sheila Fraser: I will answer the question in two parts.

First of all, the survey to which you alluded was conducted by National Defence. Further to the findings made, the department began to change the way in which it provided health care services. I expect National Defence to take follow-up action to improve the quality of health care and to ensure that information systems provide concrete feedback on the improvements made to the health care system. If ever parliamentary hearings are held, you can discuss the subject with departmental officials.

Our office does follow up on the audits it conducts. As you know, we release a Status Report, generally in February, on past audits conducted to ascertain if indeed the government has followed up on our recommendations. Most chapters indicate that satisfactory results are being achieved. Obviously, some departments have not followed up on our recommendations as we expected them to and have not implemented the action plan. There can be many reasons for this. Certainly, many changes can be attributed to the parliamentary hearings, the requests for action plans and the follow-up reports.

•(1010)

Mr. Jean-Yves Laforest: Thank you, Ms. Fraser.

[English]

The Chair: Mr. Lussier, you have two and a half minutes.

[Translation]

Mr. Marcel Lussier: Ms. Fraser, I see no reference in Chapter 5 of your report, which focuses on keeping the border open, of the program to arm border services officers. Is the program too recent for you to comment on?

Ms. Sheila Fraser: Yes, it is. We have yet to examine this program. As you know, it has only just been implemented. However, we are considering the possibility of auditing the program.

Mr. Marcel Lussier: I see. I have a second question for you. In Chapter 5, you say that 93% of boaters and private aircraft passengers required to report by telephone did not see an Agency officer when they arrived in Canada. Isn't it a mistake not to check boaters and small private aircraft passengers at the border for weapons, drugs and cigarettes? That is the normal procedure.

Ms. Sheila Fraser: Again, I assume it is a question of resources, but it would be best to discuss the implications of this with the Agency.

Mr. Marcel Lussier: According to your report, most airports in Canada do not have permanent staff. Why is that? A total of 183 airports do not have any permanent employees, only temporary employees. What does this mean in terms of continuity at our airports?

Ms. Sheila Fraser: Here again, it's a question of resources, in my view. As you know, there are many small airports in the country. In the Agency's opinion, risks are greater at the larger airports where traffic volume is the heaviest. Again, perhaps this is an issue that you

should discuss with the Agency, if ever you were to hold parliamentary hearings.

Mr. Marcel Lussier: Thank you.

[English]

The Chair: *Merci beaucoup, Monsieur Lussier.*

Mr. Sweet, eight minutes.

Mr. David Sweet: Thank you, Mr. Chairman.

Madam Fraser, I just wanted to clarify something with regard to those suffering from post-traumatic stress disorder injuries. Did you say there was no record of the number of cases out there, and no case follow-up?

Ms. Sheila Fraser: You'll notice that we asked how many members were receiving mental health care services, and the department was not able to give us that information, again because of the information systems. And when they are referred to the public health care system, the information is not available. They lose track of those people.

So there is a real need to improve the quality of the information.

Mr. David Sweet: I wanted to find out, too, if there was a clear delineation, when you were investigating, between who was looking after these soldiers, whether it was Veterans Affairs or Defence.

Ms. Sheila Fraser: In this particular case, it was National Defence, yes.

Mr. David Sweet: Okay.

I'm just looking at the summary of all the chapters, and it's stated here, under the Canada Border Services Agency, that, "In addition, it does not record some of the information it could be using to determine the effectiveness of its targeting..."

You had mentioned one aspect about containers. How profuse is this lack of information-gathering? It sounded as though, when Mr. Holland asked you those questions, there was absolutely no system for them to record information as far as traffic is concerned.

Ms. Sheila Fraser: I would say it's pretty generally the case that they don't have good information systems. They don't have information systems, for example, on the results of secondary inspections. When someone is sent for further inspection, they don't capture what happened. It's difficult to know if you're targeting the right people if you aren't tracing that and then using that information to improve your risk targeting. That information is not being captured.

•(1015)

Mr. David Sweet: Okay.

Moving along to the Inuvialuit Final Agreement, from page 17, you mentioned some encumbrances that are on these 13 parcels. Could you tell me the nature of the encumbrances involved here? Are they just on title, or are there actual physical encumbrances as well?

Ms. Sheila Fraser: Mr. Chair, I'll ask Mr. Campbell to respond to that question.

Mr. Ronnie Campbell (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chair.

Yes, there were a variety of old assets belonging to the Government of the Northwest Territories. One of them included part of an airport apron. They hadn't drawn the line where they thought they had. So there was part of an airport that was included in what they thought was land with no encumbrances.

Mr. David Sweet: All right. But they are both title and physical, in many cases?

Mr. Ronnie Campbell: Yes.

Mr. David Sweet: Okay.

Just on the same agreement, page 18, there's a statement about INAC in here that I find astonishing, that, "In fact, officials stated that they do not view this as the Department's responsibility."

Was it really that blatant, that they just said it wasn't their responsibility to bring about the completion of this agreement?

Ms. Sheila Fraser: This is an interesting issue that we've had actually, as I mentioned, since 2003, when we looked at another agreement where we believed the department had a responsibility in helping to meet the objective of the agreement, and department officials who were actually working on the agreement told us, no, no, they only had to meet the specific requirements in the agreement. For example, if there was a requirement to hold a meeting, they would hold a meeting, but whether that meant the agreement was doing anything to meet the objectives was not their responsibility.

The department actually responded like that in 2003. Subsequent to that, the minister at the time said no, they did have an obligation, and certainly discussions with very senior officials have indicated that they believe the department has an obligation to help achieve the objectives of the agreement and not just the specific obligations. But it certainly does not seem to be the attitude throughout the department, and I think that might be worth a good discussion here in a parliamentary committee.

The other troubling thing in this report, actually, is that even though they say they believe they have a responsibility to meet the obligations, when we asked them what their obligations were under this agreement, they were unable to tell us. This agreement has been around for 23 years and they were not able to say to us specifically what the obligations were. So it shows that government does not pay enough attention to implementation. It's as if everyone thinks that when it's signed it's somehow finished, and in fact the work is just beginning.

Mr. David Sweet: Moving back to the military, on page 20 of your summary you mention that the expense per member of the military for health care is \$8,600, almost double that for the public sector. I was wondering if, in your investigation, you have discovered any reasons why that was the case.

Ms. Sheila Fraser: We do note in the report some reasons that we believe lead to this increased cost. One is certainly just the availability of service. The department does not want its members to have to wait a very long time.

In paragraph 4.36 we have certain elements, such as numbers of physicians, the availability of physicians, the workload of the physicians, the costs to train military staff, and then the cost of physicians on contract, which are higher. So there are a number of elements, but we would have expected the department to be able to

give us a rationale as to why the costs are at the level they're at and to indicate that that was an appropriate level.

Mr. David Sweet: The physicians on contract are from the public sector? They come in on a case-by-case basis, is that it?

• (1020)

Ms. Sheila Fraser: There's a contract with a third party to provide physicians to various clinics through the system.

Mr. David Sweet: Would these include the costs for psychiatric care, as far as PTSD goes, as well?

Ms. Sheila Fraser: Possibly. There can be physicians on contract to provide those services, but there are members referred to the public health care system as well.

Mr. David Sweet: My final question is this. Regarding this Prescription 2000, have you seen noticeable improvement from the time that was implemented in 2000 to this October 2007 date?

Ms. Sheila Fraser: I think the main issue we would have there is that we really didn't have the information. There were serious concerns about accessibility, and we've seen that they have put a lot of effort into trying to make the services more accessible to people.

The other issue that was brought up is continuity of care, that the member would see the same group of health care practitioners. We've seen that there has been work done there as well to try to improve that, but again, the information systems didn't provide a lot of concrete data on that.

Mr. David Sweet: So even if the work was done, there wasn't reliable access to the information to see what the follow-up work was.

Ms. Sheila Fraser: That's right.

Mr. David Sweet: Thank you.

The Chair: Thank you, Mr. Sweet.

Mr. Christopherson, eight minutes.

Mr. David Christopherson: Thank you, Chair, and thank you again for an excellent report. If anything, it's too good a report this time. There's an embarrassment of riches in here. Some are stronger than others.

I'm not going to go into the merits of each of the chapters. I felt I had adequate time to ask questions when you tabled it the last time, so I would just immediately go to commenting on the dilemma we're going to face in terms of what we want to pick here.

The difficulty is going to be that two of them deal directly with national security, which is very difficult for us to ignore—nor would we want to—and then the other one deals with the health of soldiers, which, again, is just a motherhood, top priority issue.

I hear the Auditor General's recommendations around three and seven. I don't know whether there's some way we can do truncated versions on those too, so that they don't get left off—assuming others feel the same way I do, which they may not. But that's our dilemma. I'd like to see at least those three. Those would be my choices: one, four, and five. I know we'll do that at steering committee, but perhaps we could come to some agreement to do something with three and seven, if only for the reason that it's not often the Auditor General underscores and emphasizes that we should take a look at something because there are messages inherent in the process, and not just in the findings. We want to take that to heart. Somehow, given the fact that we're probably six months behind as it is, that's not an easy undertaking.

That would be my goal—that we could in some way take a solid approach to those three and at least a relatively quick one to those two to make sure they don't get left off.

Beyond that, Chair, everything else I have to say has either been said or I'll wait for the people to be brought in.

Thanks.

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

I want to remind you, Mr. Christopherson, that there are probably about eight chapters on which we've already decided to have hearings, and we haven't had the hearings on them, so we are quite a bit behind, as you know.

Mr. David Christopherson: There are eight from before?

The Chair: I think so, yes, around that.

Just before we go to Mr. Hubbard, I have a couple quick questions for the auditor.

On the audit of small agencies, each of these small agencies would have an accounting officer designated. Is that correct?

Ms. Sheila Fraser: That's correct.

The Chair: And it is your opinion that the accounting officers are aware of their obligations and responsibilities under the Federal Accountability Act?

Ms. Sheila Fraser: I would think they should be, but I would hesitate to give you a guarantee that they are.

The Chair: On the second issue, Mrs. Fraser, in paragraphs 31 and 32, dealing with the report from the Commissioner of Environment and Sustainable Development, you've made the comment, and I'll read it:

I would like to encourage the Public Accounts Committee to review this matter. Attention from this Committee would reinforce the importance of the review....

and

As well, hearings before the Public Accounts Committee often encourage government to produce action plans with detailed timelines.

I thank you for those comments. This was a very important report. It was very concerning to all members of Parliament and all Canadians.

It is a decision entirely for the committee, but, as you know, this committee deals with accountability. We deal with the expenditure of public money after the money's been spent, as opposed to the

estimates, which deal with the money before it's spent. The report of the Commissioner of the Environment borders on policy or lack of action, and it really isn't purely about the expenditure of government money.

As you can see from the previous discussion, the committee is not necessarily looking for work. I just want you to elaborate on those comments.

• (1025)

Ms. Sheila Fraser: Under amendments to our act, the Auditor General Act, in 1995, the major departments are required to produce sustainable development strategies every three years. We are now in the fourth set of sustainable development strategies. Departments spend quite a bit of time and money preparing these things, and they are supposed to set out what the effects of their programs and their policies are and how they integrate sustainable development into that. It is very much about the management of government programs, in many ways considering the environment in addition to the social and economic impacts.

As the Commissioner of the Environment noted, these things have been a failure. They have not lived up to what the expectations were. It's really about managing. The commissioner's report has been referred to the environment and sustainable development committee, but that committee is more of a policy committee than an accountability committee. The true accountability committee, I think, is here, over management issues.

So while I agree with you that, yes, it is about the expenditure of money, it's also about managing well. And there is a requirement for us to consider environmental impacts in our work. We've brought a number of reports forward in the past about fisheries, about contaminated sites, or about whatever else. I would really hope that this...especially with this review that has been promised, which is really to look at whether these strategies should continue and how they can be made better. I think parliamentarians need to be involved in this discussion as well, because it could potentially have impacts upon an act and requirements of departments.

I would say that the status report that I mentioned earlier, and that will be coming in February 2008, will all be devoted to environmental issues or a follow-up of previous audits of the Commissioner of the Environment. Some of those the committee obviously may not choose to look at, but some I would hope you would look at. There are some very important issues that are going to come, including toxic substances, contaminated sites, habitat, and so on—I think there are 14 chapters—but I would think the environment committee would probably be more seized with the issues.

So there may be a little room in the schedule, and I would hope that this committee would become involved in this review as well.

The Chair: Again, that would be a decision entirely for the committee.

Mr. Hubbard, eight minutes.

Hon. Charles Hubbard: Thanks, Mr. Chair.

I want to look briefly, first of all, at chapter 4, dealing with military health care. It's somewhat disappointing to me to see the narrow scope you took with this, although maybe it's much broader than what the report here would indicate.

When you determine the scope and your approach to it, you commit so much money to it. What did this chapter 4 cost? What did it cost you to do it? I guess that would be the first question.

Second, why is the scope so narrow? For example, with the regular force and the reservists, did it include both groups in terms of the \$500 million spent by the Canadian Forces on health care? And who determines the scope?

We met with a number of people in the military this summer, and we heard major concerns with the military and health care.

In your work, Mr. McRoberts, you headed this group, correct? Did you, in meeting with military personnel, find any great concerns?

If I were stationed with my family at Camp Petawawa, for example, or Camp Gagetown, and I had a spouse and three children, would that be part of the discussions that you would have had with the military personnel in determining their impression of how well or how badly they are treated in terms of health care?

Ms. Sheila Fraser: Mr. Chair, let me answer some of the questions, please.

The cost of this audit, including all of our overhead, was about \$1.4 million.

It does not include reservists. We audit management systems. We do not go out and survey and discuss with people across the country. Obviously we are aware of some of the issues. For example, the mental health care problems in Petawawa were in the newspaper. There is an example in the report about mental health care issues.

I guess I would like to ask the member why he believes this is so narrowly scoped, because it's 63,000 members in Canada.

• (1030)

Hon. Charles Hubbard: I would think, Madam, when you're looking at providing a service, if you don't evaluate the quality of the service in terms of the people who are being served.... Are we getting good value for the money we're spending? For example, the major concern we have with families and health care within the military is whether or not there is health care available to families as they go to different locations. When we see military people leaving the service in great numbers, and in fact we're not even maintaining our force, we have to ask why they're leaving. We're spending a tremendous amount of money on individuals, but are we treating in health care the whole...?

Probably, Mr. Chair, we can pursue this further, but I'm a bit taken aback by looking abstractly at a service and not wondering about the quality of the service.

I see you did complete a lot of surveys, but the real survey is the corporal or the master corporal or the sergeant or the lieutenant who is out there in the field, and we are spending some \$8,600 a year in terms of that service. Is he getting the proper service to meet his needs?

Maybe, Mr. Chair, I'm outside the public accounts spectrum, but I think that is part of the answer we have to receive when we look at whether or not we get good value for the money we're putting into the system.

I've probably used a lot of my eight minutes already. How many are left?

The Chair: Four are left, Mr. Hubbard, and you wouldn't be the first one to be outside the scope either.

Hon. Charles Hubbard: Maybe an answer then.

Ms. Sheila Fraser: Can I respond? I think it's important for the member to realize that under our act we cannot do evaluations of services. Our act specifically says we look to see if the department itself has the means to evaluate the service, which we did here, and we said they do not have the information that we would expect to be able to know.... The surveys that are referred to here are surveys that have been done by the department, not by us. So we would have expected them to have the information systems in place to know the level of care.

The other information that I think you should be aware of, and that would be perhaps a subject of discussion with the department.... The department—and this is a policy decision—says it is the member who is covered by the military health care system; the family is not, unless it affects the member. So if the member has, for example, mental health care issues that involve the family, the family will form part of that treatment. If the family has mental health care issues with a child, for example, while the parent is overseas, they are not covered. So that could be a discussion, obviously, here, but that's again a question of policy on which we cannot comment.

Hon. Charles Hubbard: I recognize that, Mr. Chair, but it is a major concern. I was asking, in terms of your visiting these bases, if this could not be a supplementary concern that could be brought to our committee.

I guess one of the most damning parts of all of this is the fact that so many of our technicians and health care providers lack the skills to do what they should be doing. In fact, the report says that 1% of those people are up to date with the standards of training required for their categories. It's not acceptable in any business to have such a little bit of money spent on training.

I've been in the forces, and you expect the technician who's going to help the dentist to be skilled in his trade, but you're saying that 1% of those people have the up-to-date skills that are required to....

An hon. member: Don't go to the dentist, Charlie.

Hon. Charles Hubbard: Not in the military; I've been to good military dentists.

Mr. Chair, the second area I want to ask about is in the general report, the main points, chapters 1 to 7. We have an appendix D, where they talk about auditing. We have a lot of crown corporations and other agencies that are being audited, and the cost of audits is reported in those pages. That would be pages 45, 46, and 47. Are we getting good value on those? How are the contracts determined? If I were at Ridley Terminals, for example, would that be a competitive process that Ridley Terminals would have with appointing their auditors? It's the same with Marine Atlantic or the Blue Water Bridge authority. Are there any problems with that in terms of how the contracts for auditing are given and whether or not there is good value for the money those corporations are spending on their audits?

• (1035)

Ms. Sheila Fraser: Mr. Chair, this is the cost of the audits that are done by the Office of the Auditor General. These are all audits that we do. We have a system for allocating our costs based on timekeeping. Some of the audits, you will note, will be joint audits with the private sector—those are few—but these, generally, are all audits that we are conducting, and this is an allocation of our costs.

So as to whether Parliament is receiving value for money from us, I guess, is determined through our review of plans and priorities and our departmental performance report.

Hon. Charles Hubbard: From that, would we think it could be more efficient or more competitive if we were open to bids by auditors to do the audits in those corporations?

Ms. Sheila Fraser: Certainly when we are joint auditors, we are very competitive with the private sector. I would say our costs are certainly no higher, because, as you are well aware, we do not have a profit element in our business.

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

Mr. Fitzpatrick, you have up to eight minutes.

Mr. Brian Fitzpatrick: Thank you, Chair.

I do want to make a comment. Mrs. Fraser. I don't know what we'd be doing with government operations without your office, because it seems to me a lot of things would carry on without improvements and changes if it weren't for your audits and the follow-ups that come out of those things. I think you provide an excellent service to government operations.

I wanted to just focus on a couple of things today, and then maybe turn it over to Mr. Williams. It seems to me that the watch list problem at the border could become a fairly difficult task. If I were a border person, it would be sort of like trying to find a needle in a haystack. I'm thinking of common names. Mr. Williams here has a common name—John Williams. I'm sure if you look in the telephone book in Toronto there are probably two or three pages of John Williamses or maybe Mark Hollands.

At the border, it would seem to me this would become a problem not only for the person who has that name. If John Williams happened to be on a watch list—

Some hon. members: He is.

Mr. Brian Fitzpatrick: Not this one. He wouldn't be the needle in the haystack. He may be the needle on our committee, but he wouldn't be the needle in the haystack in this example.

I guess I'm looking ahead. It looks as if, whether we like it or not, the U.S.-Canada border situation is going to be one dominated by a passport system. Would the passport usage really resolve a lot of these difficulties in terms of watch lists?

Ms. Sheila Fraser: I'm afraid, Mr. Chair, we really didn't look at that issue, and I'm not familiar enough with the kind of information that's captured. The agency might be able to provide more information on that, if there were a hearing on this.

Mr. Brian Fitzpatrick: Have you any idea how they do deal with a problem like that, if it's a John Smith who shows up at the border and there's a John Smith on the watch list? How in the world would they sort that out?

Ms. Sheila Fraser: I know only anecdotally by having seen colleagues stopped and having to go through a lot more scrutiny than other people.

Mr. Brian Fitzpatrick: I understand there is a John Williams on the watch list. Mr. Williams can verify that.

I think that's something to be cognizant of—the passport system. Maybe that's why the Americans have moved to that system as a way of dealing with those problems. We may find it very inconvenient to all have passports, but maybe at the end of the day it is the most efficient way of dealing with these issues.

The other question I wanted to deal with is that in my province of Saskatchewan there are some municipalities and cities that have brought a problem to my attention, and it's something unusual in Saskatchewan. We've had a surge of people moving into the province. It sounds as though we're almost getting to be like Alberta in Saskatchewan. It's a dangerous thing for the past government to have too many people coming in; they're better at letting them leave the province. Saskatoon is one place that I can think of that has really experienced a fairly major surge of people over the last couple of years.

The municipal authorities have indicated to me that a lot of the funding they received from senior governments, particularly provincial, is based on a per capita funding arrangement. From what I can gather, the provincial government relies on Statistics Canada information for allocating their grants and making their payments and so on. The municipalities have concerns that the data that is being provided by the census people is not up to date and accurate, and they're getting shortchanged on their funding. Is this a legitimate concern? If it is, what can be done to fix the problem?

• (1040)

Ms. Sheila Fraser: We are aware, Mr. Chair, that these concerns have been raised. From what we can tell, it would appear to be a difference in who is counted in the census. For example, temporary workers would not be counted as permanent residents.

So there could be definitional differences like that between the census takers and then the population that may actually be there at a point in time. This might be something that would be worth investigating with Statistics Canada themselves.

Mr. Brian Fitzpatrick: But let's say you had 5,000 people move into the community of Saskatoon in the last six months. Would Statistics Canada have the wherewithal to track these people and have that information made available?

Ms. Sheila Fraser: I would doubt that. The census is at a point in time. This one was in 2006. If there was a large movement of population, it would not be reflected in that census.

Mr. Brian Fitzpatrick: So they may be well advised to find a better system to track this sort of problem than rely on Statistics Canada data.

Ms. Sheila Fraser: Or discussions, obviously, with the departments responsible for transfers of funds, if there is a significant difference like that.

Mr. Brian Fitzpatrick: Right.

Now I have the pleasure of turning the rest of my time over to my colleague John Williams.

Mr. John Williams: Now, which Williams is that you're talking about?

Anyway, Madam Auditor General, congratulations on another report. I see this is your seventh, so seven down, three to go. It's good that you keep bringing these things to our attention and to the attention of the general public, because while we all know that the federal government tries, they don't always succeed.

I liked your little comment that it's really about managing, that it's not just about numbers and spending dollars but also managing and achieving results. Sometimes the things you bring to our attention really do shock us, as far as Canadians are concerned.

I'm looking at paragraph 4.56 of the chapter regarding military health care, where you say, "We surveyed military physicians, nurses, medical technicians, and physician assistants and found that few take advantage of the program", that program being the additional upgrading of education, "although it is mandatory", your word, "because they believe they cannot be spared from their regular duties". Then you go on to give certain percentages—that, for example, only 6% had completed the program's requirements.

You're a professional, I'm a professional, many other people are professionals. We're into lifelong learning nowadays. In virtually every profession, in order to maintain your professional status you have to demonstrate ongoing, lifelong learning, maintaining your skills. What is going on here that the federal government doesn't even bother to ensure that the people who are providing professional services aren't maintaining their professional accreditation, their skills, training, or whatever?

Ms. Sheila Fraser: I agree with you that this is a serious issue. Again, as we say in paragraph 4.59, our recommendation is that the department should have the information necessary to ensure that people are certified and licensed and up to date with their skills.

Mr. John Williams: But they're providing these services to people. And if people go to the dentist—or the doctor, or the lawyer, or the accountant, or whomever—they want to have some reassurance that this person, because they have the designation or the letters behind their name, meets the criteria.

I guess the government doesn't care. We're back to the fact that it's really about managing.

● (1045)

Ms. Sheila Fraser: It's about managing, yes.

Mr. John Williams: That's right.

I'll move on to the main points regarding technical training and learning at the Canada Revenue Agency. As you say in here, "Senior employees are retiring at an increasing rate, taking with them their knowledge and their expertise." This is a problem right across the board for the federal government.

Are you aware of whether the federal government has a real plan in place regarding baby boomers retiring and senior executives being thinned out at a dramatic rate over the next ten years? Have they addressed the problem to ensure that they can be on top of it?

Ms. Sheila Fraser: Mr. Chair, based on the audit work we have done in this area—for example, the report we had on Foreign Affairs in the spring and the report we have here on one of the small agencies—there are none. There are no specific plans in place certainly in those agencies, and I'm not aware of any plan across government.

Mr. John Williams: So it's really about the managing.

Continuing on about the managing, Indian Affairs has always seemed to me to be at the bottom of the heap when it comes to managing. I'm looking at paragraph 3.23, where it says, "Although 23 years have elapsed since the Agreement came into existence, INAC has not resolved this error."

The error is that they handed over some land that they shouldn't have handed over, and 23 years later they haven't fixed the problem. So they handed over land that they shouldn't have handed over and now it's in arbitration. They're trying to get it back.

What is the problem? If they shouldn't have handed it over, why didn't they just get it back?

Mr. Campbell?

Mr. Ronnie Campbell: They handed it over, Mr. Chairman, and then it was handed over. Now they have to get it back, and they've signed an agreement. They need to come out with something that's acceptable to all the parties. Not that it would excuse them for not doing it in 23 years.

Mr. John Williams: They handed over half a runway in Sachs Harbour. *Half* the runway?

Mr. Ronnie Campbell: It's only a portion of the runway.

Mr. John Williams: Was that down the middle, or just at one end?

Mr. Ronnie Campbell: I can tell you it's just at one end.

Mr. John Williams: So you have to pull up short when you land on the runway. What is going on when the Auditor General says it's really about the managing? What is your assessment of the quality of management when after 23 years they haven't even bothered to get the issue fixed?

Mr. Ronnie Campbell: As the Auditor General pointed out, I think a lot of energy goes into the negotiation and the signing of those agreements, and then they don't sustain that effort through to the completion of their obligations.

Mr. John Williams: I think, Madam Auditor, you should have a little sign up in your office that says "It's really about the managing".

The Chair: Thank you, Mr. Fitzpatrick.

That concludes the round. We don't really have much time left. We have to be out of here at 11 o'clock anyway. I'm going to ask the auditor if she has any concluding remarks.

Ms. Sheila Fraser: I would just like to thank the committee and its members for their interest in the report.

[*Translation*]

I look forward to hearings at which time these matters can be discussed at greater length.

Thank you, Mr. Chairman.

[*English*]

The Chair: Just before we adjourn the meeting, I want to point out a couple of things. We're going to meet again on Thursday. We were hoping that we would normally deal with the public accounts on Thursday. Unfortunately, we are not able to because the acting Comptroller General is not available on that date. That will have to be pushed to next week. So this Thursday we will be dealing with reports and trying to clean up some of the reports that we're dealing with.

Again, I'm asking the steering committee to wait around for a minute just to try to establish a meeting date. That's the only purpose of the meeting.

I want to thank the auditor general. She's hosting a dinner at 6:30 tonight at her office for the members of the committee. So I certainly want to thank her for that.

If there's nothing further to be brought before the meeting, I will declare the meeting adjourned.

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