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Chair

The Honourable Shawn Murphy

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• (1535)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I'd like to call the meeting to order and extend to everyone a warm welcome.

[Translation]

Welcome, everyone.

[English]

This meeting is called pursuant to the Standing Orders to deal with all chapters of the Report of the Auditor General of Canada, which was tabled yesterday, November 3. The committee is very pleased to have before us today the Auditor General, Sheila Fraser. She is accompanied by Scott Vaughan, commissioner of the environment and sustainable development; Richard Flageole, assistant auditor general; and Wendy Loschiuk, also the assistant auditor general.

Welcome to all the witnesses.

I'm going to turn it over to you, Ms. Fraser, for your opening remarks.

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

We are very pleased to present our 2009 fall report, which was tabled yesterday in the House of Commons.

As you mentioned, I'm accompanied by Scott Vaughan, the commissioner of the environment and sustainable development, and Wendy Loschiuk and Richard Flageole, assistant auditors general.

The issues covered in this report are typical of the challenges facing government today. Our findings underscore the importance of thinking through the implementation challenges when policies and programs are developed or changed. Having a complete picture of what needs to be done and by whom, of how other programs will be affected and what risks are involved, can make the difference between a program that delivers results for Canadians and one that does not.

Program evaluations can be a valuable source of information for decisions to change, improve, or replace programs. The departments we audited said they are concerned about whether they can meet expanded requirements under the 2009 policy. In the departments we examined, evaluations covered only a relatively low proportion of total program spending. In addition, inadequate data limited the assessment of program effectiveness. Despite four decades of efforts,

evaluations are still not providing enough reliable evidence about whether program objectives are being met.

Chapter 2 of our report looks at how foreign workers are selected for admission into Canada. Citizenship and Immigration Canada has to design and deliver foreign worker programs that meet the needs of the labour market.

[Translation]

We found that the department has made a number of key decisions in recent years without properly assessing their costs and benefits, potential risks, and likely impact on other programs. Some of these decisions have caused a significant shift in the types of foreign workers being admitted permanently to Canada. There is little evidence that this shift is part of any well-defined strategy to best meet the needs of the Canadian labour market.

We also found that when work permits are issued for temporary foreign workers, there is no systematic review to ensure that job offers are genuine and that employers have complied with previous permit terms and conditions such as wages and accommodations. The problems we noted could leave temporary foreign workers in a vulnerable position and pose significant risks to the integrity of the immigration program as a whole. Citizenship and Immigration Canada needs to develop a clear vision of what each program is expected to contribute to Canada's overall objectives for immigration.

Let us now turn to the chapter on tax legislation. The Income Tax Act is one of the longest and most complex pieces of federal legislation. Taxpayers have the right to expect clear guidance on how to interpret the act so they can determine how much income tax they owe. Problems arise when the wording of the act is unclear or does not adequately reflect government policy. There is now a backlog of more than four hundred technical amendments that are needed. It has been eight years since Parliament passed a technical bill to amend the Income Tax Act.

[English]

When there are delays before proposed technical changes become law, taxpayers do not know the exact form the change will take, when it will apply, and how it will affect the tax transactions they have already completed. The Department of Finance needs to do more to bring the urgency of the problem to the attention of the government and Parliament, and it ought to review the way it manages this process.

We also have a chapter on electronic health records. Canada Health Infoway Inc. was created in 2001 as a not-for-profit corporation to lead the development and implementation of electronic health records across Canada.

Infoway has accomplished a great deal in eight years. It identified the key requirements and components of electronic health record systems and developed a blueprint for their design. It also ensured that projects put forth by the provinces and territories were designed to comply with its blueprint and standards for compatibility.

Infoway has made a considerable effort to report on progress, but the meaning of some figures it reports is not clear. For instance, it reports that 17% of Canadians live in provinces or territories where a complete electronic health record system is available. However, having a system available does not necessarily mean that health care professionals are actually using it.

This is a highly complex initiative. Meeting the significant challenges that lie ahead will take the collaboration of Infoway, all provinces and territories, and other stakeholders.

• (1540)

[Translation]

My report today also looks at how National Defence purchased vehicles that were urgently needed to protect Canadian Forces in Afghanistan. National Defence and Public Works and Government Services Canada worked together to fast-track the purchase of these vehicles. In three of the four projects we looked at, National Defence has determined that the vehicles have met operational needs. The fourth project is nearly two years behind schedule and is projected to cost at least double the amount originally approved by the government. National Defence needs to develop a process geared to managing urgent acquisitions. It should also examine whether there are lessons from these projects that can be applied to its regular acquisitions.

We also examined how Indian and Northern Affairs Canada and Environment Canada have carried out the federal government's responsibilities for land management and environmental protection on reserve lands. There are few federal regulations that apply to environmental protection on reserves, and the federal government has taken little action to change this. As a result, people living on reserves have significantly less protection from environmental threats than other communities.

[English]

We found that most landfills on reserves operate without permits, monitoring, or enforcement by Indian and Northern Affairs, as do sewage treatment and disposal. We also found that despite the department's commitment to transfer more control to first nations over the management of their lands and resources, access to land management programs and training is limited.

A healthy environment and control over the management of lands and resources are critical to sustainable economic development. Without them, opportunities for first nations to improve their quality of life and approach the standard of health and well-being enjoyed in other communities are severely restricted.

Turning to emergency management, the government must be ready to respond quickly and effectively when emergencies arise. Canada needs to have a planned and coordinated approach in place so that federal, provincial, and municipal agencies know what part they will play in managing a crisis.

Public Safety Canada was created to coordinate the federal government's response to large-scale emergencies. It has developed an interim federal emergency response plan to coordinate activities in an emergency. But we found that the plan has not been formally endorsed by government. Until it is adopted, it will be difficult for Public Safety Canada to fulfill its assigned role.

[Translation]

Until it is clearly established how Public Safety Canada will work with other departments, it will be difficult for it to truly coordinate the federal response to emergency situations.

The last chapter of the report examines how the Canadian International Development Agency is implementing its commitments to key principles of aid effectiveness.

Donor partners and recipient countries told us that CIDA staff in the field are highly regarded and their efforts are appreciated. However, the complex and lengthy processes required to obtain approval for project funding have long been criticized within and outside the agency. We also found that the agency has failed to concentrate on fewer priorities, despite a commitment to narrow its focus.

Donor partners, recipient governments, and program staff are unclear about the agency's direction and long-term commitment. The nature of international development calls for stable, long-term programming, and CIDA needs a comprehensive plan for going forward.

[English]

Mr. Chair, I would be pleased to answer any questions the committee may have, but I would first propose that the commissioner present his findings to the committee.

The Chair: Thank you, Ms. Fraser.

Mr. Vaughan.

[Translation]

Mr. Scott Vaughan (Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Thank you, Sheila.

Thank you, Mr. Chair.

My report examines a number of areas critical to effective environmental management, starting with the importance of solid information.

[English]

Informed decision-making is at the heart of sound policy-making. The federal government needs science-based environmental information that is timely, robust, and accessible in ways that both identify patterns of environmental degradation and help programs concentrate on the most urgent environmental problems. Until data programs are woven together to track major changes over time in the quality of Canada's environment, we are left with piecemeal approaches to protecting the environment.

The importance of good information is clear in our chapter on applying the Canadian Environmental Assessment Act. More than 100 federal organizations are required to apply the act to projects that could impact the environment. Assessing the possible effects of projects early in a planning phase is a cornerstone of good environmental management. Identifying potential impacts such as pollution or habitat destruction before they occur allows for corrective action to avoid or reduce environmental problems.

• (1545)

[Translation]

In half the files we examined, the rationale or analysis was too weak to demonstrate if environmental effects of projects had been considered appropriately and whether actions were taken to mitigate them.

The Canadian Environmental Assessment Agency, which administers the act, has not established a quality assurance program for assessments, although the act requires it to do so. Roughly 80,000 environmental assessments have been initiated since 1995. Yet, because it lacks a quality assurance program, the agency does not know how good the assessments have been and whether they have contributed to environmental protection.

[English]

Another chapter looks at the risk that certain toxic substances pose to the environment and human health. We note a number of significant control and monitoring systems to reduce toxic emission and to check levels of exposure among Canadians. We also note the need for improvements in how risks are managed. Lead and mercury, for example, continue to present risks. New research indicates that exposures to lead at levels currently considered safe may be in fact too high, underscoring a need for an overall risk management strategy.

[Translation]

It is critical that the government take stock of how well its actions are working and also consider new research and the results of monitoring in order to protect human health and the environment from the risks of toxic substances.

Current product labelling does not fully disclose the chronic risks posed by toxic substances in some common household products. As a result, Canadians are not fully informed about these risks and may not be taking appropriate precautions to protect themselves.

The third chapter of my report looks at the National Pollutant Release Inventory, or NPRI. Created in 1992, the NPRI provides Canadians with information about key pollutants in their communities. The NPRI is important because it helps to track releases and

transfers of substances that can have a negative effect on the environment and on the health of Canadians.

[English]

Environment Canada does not provide inventory users with enough information to help them understand what data can be used for and where caution should be applied. Environment Canada has taken measures to improve NPRI data quality. However, these actions must be guided by an overall strategy and plan to improve data accuracy so that pollution tracking and environmental monitoring can rely on the best possible information.

Finally, Mr. Chair, the fourth chapter is my annual report on environmental petitions. We received 28 petitions this year. The issues most commonly raised include health, biodiversity, fish habitat, and environmental assessments.

Mr. Chair, we would be happy to answer your questions.

Thank you.

The Chair: Thank you very much, Mr. Vaughn, and thank you to both you and Ms. Fraser for the report and the work that your department does.

I'm going to interrupt normal proceedings right here now to deal with a motion, just to clear the record here before I forget. The steering committee had a very brief meeting before this meeting and we have selected four chapters for study by this committee.

I'm just going to read the motion:

That the Committee hold hearings on the following chapters from the fall 2009 Report of the Auditor General of Canada: Emergency Management, Public Safety Canada, Chapter 7, Chapter 8, Strengthening Aid Effectiveness, Canadian International Development Agency, Chapter 1, Evaluate the Effectiveness of Programs and Chapter 5, Acquiring Military Vehicles for use in Afghanistan.

We may be doing other chapters, and of course the steering committee and this committee can revisit that after the break, but that is the motion so moved by Mr. Christopherson.

(Motion agreed to)

• (1550)

The Chair: We're going to the first round, seven minutes each.

Ms. Crombie, you have seven minutes.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Madam Fraser, Mr. Vaughn, thank you very much for attending today.

Madam Fraser, I want to thank you for your very thorough analysis. I paid particular attention to your matters of special importance and it was very concerning when you said:

Despite good intentions, there are examples of policies adopted, programs launched or changed, and commitments made without a full analysis of the risks involved, the resources needed, the potential impact on other players, and the steps required to achieve the desired results. We also see examples where there is no long-term vision or strategy to guide a department's overall programming, and others where there is no ongoing evaluation of program effectiveness. The result can be a fragmented approach to programming in response to a problem of the day, creating other problems that were not anticipated.

These were all very concerning indeed.

I'm going to limit my questions to two chapters right now, starting with chapter 7 on emergency preparedness and public safety, and then I'm going to move on to selecting foreign workers if I have time. I hope to.

To get right into it, because time is limited, your report is very damning, so I'd like to know, in your opinion, did the federal government have a plan to cope with a national emergency such as this H1N1 pandemic?

Ms. Sheila Fraser: As we note in the report, there is a draft federal emergency response plan that would deal with national emergencies. That plan has not been formally approved by government. We believe it is important that it be approved—

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): On a point of order.

The Chair: We have a point of order, Ms. Fraser.

On a point of order, Mr. Weston.

Mr. John Weston: Maybe I'm confused, but I don't think that the H1N1 investigation is part of our emergency preparedness plan. It's part of a pandemic plan, which is a separate thing entirely.

The Chair: That's not a point of order.

We'll let the Auditor General answer that.

Mr. John Weston: If it's part of the Auditor General's review but it's not part of the—

The Chair: Mr. Weston, we will let the Auditor General continue. If it's not, she will tell the committee that and you can have your seven minutes and you can ask similar questions.

Please go ahead, Ms. Fraser.

Mr. John Weston: Mr. Chair, I think it's a partisan role that you are taking, and I would challenge the chair.

The Chair: Go ahead, Ms. Fraser.

Ms. Sheila Fraser: As I mentioned, the federal emergency response plan has not been approved. We believe it is important that it be approved so the roles and responsibility of Public Safety Canada would be clear to provide leadership and coordination. As for the H1N1 situation, we did not look at that, because obviously much of the events of the past few weeks have occurred after our audit was complete, but it is my understanding that it has not been declared a national emergency and the federal emergency response plan would not apply to this situation. It is being managed by the Public Health Agency and Health Canada under their pandemic plan.

Mrs. Bonnie Crombie: Thank you, Madam Fraser.

Why hasn't an effective federal plan been approved?

Ms. Sheila Fraser: I have no idea. You would have to ask the department.

Mrs. Bonnie Crombie: In your opinion, has the government exercised the leadership necessary to coordinate emergency activities, as you say in your report, or provided governments with sufficient guidance on what is needed in the event of emergencies?

Ms. Sheila Fraser: In the audit, we mentioned that we looked at assessments that had been done for six emergencies over the past three years. The government itself concluded that the coordination was not as effective or efficient as it should have been. We believe part of the solution to that is the approval of the federal emergency response plan so that Public Safety Canada has the authority to exercise the role it has been given under legislation.

Mrs. Bonnie Crombie: Who is ultimately responsible, and what is the role of the minister here?

Ms. Sheila Fraser: Under our system the minister would be ultimately responsible for the operations and activities of his department.

Mrs. Bonnie Crombie: You've said there has been a lack of leadership and guidance in coordinating an emergency response because this national plan has not been approved. Could this explain why in certain emergency situations like the national H1N1 pandemic, which could become a national emergency, reaction has been so slow, chaotic, and confusing, resulting in the lack of delivery of vaccines, and shortages?

Ms. Sheila Fraser: I really can't respond to the H1N1 situation. We have not looked at this. The whole vaccination program is a provincial responsibility over which we would not be able to do any work anyway.

Mrs. Bonnie Crombie: I'm going to move on to chapter 2, "Selecting Foreign Workers Under the Immigration Program". Under the temporary foreign workers program, what is being done to curb abuses in the system against both employers and workers?

●(1555)

Ms. Sheila Fraser: We noted two issues in our audit with temporary foreign workers. One is the fact that there is no assessment of the genuineness of job offers. Labour market opinions are done, but they have more to do with the effect of having foreign workers take positions rather than assessing whether those jobs are valid.

The second issue is that very often conditions are placed upon the employer, such as salary or lodging. There is no follow-up done to ensure that these conditions are being respected.

I understand the government has recently introduced proposals to amend the regulations. I think that would address in large part the issues we raise in this audit.

Mrs. Bonnie Crombie: Who is responsible for assessing whether job offers are bona fide for the temporary workers?

Ms. Sheila Fraser: It is the responsibility of Citizenship and Immigration Canada.

Mrs. Bonnie Crombie: Do you think it's possible that work permits for foreign workers are issued for jobs that don't exist? How can this be stopped?

Ms. Sheila Fraser: I think there is a risk. There is always a possibility that work permits are issued for jobs that are not authentic. Much clearer guidance certainly needs to be given. We noted in the report that there was a fair bit of confusion about whose responsibility this actually was. Clear direction needs to be given to Citizenship and Immigration and HRSDC so they work out between themselves who will do this work and actually assess if the job appears to be valid.

Mrs. Bonnie Crombie: Are follow-ups done on employers to ensure that they have complied with the terms and conditions?

Ms. Sheila Fraser: Certainly at the time we did the audit there was no follow-up, but as I mentioned, there are proposed new regulations that would address that issue.

Mrs. Bonnie Crombie: In your opinion, could the temporary foreign worker program be abused by Canadian employers using it as a ruse to bring in relatives, bypassing family reunification rules?

Ms. Sheila Fraser: That is certainly a possibility, given the very long delays under family reunification programs. People may attempt to bypass that and bring in family members under other programs.

Mrs. Bonnie Crombie: Is there currently a strategy to address the backlog of applicants? You note that it's 600,000; we've heard that it's 800,000.

Ms. Sheila Fraser: The government recently introduced changes to the job categories under which people can be admitted into the country, reducing them from over 300 to 38. There was an expectation that that would reduce the number of applicants.

We note in the report that the backlog of applications prior to the introduction of these new categories has been reduced, but a backlog has been created under the new system. So there are currently close to 600,000 applications in total in the backlog.

The government expects that under the new system they will be able to deal with applications between six and 12 months. We have strongly encouraged the government to track that, because initial indications seem to indicate that the number of applications are still very high and very few are actually being refused. So quite rigorous tracking needs to be done to ensure that another backlog isn't being created and, if necessary, other measures are taken.

The Chair: Thank you, Ms. Crombie.

Madame Faille, s'il vous plaît.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Thank you, Ms. Fraser, for your report. Judging from its tone, you seem somewhat concerned about how departments are managing and assessing their programs. Specifically, of the 23 programs evaluated in chapter one, inadequate data was available in 17 cases.

As you also know, substantial sums of money have been invested in computer systems. Is there a disconnect of some kind between the needs defined in the systems and the way in which programs are designed? Is that possible, or is it that the groups within the

departments responsible for designing or developing programs do not communicate with technology management officers in order to define needs and gather the required information?

You also concluded in chapter one that of the departments audited, several expressed some concern about not having the capability needed to evaluate direct program spending, as required by the act. Do all departments share this concern?

You also seem concerned about the fact that departments call on contractors to evaluate direct program spending. Can you explain the government's reasons for taking this approach and give us your assessment of the measures taken by the government to reduce this practice?

These are my questions concerning chapter 1.

I also have some questions about the Canada Revenue Agency. There is currently a significant backlog of necessary technical amendments and the last income tax technical bill was passed in 2001. Can you explain to us the reasons for this delay? What is preventing the department from tabling a technical bill?

You also gave us a specific example involving non-compete agreements. For one thing, the failure on the part of the Canada Revenue Agency to act on tax law changes deprives us of substantial tax revenues, which opens the door to possible abuse. You also note that the Minister of Finance has announced his plans to propose amendments to the Income Tax Act, to address the case of businesses that had signed non-compete agreements. I'm thinking here, among other things, about the case of Mr. Black. This amendment, along with 150 others, was never introduced and at this rate, many files will not be reviewed. Considering the delay in reviewing CRA files, the agency will not be able to recover the lost tax revenues.

Can you give us any other examples? I flagged this particular issue because substantial sums of money are involved, but I was also wondering if technical amendments of this nature would affect some of the dormant business accounts at CRA ?

• (1600)

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

With respect to chapter one, we observed that the problem of not having relevant, complete data has existed for a very long time. We did not look at whether the problem had anything to do with information technology. Obviously, technology is one way of obtaining this information, but I believe that fundamentally, the problem is one of clearly identifying performance indicators and the data needed and, of course, of putting systems in place subsequently.

One also has to understand that in the case of a number of programs, it can be difficult to evaluate effects with specific figures. The evaluations may be more qualitative in nature. However, I think that objectives and performance indicators need to be more clearly defined so that subsequently, data can be obtained. This has been a long-standing problem, one that presents a challenge in terms of complying with the new policy whereby as of 2013, all direct spending programs must be evaluated every five years.

Departments also mentioned their evaluation capacity and the shortage of experienced evaluators. In the report, we also note the absence of standards and guidelines and the need for the Treasury Board Secretariat to do more to help departments in this regard.

If I could just draw a parallel with the internal audit function, several years ago, it was observed that internal audit services needed to become more professional. I think the same can be said for evaluation services. Some progress has been made with respect to internal audit services. In the years remaining, the government must address this problem.

Regarding the use of contractors by departments, the problem quite simply is one of resources, capacity and the knowledge to do the required work.

• (1605)

Ms. Meili Faille: And that is the reason for your concern about the use of contractors?

Ms. Sheila Fraser: We are concerned about the departments' inability to retain this expertise and knowledge. We can understand that they may sometimes need to use the services of contractors to tap into their extensive expertise, but at the same time, it is important to train people in the department. If all of the work is contracted out, departments cannot retain any expertise.

With respect to chapter 3, exhibit 3.2. presents the chronology of legislation that was supposed to be adopted in 2002, but that because of elections, prorogations and other factors, had not yet been passed in 2008. There are several reasons for the delay, but with each passing year, the government has wanted to introduce technical amendments. As you mentioned, eight years have passed and it hasn't happened. This can create some confusion. In many ways, it also prevents the Department of Revenue from going back and demanding more money from taxpayers. We feel that it is important for the legislation to be clarified and for these technical amendments to be made to the Income Tax Act.

[English]

The Chair: *Merci, madame Faille.*

Mr. Christopherson is next for seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Mr. Chair, and thank you all again. It's the same old gang.

I'd like to begin with chapter 8, "Strengthening Aid Effectiveness—Canadian International Development Agency".

I know from personal experience that in many countries around the world, and particularly in Africa, CIDA is the face of Canada, and where CIDA succeeds, Canada is appreciated and recognized.

Where it fails, the whole country pays the price in terms of the perspective.

The text of your opening statement says that "donor partners, recipient governments, and program staff are unclear about the Agency's direction and long-term commitment".

I'd also like to turn to page 6 of that chapter. The last half of paragraph 8.7 says:

On 23 February 2009, the Agency formally announced—with Cabinet approval—its intention to focus its aid on 20 countries.

I'm hoping you can help me here. I'm active on the Canada-Africa Parliamentary Association, and we recently had an unprecedented meeting with 10 or 12 ambassadors. It's not very often that you get a dozen ambassadors in one room with one message. Their message was about Canada's shift of priority from Africa to other parts of the world. I'm certainly not going to get into what that evaluation is, but they came to us, and their main argument was that given the close relationship Canada has had with Africa and all its 53 or 54 component countries, they've seen us as one of their strongest friends, one of their best friends, one of those on whom they could rely no matter what. Their main message to us came as a result of our shift in priorities, leaving them out in the cold. They said they didn't understand why it seemed as though we were throwing our old friends overboard to make new friends.

As a result, we had a follow-up meeting with CIDA to find out what's going on and why. It wasn't a very good meeting, and I have to say that your chapter helps me understand why we had so much trouble. We've had a follow-up meeting to that, and at one point we finally got down that some kind of analysis was supposedly done about the various countries and the effectiveness of the money. It was the exact thing you're talking about that isn't happening, that kind of evaluation.

What's interesting is what we were told. These were bureaucrats, so they were doing as much as they could do and no more, but their response was that they couldn't give us any of that information because it's contained in advice to the minister. So by virtue of wrapping it in "advice to minister", it's out of bounds for us and possibly out of bounds for you. I'd leave that to you.

Anyway, my question is whether the lack of focus and analysis that you have found could apply to this whole issue of the refocus that's taking place. Is much of the analysis that we would expect to be done and that we're told is done maybe not as thorough and therefore not as easy to defend as we're led to believe?

• (1610)

Ms. Sheila Fraser: Mr. Chair, I would respond by saying that the focus, be it either priority areas or the countries of focus, is really a decision of policy. Those would not be areas that we would challenge. We would accept them as policy and then see how the policy is being implemented.

What we note in the report, though, is that international development often involves very long-term projects. It takes a while before you see results. There have been, as we note in the report in exhibit 8.4, a number of different priority focus areas. There have been a lot of changes, and I think that has created a certain confusion, both within the agency and outside the agency, as to where the focus really is. Government as well agreed with the principle that they needed to reduce the number of focus areas and reduce the number of countries to be more effective. They came up with a list of 20 countries. They currently still have projects in at least 60 countries, so we do not see the narrowing of focus that has been agreed to as being essential for effectiveness.

As well, there were planning documents, by country, as to what CIDA would do and what was expected. All of those planning documents have expired; we are told there are other documents in process, but they have not been approved and communicated more broadly to provide information as to what the objectives are.

Mr. David Christopherson: Before I move on to my next chapter, I'll say that reading your report in terms of some of that analysis and the country analysis led me to believe that... When you're being denied information that seems fairly reasonable, what was the evaluation? Not the advice to the minister. Fair enough, that's out of bounds. The advice that came to me at the time? Okay, cool. But when I read your report, I'm thinking, well, maybe it's because the information isn't there. Maybe the analysis isn't being done. If they're not doing updated country-by-country analysis, then how can you determine whether a continuation of x million dollars is going to give you what you need, or not, and therefore justify a shift to another country or another part of the world?

We're going to call them in on that one and we'll do some follow-up there.

The next one, as time permits, is on chapter 6, "Land Management and Environmental Protection on Reserves". It's very disturbing to read this. Almost every time we touch this file, it's disturbing. If I can quote you from today, you said:

We found that most landfills on reserves operate without permits, monitoring, or enforcement by Indian and Northern Affairs, as do sewage treatment and disposal.

We also found that despite the Department's commitment to transfer more control to First Nations over the management of their lands and resources, access to land management programs and training is limited.

Now, in your report, under the "Conclusion", on page 27, paragraph 6.93:

INAC and Environment Canada have not addressed significant gaps in the regulatory framework that protects reserve lands from environmental threats. Provincial and municipal environmental regulations and zoning laws that protect communities off reserves do not apply to reserve lands.

On page 16, paragraph 6.49, again I am quoting: It has—meaning the government—

power and authority under the Indian Act, the Canadian Environmental Assessment Act, the Canadian Environmental Protection Act, 1999, and the Fisheries Act....

In the next paragraph it says:

In 1996, the parties who signed the Framework Agreement on First Nation Land Management identified four...environmental threats.... In a 2007 study, Environment Canada also identified significant risks on reserves that required priority attention, including landfill, solid waste, and hazardous waste...

This is going to come as a shock to a lot of Canadians that the federal government is responsible for all these environmental protections at a time when environment is, arguably, the first or second biggest issue facing us immediately right now. I'm trying to get a sense of why this has been allowed. And I know you can't answer a why—that's what I really want to know is why—but I can only go so far in getting information from you.

How serious is the abdication of responsible regulation in this area? Is it as bad as it seems? In other words, are there landfill sites or water treatment exposures into the air that would never be allowed anywhere else in Canada but are happening there?

• (1615)

Ms. Sheila Fraser: Chair, we have not identified specific cases, but I think we have to say that the risk is certainly there. The department has the responsibility to provide licences for landfill sites. As we note in the report a very, very small number have been issued. There is no assurance that those sites are not situated next to water sources or others. We talk about septic systems. There is absolutely no regulation for septic systems. So there is a very significant gap in the fact that provincial and municipal regulations do not apply on reserve, and the federal government has not addressed that gap.

It is, I think, interesting to note in the report that as we did our audit, the departments were quite clear with us that there was a question of funding. Should the committee ever decide to hold a hearing on this, that is certainly an issue to explore with them, because that came up as a reason quite frequently, and it is actually within our report that they commented about their difficulty in meeting all of their requirements because of a lack of funding.

The Chair: Thank you, Mr. Christopherson.

Thank you, Ms. Fraser.

Mr. Saxton, seven minutes.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Mr. Chair.

I'd first of all like to welcome the Auditor General back, and the environment commissioner as well. Welcome back.

And to the other witnesses, thank you for being here today.

I'd like to begin with chapter 1, "Evaluating the Effectiveness of Programs". In that chapter, the Auditor General states: "... Environment Canada, which has processes in place to identify needed improvements...".

Could you kindly explain what those processes are? It's on page 10.

Ms. Sheila Fraser: I may have to ask Mr. Maxwell, if he's here, to join us at the table, Chair.

The Chair: For the record, we are now being joined by Mr. Neil Maxwell, assistant auditor general.

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

Of the six departments, we found one that had reasonable practices to identify where things needed to be improved in terms of the evaluation function. In that instance, the sorts of practices that we saw were quite useful ones that could guide improvements in other departments. For example, these included surveys of users after the evaluation is completed, so they can determine whether the evaluation in fact met needs or not. There are several others I could elaborate on, should you wish.

Mr. Andrew Saxton: Okay, thank you.

Since forming government we've put many new processes in place to ensure that we never again see the waste and mismanagement that occurred under the previous government. These include the Federal Accountability Act, the policy on management resources and results structures, and the policy on evaluation. I wanted to ask if your report, Madam Auditor General, covered any of these new processes.

Ms. Sheila Fraser: We only took into account the program evaluation policy in this audit of program effectiveness, and the difficulty departments are saying they may have in meeting the requirements of that policy.

Mr. Andrew Saxton: I also noticed that the management accountability framework, which has been strengthened by the Treasury Board, was not covered either. Could you explain why that wasn't covered?

Ms. Sheila Fraser: It simply wasn't part of the scope of this audit. We had not decided to do an audit on that particular framework.

Mr. Andrew Saxton: You mention in your report the centre of excellence. Can you tell the committee what the centre is about?

Ms. Sheila Fraser: The centre is really a part of the Treasury Board Secretariat that should be providing guidance and expertise to the evaluation function across government. We note a number of areas where we think they need to improve their practices.

I can perhaps ask Mr. Maxwell to elaborate upon that, Chair.

Mr. Neil Maxwell: Yes, certainly.

We found that the centre had been monitoring developments in the evaluation community among federal departments. Our main concern was that they didn't complete many of the initiatives they had started.

• (1620)

Mr. Andrew Saxton: Okay. In chapter 2, "Selecting Foreign Workers Under the Immigration Program", it states: "...CIC followed a sound decision-making process in 2008 to design the Canadian Experience Class...". Can you explain what that process was?

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

Mr. Richard Flageole (Assistant Auditor General, Office of the Auditor General of Canada): Mr. Chair, we're citing this one as a good example of how programming decisions should be really supported. They did a very good analysis of the cost of that program, of the benefits, of the risk involved, and of the type of impact it can have on other streams within the immigration program. On that one, we were quite satisfied about the way the department did their policy analysis.

Mr. Andrew Saxton: Also in reference to chapter 2, on immigration, less than a year into the action plan for faster

immigration, which included \$109 million over five years, the skilled worker backlog has fallen by 30% and new applicants are arriving faster. This is a step in the right direction. Can you comment on the administration measures that CIC has taken to reduce the inventory of applications?

Ms. Sheila Fraser: Yes, Chair, as was mentioned earlier, the number of job categories under which a skilled worker could come into the country has been reduced from over 300 to 38. This was introduced in November 2008 retroactive to February 2008. What effectively happened was that there is what we call a pre-February 2008 inventory. All of the applications from February 2008 were put into a new process. No applications were processed between February 2008 and December 2008, so the only processing was on the previous system. So of course the numbers went down from about 600 to about 450. Meanwhile, under the new system, all the applications were put in abeyance. So there has been an overall reduction of inventory of old and new applications of about 5%.

Mr. Andrew Saxton: Regarding chapter 5, which is the delivery of vehicles, your audit found that National Defence has determined that the vehicles delivered to Afghanistan have met operational needs. I think most of our armed forces members appreciate having new vehicles, and we stand behind them. Can you comment on what would have happened if these vehicles had been delayed?

Ms. Sheila Fraser: I really can't comment on that, Chair. Obviously National Defence indicated that these were urgent purchases that were required to protect the armed forces in Afghanistan. We looked at four acquisitions. In three of them, National Defence and Public Works worked to get the vehicles there quickly. One project, though, was two years behind schedule and, I believe, is just starting to be delivered to Afghanistan.

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

We can now start the second round.

Mr. Lee, six minutes.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Thank you.

Can I continue on that line on the military vehicle acquisition? These were land vehicles, were they? Do you happen to know what the fourth vehicle is or was?

Ms. Sheila Fraser: The fourth one that hasn't been...? Yes, it's called a light-armoured vehicle.

Mr. Derek Lee: They're all called LAVs. This must be a new iteration, a new model.

Ms. Sheila Fraser: I can give you the exact wording, with a remote weapons system.

I can perhaps ask Mr. McRoberts. I'm sure he can give you all the details.

Mr. Derek Lee: That's okay. We have the sense of what it was. I think we can all sympathize with the military needs. If you have forces operational in a theatre, you've got to get the stuff now or yesterday, so subject to what the additional witness may add....

I take it you're recommending DND adopt an express procedure that's transparent so everybody knows how to do it quickly if they have to do it quickly. Is that what you're proposing?

• (1625)

Ms. Sheila Fraser: That is correct. We found that obviously they did not follow their own guide and procedures for acquisitions. That process presumes things will be done sequentially. Obviously when there are urgent purchases, many of these things have to be done at the same time or certain steps are bypassed. We recognize in the audit that this is understandable in these situations, but a process should be developed for urgent purchases identifying the key steps that have to be met.

Mr. Derek Lee: That's a great idea, but who gets to make that decision? The last thing the generals want is a bunch of accountants outside the door as they're struggling to get their jobs done. Is it the Minister of National Defence who would say the department goes to express bus number two on this one because they have to get the equipment within 45 days? Would it be the minister or would it be...?

Ms. Sheila Fraser: I presume it would be officials within National Defence in conjunction with Public Works, because Public Works is of course the contracting authority for these very large purchases.

Mr. Derek Lee: Okay.

Was there some additional evidence from the additional witness?

Ms. Sheila Fraser: Do you want to add about the fourth vehicle?

Mr. Hugh McRoberts (Assistant Auditor General, Office of the Auditor General of Canada): Yes, just to clarify. The fourth vehicle, the one there has been some problems with, is the creation of a new variant of the standard LAV-3. The intent was to remove the turret, which is quite heavy with the 25-millimetre gun on it, and to replace it with a remote weapon system very much like that on the RG-31. This is a much lighter weapon system than the turret and 25-millimetre gun. That would produce a reduction in weight and would permit putting more anti-IED armour on the LAV-3. It sounded like a simple idea, but it turned out to be a little more complicated to do than it sounds.

Mr. Derek Lee: Plus the men and women in these LAVs kind of like having that heavy gun on top when they need it.

In any event, I'm not a soldier. Thank you very much for that.

I want to turn to the Canada Revenue Agency/Department of Finance issue that came up at the briefings yesterday. I have to admit that 400 technical changes to the income tax will put most of us to sleep in five minutes, but Auditor General, you certainly point out that there are costs associated with the delay here, and there have been about eight years of technical changes built up. It's not just costs for the government and costs for the taxpayers and the taxpayers' accountants and the taxpayers' lawyers, but I think there are other indirect costs too, or potential costs. I call them...I guess they're just inefficiencies. As people struggle, they get comfort letters and get letters written that say, "You're not really going to tax

me for this, are you, because you didn't tax my friend that way." It breeds uncertainty and it breeds what I would call arbitrary decision-making within various tax offices.

Would you agree with that, that those are potential outcomes, even though it may not be happening in a really negative sense now?

Ms. Sheila Fraser: I certainly think there is a serious risk of uncertainty and confusion, and the fact that the delays are so long means the agency may not be able to go back and reassess corporations who may have filed in a more aggressive fashion than the policy would permit. Or vice versa: corporations may be actually paying more taxes than they should be. So it is important that these amendments be made.

I would also raise an issue that hasn't been brought up so far, that the Revenue Agency has guidance on its website that is not up to date and doesn't reflect changes. We give the example of scholarships for students; they are now completely tax exempt, while the guidance says it's only \$3,000. They either need to modify these things and bring them up to date or, I would say, withdraw them, because taxpayers could be relying on incorrect information.

Mr. Derek Lee: The department has agreed with you on that, has it not?

Ms. Sheila Fraser: That's correct.

• (1630)

The Chair: Thank you, Mr. Lee, and thank you, Ms. Fraser.

Mr. Kramp, you have six minutes.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thanks to all, and thanks for your diligence. Certainly, as we participate in this evaluation of the apparatus of government, your thoughts are not only important; they're crucial.

If I might, I've listened to a few of your reports now, and if I could just offer a quick little overview for a second, I'll use the analogy of a ground fire. We've all witnessed forest fires and raging fires and raging infernos, and quite frankly, I think this whole group of reports is not that. But I will say there are some brush fires. There are some issues we have to deal with—and we not only could deal with but we should deal with—in order to not only solve some of the existing problems you've identified but hopefully to prevent others from happening as well. So your efforts are extremely appreciated.

I have a couple of quick penetrating questions, I would hope, but before I ask them, I hope the opposition members will allow me to say this. It is rare when the Auditor General awards a "gold star", and when I saw that I honestly said, hey, all news isn't bad. So thank you very kindly for recognizing the efforts of management on the Canada Health Infoway; and of course, particularly when you contrast that with the provincial auditor's response on that, which was literally damning, I'm pleased to see that.

It also opens up a very, very serious concern of mine on that, because although we have a system that apparently is working very well—we're getting it together on the Infoway—you state, "However, having a system available does not mean health care professionals are using it". Well, what good is it having a system if people aren't going to use it effectively? Why aren't they using it effectively? Is it resources? Is it training? Is it regulatory approval? What is the problem?

Ms. Sheila Fraser: Thank you, Chair.

We were also very pleased to see that the management of Infoway was good and that our report was positive. We have recommended to Infoway that they include in their indicators the percentage of systems that are actually being used. They haven't tracked that to date, believing that it was really a provincial responsibility to make sure these systems were put in use. But we think they should be much clearer in their performance indicators, and they have agreed with that, and I'm hopeful they will start reporting that information soon.

Mr. Daryl Kramp: On acquiring military vehicles, there is good news and bad news. Three of the projects are operational; the acquisitions were great. The other project, though, is two years behind schedule and running at double the projected cost, which is totally unacceptable. Can you tell us why that happened, or do we have to ask our DND officials under Public Works to come here to explain it?

Ms. Sheila Fraser: I think Mr. McRoberts mentioned part of the reason, and I'll ask him to elaborate. It would appear that the department underestimated the complexity of the project.

Mr. Hugh McRoberts: I think it's a question you should ask the department. But if you look at it in terms of complexity and certainty, there's a scale that starts with the RG-31, where we in effect went into the dealership and bought it off the showroom floor, and goes down to the LAV-3, where instead of just popping the turret off and putting on an RWS, we had to do substantially more development work. As you move from off-the-shelf acquisitions to designing, building, and acquiring, the risks go up, particularly the cost and schedule risks.

Mr. Daryl Kramp: In evaluating the effectiveness of programs, the Auditor General said that the departments she audited were concerned about whether they could meet expanded requirements. Why can they not meet the expanded requirements? Is it due to a lack of manpower? Is it due to lack of expertise? Is it due to budget? Why can we have the programs in place but then have the people not deliver it? Why?

Ms. Sheila Fraser: As the committee knows, the policy has changed. Starting in 2013, all direct program spending will have to be evaluated over a five-year period. In the departments we looked at, the percentage of coverage was between 7% and 13%. None of the departments we looked at was actually evaluating 20% each year, which is the minimum they would have to do. They're very concerned about the lack of experienced evaluators. We know that much of the evaluation work has been given to contractors. We think it's important that some of that expertise be brought in-house, within government, and that this function be strengthened across government. There is still time, but they mentioned a concern about

whether they'd be able to build up the capacity to do this within three years.

• (1635)

Mr. Daryl Kramp: On the Health Infoway, it's a significant budget—\$1.5 billion to date. From the invoices and billing that just went through, have you been able to ascertain whether or not there has been value for money? Has there been transparency in the payment of invoices?

Ms. Sheila Fraser: Infoway has a rigorous process of managing the projects that they fund. They ensure that there is a good strategic plan and that the projects meet their standards for compatibility. They also protect themselves. They agree to fund 75% of the projects, but any cost overruns are assumed by the provinces. So it all depends upon the overall implementation within a particular province. They often fund projects in hospitals or elsewhere. Much of the success of this project will rely upon the provinces to bring these whole systems into operation.

Mr. Daryl Kramp: Thank you.

The Chair: Thank you, Mr. Kramp.

Monsieur Plamondon.

[Translation]

Ms. Meili Faille: I will be asking the questions, Mr. Chair.

My questions will centre on chapter 2 and the selection of foreign workers. You observe in chapter 1 that in coming up with solutions to problems, the government runs the risk of finding itself in situations where the measures it advocates lead to unexpected problems. The result could be some confusion with programs. You go on to discuss in chapter 2 the program under which foreign workers are selected.

Has the government placed itself in a vulnerable position with respect to the Immigration Act? Does it currently find itself in a position where it must reimburse certain immigration applicants? Have the measures that have been put in place enabled some immigration applicants to by-pass the family reunification program?

Ms. Sheila Fraser: I will answer the first question, Mr. Chair, then let Mr. Flageole take the other two.

We did not encounter any situations that were in violation of the Immigration and Refugee Protection Act. If we had, we would have mentioned it in the report.

I will ask Mr. Flageole to confirm that.

Mr. Richard Flageole: Thank you, Mr. Chair.

No, we really did not observe any instances of non-compliance with the legislation.

Regarding your question about refunds, if applications are deemed ineligible, refunds will be provided. Earlier, the Auditor General stated that from February to December of 2008, some 300 applications were deemed to be eligible. The overall number of eligible applications was reduced to 38 retroactively. So then, many people submit applications, but will be declared ineligible subsequently. Approximately 60,000 applications were submitted during this nine-month period, and the department estimated that it had to award 45,000 refunds.

Ms. Meili Faille: Are refunds limited to the amounts requested for opening the file, that is to the amount remitted to the government, or are the fees charged for processing files, either by a lawyer or by persons helping with the immigration process, refunded as well?

Mr. Richard Flageole: Mr. Chair, any charges incurred for hiring immigration consultants or other persons are not refunded. When prospective immigrants submit an application, they are charged an application processing fee. If their application is deemed ineligible, the fees will be reimbursed.

• (1640)

Ms. Meili Faille: Currently, the immigration system is dealing with a backlog of about one million cases. The government has spent over \$300 million over the last ten years to set up and modernize its computer system. The system is still not fully in place and we regularly receive requests for changes. I know that the Standing Committee on Citizenship and Immigration reviews requests for additional funds for immigration computer systems. This hasn't resolved the problem in departments where officers are currently drowning in paperwork.

Have you been given any explanations for this state of affairs and do you have any reason to believe that the department will turn the corner and that the situation will improve?

Mr. Richard Flageole: Thank you very much, Mr. Chair.

That was a question that we asked in 2000. We had raised some rather serious questions about whether applications were being processed efficiently. The department responded at the time that it was developing a new case management system. Clearly, a number of problems have arisen. The process has been under way for 10 years and costs have escalated from \$195 million to \$390 million. In 2006, we conducted an audit of major computerization projects and a number of problems were identified. They had to do with changes, the scope of the project and different kinds of management problems.

I do believe that we are finally seeing the light at the end of the tunnel. The system is expected to be in place by June 2010 in some initial sectors and it will then be extended to the full network. The point that we are making here is that technology use is really a key factor in helping the department reduce operational deficiencies.

Ms. Meili Faille: My other question concerns DND contracts and the problems you identified with respect to one contract in particular. Would it be fair to say that when that contract was awarded, throughout the contracting process, information was provided or decisions were made that were not justified? Can you explain to us briefly how the competitive process works? It would seem that at some point, DND wanted to award the contract to a sole source supplier and that there was no justification for doing that. Public Works and Government Services Canada—it seems that the two departments were at odds, or could not agree—apparently wanted to put the contract out to tender, because there were several suppliers available to deliver the product.

Can you clarify what happened?

Ms. Sheila Fraser: Yes, there were several cases where the contracting process caused some problems. In one instance, DND wanted to award the contract to a sole source supplier. However, PWGSC demanded that the contract be put out to tender. After all of

the work had been done, the contract was ultimately awarded to the first supplier, in part because of delivery lead times. The other suppliers were unable to meet the delivery deadlines. The request for proposal failed to make it sufficiently clear that the deadline was such a critical factor. It wasn't until the end of the process that the other suppliers realized that they would not be able to meet the deadlines.

We feel that PWGSC and DND wasted time. The requirements in terms of delivery deadlines should have been clearer from the outset.

Aside from that, the outcome in the case of the two contracts that were put out to tender was relatively positive. In the case of another contract, one that has been delayed, DND failed to provide the Treasury Board Secretariat with all of the information concerning the scope of the project when the initial request for funding was made. The cost for the vehicles alone was about \$55 million and the total cost of the project was about double that amount.

• (1645)

The Chair: Thank you, Ms. Faille.

Monsieur Shipley.

[English]

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, witnesses, for again being here.

I go, Madam Fraser, to paragraph 2 in your original statement. I mention it only because I think it's important: "The issues covered in this report are typical of the challenges facing government today." And here is the important part: "Our findings underscore the importance of thinking through the implementation challenges when policies and programs are developed or changed."

That really outlines what the purpose of your audit is. We recognize through this audit that there are some things to change. When I read through the audit, I didn't see that anybody would say, no, I don't think these are things we should be doing. That isn't what we heard.

What we have found is that many of these situations have been ongoing, some of them for 30 or 40 years. So I want to say to the general public that I think we as a government, regardless of what government it is, need to be professional in all aspects, and when we see weaknesses within our organization, recognizing the size of government, we need to take steps.

What we have found in this report, from my take anyway, is that we have aspects that are moving more quickly than others. I guess that's likely part of what life is, unfortunately or fortunately. I'm wondering, though, when you do such reports—and I think some people may have been thinking something huge would come out of this, because we've been doing a lot in four years, quite honestly—would you find any major irregularities through this audit? Is that what would show up? When doing an audit like this within a particular department, would a major irregularity show up if there were one?

Ms. Sheila Fraser: I would like to think that if there were a major irregularity, it would have been discovered by the audit. That is certainly not the case in these audits.

Many of our recommendations are, as you mentioned, trying to improve management processes, encouraging government officials to do more analysis. As Mr. Flageole mentioned, we saw an example of good analysis that was done that identified risks and possible changes, but we see in other decisions that are made that analysis is not there and strategies going forward are not in place. We think these things are important to ensure that the programs are being as effective as they can be.

Mr. Bev Shipley: I'll leave it at that, because I want to go on. One thing we find in procurements—we've had a number of them, and you've talked about procurement, and I may come back to the National Defence one, if I have time—is that there have not been irregularities on major issues; that's what we're finding.

Under Public Safety Canada, my understanding when I read this was that a federal emergency response plan has not been put in place. I'm thinking that in 2006, what we did as the government of the day was put moneys forward to start implementing a large-scale federal emergency response plan, which I understand has not been in place. Is that correct?

Ms. Sheila Fraser: The federal emergency response plan is at this point still not approved.

I can ask Ms. Loschiuk, but my understanding is that the department started to work on it soon after its creation. The act may have been modified, but there was a previous act.

Ms. Loschiuk, perhaps, could confirm this.

Mr. Bev Shipley: What I understand of the national emergency program is that it's not just a national emergency program. I've been involved municipally before. It not only involves the federal government, but it involves the coordination of all the provincial and territorial organizations. It comes down to the municipal level, because we've had the opportunity for input into it. When a national emergency happens, every time it affects the local people; every time it affects the provincial people. I don't want the impression to be left that nothing is happening.

But could you help us identify what stage it's at, recognizing the complexity of bringing together a full national emergency plan? We have had a couple of pilot projects, unfortunately, such as during the floods in Manitoba, whereby continually, when you go out after these things, you do lessons learned. I know there have been lessons learned. I'm just wondering whether you can help us with the status, if you know where it may have reached in coming to its final form.

• (1650)

Ms. Sheila Fraser: I'll ask Ms. Loschiuk to respond.

Ms. Wendy Loschiuk (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Chair.

I believe we are talking about two things. When you talk about the national plan, you are talking mainly about how the federal government is working with the provinces and territories and municipalities. That's something we didn't particularly address in this audit. We stayed at the federal level.

Our interest was in how all the different departments are working together when they have to start to coordinate their activities, when they have to be clear on what their different roles and responsibilities are going to be and on who's in charge. That is moving forward in some cases, as you've seen in the report, but there are pockets or areas where progress has been very slow; for example, in cyber-security or critical infrastructure. Some things are not moving along as quickly as we had hoped they might.

The Chair: Mr. Christopherson, you have six minutes.

Mr. David Christopherson: Thank you very much, Chair. Did you say six minutes?

The Chair: Yes, you get a bonus today, Mr. Christopherson.

Mr. David Christopherson: I would just, in a very friendly manner, say to my friend Mr. Kramp, while he's busy bragging about their single gold star, that you get your gold star, but keep in mind that a broken clock is right twice a day too.

Some hon. members: Oh, oh!

Mr. David Christopherson: I'd like to turn to chapter 7, on cyber-security.

You speak here to the lack of a strategy and say that there was a commitment made originally in 2004 on the national security policy, so there's lots of blame to go around for both of the two largest parties.

I've been wracking my brain before my turn to speak, trying to remember which country it was, but I can't; the best I can come up with is Estonia, but I don't think it was that. There is a country that was recently the focus of a serious cyber-attack that was reported around the world. Does anybody remember what country that was?

Mr. Scott Vaughan: I think it was Australia.

Mr. David Christopherson: Anyway, the point is that we've seen some examples of it. I'm no expert in this field, but I don't think one needs to be to understand the threat to our energy grid systems, our defence systems, our intelligence systems—all the things we need to have working.

This leads me to one side question: does DND have a separate, secure, stand-alone system? If we were under a cyber-attack and everything else went down, do they have a stand-alone system, or are they part of a network-wide threat?

Mr. Hugh McRoberts: This is based on just general background, but yes, they have at least a limited ability to stand alone. They have separate power generation for emergencies; they have their own military communication systems, which are not entirely network-dependent. So they have some capability to function.

Mr. David Christopherson: I've read—and I mentioned the power grid—that there are entities in the world that are either trying to get the ability or have it, that if they concentrated that kind...they could literally shut down the energy system. Do you have any sense of how close we are to that kind of real threat as a result of not having the security system we need in place?

Ms. Sheila Fraser: Chair, we certainly can't respond to that. I don't even know if the department actually could respond to that.

Mr. David Christopherson: That's what is scarier.

Ms. Sheila Fraser: I presume that those kinds of assessments would be classified information, but certainly there is a real need to have this cyber-security strategy worked out, and as we mentioned in the report, there has been very little progress made on what is a really key element of the overall strategy.

•(1655)

Mr. David Christopherson: Were you given any answers that carry some weight with you as to why?

Ms. Sheila Fraser: Not really. We do note in the report that there are issues with resources in the department: very high vacancy rates, a very significant movement of people. I think it's something like over 70% who have moved.

Ms. Wendy Loschiuk: In some cases, yes.

Ms. Sheila Fraser: So there is a lot of turnover and movement, which of course makes things difficult to get things done.

Mr. David Christopherson: Yes, we have run into that in a number of audits.

Ms. Sheila Fraser: As to why that is occurring, that is something that would have to be reviewed with the department.

Mr. David Christopherson: Thank you for that.

Then in the same chapter, on page 19, we have the first responder and the voice communications. Again, like Mr. Shipley, I hearken back to my city council days, and I can remember that even back then, which is getting further back every day, this issue was real. I know that in the last few years my home town, Hamilton, spent millions of dollars just to make sure they could communicate within our city and within the general region. But I don't know whether or not they have the ability to communicate on a larger scale, to interact provincially, federally, and with other municipal entities. It sounds to me as if your concern is that this may or may not be there.

And I recall also, Auditor General, yesterday you said that one of the things the government could have done was provide a little assistance as an incentive, given the fiscal pressures that municipalities are under.

Ms. Sheila Fraser: Absolutely. This is an area where we would have expected much more to be done. We mention that the 2004 policy called for this. Certainly I think this issue became very real for people when we saw what happened on September 11, when there was that lack of ability to communicate between the first responders. This is an area where I think it's reasonable to expect there would

have been more work done on common standards that would have been agreed to with the provinces and the municipalities. Given the fact that the department didn't spend a third of its budget in the last two years, there certainly were resources that could have been made available to encourage this project and move it along.

Mr. David Christopherson: Yes. Again from provincial experience, I know the pressures that provincial capitals are under to try to come to grips with this, and the fact that they're not connected at this late date is very, very disconcerting.

In the moments I have left, I'd like to return to chapter 6 and the first nations environmental protection—their lands, rather. Paragraph 6.92 says, “The First Nations Land Management Act (FNLMA) is intended to enable First Nations to make timely business and administrative decisions...”. So as I understand this, the intent is to download responsibility from the feds to the first nations to make their own decisions, but there isn't the opportunity to get the training they need in order to assume those very responsibilities and make the right decisions.

Number one, is that correct? Second, could you expand on that a little? What exactly should be happening that isn't?

Ms. Sheila Fraser: That is essentially correct. There are four programs in place that would allow first nations to assume more responsibility over their management of land and resources. So they would not be totally subject to the Indian Act, as is currently the case. Under the Indian Act, it is the federal government that in fact manages land resources, so it would have to approve leases and even basic things that would be necessary for economic development. So for those first nations that are judged able to assume that responsibility, they would apply to go under one of these programs and would receive the necessary training. But as we mentioned in the report, access to these programs is limited and the department has indicated that it is, again, a question of funding.

The Chair: Thank you, Mr. Christopherson.

Mr. Weston, you have six minutes.

Mr. John Weston: Thank you, Mr. Chair.

Madam Fraser, you made some complimentary remarks about the Department of Citizenship and Immigration, but despite Jason Kenney's solid Jesuit training, he didn't get a gold star. So I would like to explore how we can get there.

Certainly this has to be one of the most bracing, exciting, and complex elements of Canadian nation-building: immigration, the processing of applicants from around the world. There's no limit on the number of people who can apply on any given day, whether as foreign skilled workers or temporary foreign workers or in any of the other categories. It's an exercise of gargantuan proportions. The numbers you reflected in your report are absolutely massive.

One of those numbers is a good number. Even though you said there are some 600,000 applications in the system, that represents a 30% decline from where we were as of a couple of years ago, as I understand it.

• (1700)

Ms. Sheila Fraser: If I could clarify, as I mentioned, the process or the number of job categories was modified and decreased from some 300 to 38. That was announced in late 2008, effective February 2008. So there was a cut-off point of February 2008. At that point, the backlog was around 600,000. That inventory, pre-February 2008, has been reduced by about 30%, but it is because there was no processing of applications received from February to December 2008, which means there was another backlog created under the new system. So in fact the actual reduction, if you take the whole program, the two together, is about 5%, not 30%.

Mr. John Weston: All right. I understood the skilled worker backlog had fallen by 30%, but given what you're saying—

Ms. Sheila Fraser: Those numbers are quoted, but the quotations have to be read very carefully, because we're talking about the inventory as at February 2008. I think the department has just released a report where they themselves report that the overall backlog was reduced by about 5%.

Mr. John Weston: Well, we all have stories in this room, I'm sure, relating to immigration. I lived overseas as an international lawyer and I saw people longing to come to our shores and who were frustrated by the complicated nature of the process. It has been simplified to some extent by reducing the number of categories. Based on the tenor of your recommendations, it seems that we're moving in the right direction in terms of reducing backlogs by saying to the world that there are now only 38 categories instead of 351. Isn't that a good sign of leadership from an accountability perspective, from a perspective of managing people's expectations?

Ms. Sheila Fraser: As we mentioned in the report, there has to be an assessment done as to whether that reduction is having the desired effect. It is still very early to assess that, but what we can see in the first few months of this is that the number of applications has not dropped significantly and that there are not a lot of refusals because they don't meet one of those 38 categories.

The department has indicated that they want to do the processing of these applications under this new program in six to twelve months, so it will be important for them to continue to track the processing time, the number of applications being made, and whether they are able to meet that, and if not, obviously to take other measures to try to address the issue.

Mr. John Weston: Okay. So there is some engagement, and the department is listening.

Ms. Sheila Fraser: Yes.

Mr. John Weston: Let's move to foreign credentials. It has always been one of the most contentious things. People rue the fact that sometimes they come to our great country and then can't use their credentials.

In paragraph 2.135 of your report, you say, "Preliminary findings indicate that the program is consistent with federal priorities and has contributed to a greater understanding and awareness of foreign credential recognition issues among stakeholders." That's the new

program for foreign credential recognition that was brought in under this Conservative government. It sounds like it's preliminary, too early to make a strong assessment, but it's going in the right direction.

Ms. Sheila Fraser: Absolutely. This is a positive finding in the report.

Obviously the recognition of credentials is largely a provincial jurisdiction, so the role of the federal government is relatively limited. But they have put together this initiative and created a new organization to provide better information to foreign applicants about the requirements within Canada and also to work with the provinces to try to increase the recognition of foreign credentials.

• (1705)

Mr. John Weston: I'm sure I speak on behalf of all my fellow members of Parliament when I say that one of the biggest things we deal with is people trying to get their work permits or their LMOs. You comment quite extensively on this. In paragraph 2.98, you said that HRSDC, which is responsible for the labour market opinions, "has implemented a number of initiatives aimed at improving the administration of labour market opinions".

This I find really interesting. You talk about a quality assurance framework being necessary. You said there were some improvements—electronic mailboxes set up—and that the department is listening to its shortfalls, which it concedes. There was nothing in that report that suggested you had actually talked to the customers, that is, the employers who are trying to bring people in. I know there has been consternation among some employers about the whole LMO process.

Ms. Sheila Fraser: Chair, I would say that in the course of the audit the team did speak to employers, and I can ask Mr. Flageole to expand upon that.

Mr. Richard Flageole: Thank you, Mr. Chair.

Yes, we actually met with employers from Alberta, B.C., and Ontario. We don't really report on this, but we really listened to what they had to say, so that was part of the audit.

The Chair: Thank you, Mr. Weston.

Ms. Crombie, for six minutes.

Mrs. Bonnie Crombie: I'll pick up on chapter 2 and I'll finish off some of Mr. Weston's thoughts.

If we were limiting the criteria of who can apply, since we've reduced the number of eligible categories from 351 to 38, will we be meeting our future labour market needs, in your opinion?

Ms. Sheila Fraser: We don't raise an issue about that aspect particularly. We did see there was little analysis as to the choice of the 38, but then again it's a policy decision.

Where we do raise some issues, though, is that there has been a significant shift in the programs under which the people are coming into the country. The provincial nominee programs are becoming more and more important. Were the trends to continue, the provincial nominee programs would be the single largest source of skilled workers coming into the country.

The federal government has very little information or effectively any kind of oversight over the choices and the categories under which the provinces are bringing people in. They essentially accept the nominees from the provinces. And as we note in the report, if the trend were to continue, the federal skilled worker program, which is around 70,000—which was about 100,000 five years ago—could drop to under 20,000 by 2012. So it raises questions about whether this is the desired effect. We believe there should be evaluations done of these programs. Are they meeting the labour needs of the country?

Mrs. Bonnie Crombie: Right. And we know that immigration is so critical to our growth.

You also referenced the fact that there is a 63-month delay in processing. So why wouldn't individuals look to other countries to immigrate, where their processing is much simpler and faster and easier, frankly, such as the U.K. or Australia? We are, after all, competing for the best and brightest minds in the world.

Ms. Sheila Fraser: Absolutely. I'm sure that is one of the reasons the government introduced a smaller number of job categories that would qualify, in order to try to speed up processing. They have indicated they would like processing to occur within six to twelve months, which is certainly far more reasonable than five years.

Mrs. Bonnie Crombie: Is it achievable?

Ms. Sheila Fraser: As we say, we have encouraged the department to track the number of applications and the processing times. It's still very early under those new job categories, so I think only time will tell.

Mrs. Bonnie Crombie: I'm going to shift gears again and go back to chapter 7, "Emergency Management—Public Safety Canada". What concrete steps need to be taken to ensure we have a coordinated federal action plan in the event of a new emergency of national significance?

Ms. Sheila Fraser: We think one critical element is to have approval of the federal emergency response plan, which clearly sets out the roles and responsibilities of the various departments, in particular Public Safety Canada, so it has the authority, if you will, should there be a national emergency.

• (1710)

Mrs. Bonnie Crombie: Once again, can we speculate why this plan has not been approved after four years?

Ms. Sheila Fraser: We don't have an answer for that, Chair. You would really have to ask the department.

Mrs. Bonnie Crombie: Granted.

In 2008-09 the government allocated \$58.5 million for emergency management but only spent two-thirds of it, so where did the money go? How was it used?

Ms. Sheila Fraser: The money would have been used for activities within the department. Any moneys that were not spent would have gone back to the consolidated revenue fund.

Mrs. Bonnie Crombie: Clearly there was a missed opportunity to spend money on needy programs, on programs that had been allocated and budgeted.

Ms. Sheila Fraser: As we note in the report, there is a very high vacancy rate—

Mrs. Bonnie Crombie: I was going to go there next.

Ms. Sheila Fraser: —of personnel, and that, we think, would be one of the factors for why many of the plans and issues we would have expected to be further along are not.

Mrs. Bonnie Crombie: Granted, and as you referenced, there has been a very high turnover rate and it's very disconcerting. At Public Safety Canada it is 71%, and 56% of senior managers had only been in their positions for 18 months. Why is the turnover so high, and how would that impact emergency preparedness?

Ms. Sheila Fraser: As to the reasons, again, that would have to be discussed with the department, if they have done the analysis. We didn't go into that kind of detailed work in that area. Clearly, turnover like that will have an effect on the ability of the department to produce the plans and do the work that is expected of them.

Mrs. Bonnie Crombie: You also said that over 50% of the budget allocated to national emergency response exercises was designed to share lessons learned, best practices, etc., but they have been shelved in each of the past three years. What was lost? Why did that happen?

Ms. Sheila Fraser: Chair, I'll ask Ms. Loschiuk to respond to that.

Ms. Wendy Loschiuk: Thank you, Chair.

I believe you are referring to paragraph 7.37, where they are talking about exercises. While we found that some exercises were conducted, they were not able to get as many exercises under way as they initially had hoped. There were issues regarding getting all the players together or even getting plans together. Again, with the lack of staff to plan for these exercises, it didn't happen. Why that is exactly, again you'd have to go into the details with the department as to what they were planning.

The Chair: Thank you, Ms. Crombie.

Mr. Young, for six minutes.

Mr. Terence Young (Oakville, CPC): Thank you, Chair.

With regard to foreign workers, the skilled worker program has been a significant success, however imperfect, and the wait times have gone down, in my understanding, from six years to about six months. As well, this government has welcomed a record number of immigrants to Canada.

For skilled workers, isn't the starting position the labour market surveys and labour market shortages in the provinces? We know that every province has labour market shortages and there are clear needs.

I am pleased to see that the improvements you are recommending have been accepted by CIC to clarify responsibilities and to conduct structural assessments of the genuineness of both employers and jobs offered. But I have a question.

I understand it would be great information to have—the job and whether the employer can afford to pay, whether they have an apartment for the person to stay in, etc., and to be able to quantify that. The department agrees to work on it, but my concern is that it sounds as if the Government of Canada would be acting like a giant job verification agency, not quite a job placement agency but a job verification agency. It would be very labour intensive. I am wondering how many people you'd have to hire to verify over 50,000 jobs a year, to call the employers or contact them and try to verify, maybe ask for financial statements. You'd have to set up a bureaucracy or beef up the bureaucracy considerably to do so.

In addition to that, how reliable would the information be? For example, if someone who ran a kitchen in a hotel got a call from CIC asking if there had been a job application from a person in Africa who wanted to be a chef, he'd say yes and fill out all the boxes and get back to running his kitchen. How reliable would that information be?

Economic conditions could change or the hotel could close and the person would come here. Wouldn't it be more reliable, or at least as reliable, for the person to know there was a labour shortage of that skill set in that area, in that province at that time, and that there were a number of jobs to go to?

• (1715)

Ms. Sheila Fraser: Chair, perhaps I'll ask Mr. Flageole to help me on this, but we are certainly not proposing that the federal government validate every single job. This would have to be done on a risk basis when there are situations that would appear suspicious or doubtful and there would be some follow-up of it. Currently that is not done. There is confusion as well about who actually has responsibility in this area. So there needs to be clarification given.

On the question of coming for a job within an area, my understanding is that under current regulations, a person can only go to that individual who has applied. They do not have the freedom to move around. I think there may be proposals to change that. Currently if that job should turn out not to be genuine, the person is kind of stuck or could be subjected to a difficult situation depending upon that.

The other issue we mentioned a bit earlier is that we have to ensure the integrity of the program and that people don't create jobs that may not be valid in order to process family members or others who would take much longer under the family reunification program.

Mr. Terence Young: Regarding the Emergency Management Act, my understanding is that it was revised in 2007 and there was an interim plan in place. I would assume that plan had outlined a federal role. I'm wondering how the fact that it says interim on the front of

the plan would prevent it from being carried out or implemented effectively.

Ms. Sheila Fraser: I think it is known as kind of interim, but it is really a draft plan. It has never been approved by government.

Mr. Terence Young: But there is a plan there. I'm just wondering, if it's not approved by government, would that prevent it from being implemented in an emergency?

Ms. Sheila Fraser: I think people are using it as if it had been approved. It's only really by approving it that the department then gets, if you will, the authority. Each department reports to its minister. One department cannot tell another department what to do unless there is some policy or plan in place. That's why the approval of this is really important.

Mr. Terence Young: Thank you.

Do I have a little more time, Chair?

The Chair: One more minute.

Mr. Terence Young: Thank you.

Madame Fraser, with regard to the Income Tax Act, I'm sure no one would disagree that taxpayers have a right to know how much tax they owe so they can determine and plan their lives and their business. Having run my own business for many years, I can sympathize with that. In fact, every year I think this is the year that I don't have to hire an accountant to do my taxes, and every year I say, no, I'd better not this year. You want to check because you're always afraid you missed one deduction, or that you're going to pay too much, and you're going to treat yourself unfairly, so you end up paying accountants. It's confusing.

But with regard to the changes you wanted to see, the technical amendments, I think it's important to note that they were introduced in November 2006—and your report says that in the footnote—and again in 2007. And I'm quite sure they will be introduced to Parliament again when the parliamentary calendar allows. When that happens, in your view, will that solve the problems that you identified in your audit?

Ms. Sheila Fraser: What I understand is that the bill that was introduced contained about 150 amendments, but there are at least 250 more that have not been presented publicly and for which proposed legislation has not been prepared. We were told by the departments that they want this initial bill. They've taken a process where the initial bill goes through and then they do the others. So there is quite a catch-up to do.

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

Thank you, Ms. Fraser.

That concludes the first and second rounds. I'm going to ask Ms. Fraser or Mr. Vaughan—we've been easy on Mr. Vaughan this afternoon—whether either of them have any closing or concluding remarks.

Ms. Sheila Fraser: Chair, I would thank the committee for their interest in the report. We look forward to future hearings on specific chapters.

The Chair: Mr. Vaughan, do you have anything to say?

Mr. Scott Vaughan: Thank you, sir.

The Chair: As you've heard in the motion, Ms. Fraser, we have picked at least four of the chapters that we will be holding hearings on, inviting the accounting officer of the respective departments. That will take place starting in December. We may be going beyond four, so we'll certainly be following up on your work and that of your office. Thank you very much.

For the next item of business, I believe Madame Faille has a motion to present. Do you want to do that today, Madame Faille?

• (1720)

[*Translation*]

Ms. Meili Faille: I think we have enough time left to deal with this matter. I believe everyone has received a copy of the motion. For the benefit of the committee, I will now read it:

In the matter of the contract awarded to Brookfield Global Relocation Services in 2009 as part of the Integrated Relocation Program (IRP)—a program whose contracts were reviewed by the Auditor General and found to contain inaccuracies and not to be “tendered in a fair and equitable manner,” as stated in her 2006 report, which was supported by the Standing Committee on Public Accounts and welcomed by the Minister of Public Works and Government Services—

That the Committee ask the Auditor General to conduct an audit of the Integrated Relocation Program (IRP) as of April 1999, including the tendering and awarding of the 2009 contract, and to present her findings to Parliament.

Mr. Chair, I believe the Auditor General identified a significant number of cases. She made us realize that the files do not always contain the reasons for the decisions made and that contract files are often incomplete, missing or subject to conflicts of interests.

Regarding this matter, the process was qualified as follows: “In 2006, Auditor General Sheila Fraser concluded in her annual report that the tendering process for relocation contracts was fraught with serious discrepancies and irregularities”. On August 18, 2009, it was announced that the contract had been awarded and that it was valued at about \$150 million per year over five years, or at \$750 million. We are talking about a substantial sum of money.

At the end of the competitive process, it seems that there was only one bidder, namely the company that had held the contract since 1999. Apparently, in this instance, officials had put themselves in a conflict of interest position. There were stories of trips to the Caribbean and to Alaska, and of golf games paid by the company. Companies that had taken part in the consultative process carried out by Public Works in 2008 again were critical of the process leading up to the awarding of the contract. Allegations were also made that the department was unable to answer the questions of those who suspected the company that had been awarded the contract was passing along the contracts to sell the homes being vacated to its own agents. These allegations were made by the former president of the Association des courtiers et agents immobiliers.

The committee met in camera last June. I am tabling this motion because the committee has a duty, in order to bring this matter to a close, to ask the Auditor General to examine this contract and to report back to Parliament.

[*English*]

The Chair: Thank you very much, Madam Faille.

I'll entertain eight interventions, up to a minute each, and then we'll go back to Madam Faille and put the question. But before I do that, I just want to point out that hopefully no one's under the illusion that a motion like this is binding on the Auditor General. This is just a motion from the committee. She may or may not accept it. She's got her own risk methodologies that determine whether or not she would actually conduct an audit of this nature.

Mr. Lee, very quickly, one minute, and then we'll go to Ms. Crombie.

Mr. Derek Lee: I intend to support the motion. The reason is that this relocation contract had already caught the attention of the Auditor General previously, for reasons Madame Faille referred to. But in the rollout of the new contract, which went to Brookfield Properties, I think it was Brookfield Properties—

Mrs. Bonnie Crombie: It was Royal LePage, then Brookfield, yes.

Mr. Derek Lee: It was awarded to Brookfield Properties' sister corporation. The deadlines for the tender, the date for decision on the successful bidder, the date of the commencement of the contract under the award, including the spin-off time of a couple of months, were, to my understanding, so compressed, compressed into a month, for such a huge contract—one of the largest contracts of its kind in North America, it's a massive, massive contract—that it's hard to understand how anybody could bid and be ready to deliver on the project. You had to open offices right across the country and you only had two or three weeks to do it with the window of time that the department offered.

So I think there are still questions about this, big questions about how the department ended up boxing itself in again, and I want to get those answers.

• (1725)

The Chair: Thank you, Mr. Lee.

Ms. Crombie, one minute, please.

Mrs. Bonnie Crombie: I concur. We reviewed this matter in June, independently of each other—we hadn't spoken—just prior to the contract being tendered to Brookfield and Royal LePage. We had some concerns with it back in June, and nothing was done. The contract was tendered, but that does not negate the fact that it is a highly complex contract. There were very tight deadlines and timelines put in place, and there was a significant and realistic fear that the process favoured only one bidder, and lo and behold, that's all we had.

So there has to be legitimate concern that there wasn't a fair and open process. We look at how limiting the bidding process was: huge start-up costs, new technology, hiring and training of staff, opening up offices. It just limited the scope. We have to better understand what happened. This is a company that has won the same contract four times in a row, back in 1998, 2002, 2004, and yet again in 2009. It just doesn't seem right. I think we should look at it a little more closely.

The Chair: Thank you very much, Ms. Crombie.

Mr. Saxton, one minute, please.

Mr. Andrew Saxton: Thank you, Mr. Chair. I admire the diligence and tenacity of Madame Faillie in proposing this; however, unfortunately I will not be able to support it.

On June 18 the committee had an in camera session with the departmental officials, and the committee concluded that it was satisfied with the department's actions. We adjourned following a motion by my colleague David Christopherson that read as follows:

That the committee do now conclude its study of the procurement process for the integrated relocation program, in relation to the committee's study of chapter 5, "Relocating Members of the Canadian Forces, RCMP, and Federal Public Service", of the November 2006 Report of the Auditor General of Canada...

The committee's June 18 minutes state that this has basically been put to bed. Furthermore, an independent third party fairness monitor came out with this report, which I would like to table before the committee, Mr. Chair. They said the process was conducted in a fair, open, competitive, and transparent manner.

This committee thoroughly examined the AG's report of November 2006. We made a report with recommendations. The department came here in June and assured us that it had fully implemented all of the recommendations as well as those of the Auditor General, and the fairness monitor's report concluded that this was a fair process.

So I think we've had enough of this particular report, Mr. Chair.

The Chair: Mr. Kramp.

Mr. Daryl Kramp: We all want what is right, but where do we go and when do we stop? This was before this committee before. This same issue was before government operations and estimates, and I sat on it. We reviewed it. We reviewed it again for the second time on June 18, when we had the senior people in, Daphne Meredith and other witnesses. And whether we agree or not, no convincing evidence was put forward in those different sets of hearings to give us reason to believe that we have to continue.

Where do we go? How many times do we go back and address the same issue? If there is conclusive evidence, or not even conclusive but serious evidence, that any member of this committee wants to bring forward that is going to lead us to rethink the issue that is constructive, that's there, that's a smoking gun, then by all means let's go back and do it. I'd have no difficulty. But to say we should go back because we weren't satisfied is not good enough. We're going to be doing that on every issue we deal with. I go back to the invoice situation, to Lepage, and on and on. We can go endlessly on these types of issues. Where do we stop? Where do we go?

We've made a decision. As I said before, it has already been before the various committees of this House three times now. To take it

back again, if it's the will of the committee... Honestly, it might not be 100% satisfactory to everybody, but where do we draw the line? We have all kinds of other responsibilities to do as well.

The Chair: Mr. Christopherson.

Mr. David Christopherson: Thanks, Chair.

To pick up on Mr. Kramp's concerns, he makes valid points, but I do think there are a couple of things to put in the mix of our consideration.

Number one, one of the reasons we concluded was not just that at that point our findings were relatively inconclusive, but that the bidding process was under way and we were very sensitive to getting involved in an ongoing procedure. So we had reviewed up to that point, but we were cognizant that this thing was under way right then and we had to be careful.

Number two, if memory serves me right, we were assured by department officials that there would be more than one bidder. Yet here we are; we ended up with just one.

My last point is just to add a little comfort level. It's really not going to be our decision as to whether to go on. This will go to the Auditor General. She will obviously review what we've done to date, and if she determines that we've taken this as far as an auditing process or an accountability process requires, then she will say no. If she agrees that there's something new or something further, then she'll make that decision. Our decision today is whether we want to place it in front of her for that review and consideration, and in light of the issues that are on the table, I'm comfortable supporting that today.

• (1730)

The Chair: With no other speakers, we'll come back to you, Madame Faillie, for the last minute, and then we'll adjourn.

[*Translation*]

Ms. Meili Faillie: I believe my colleagues have already made their position known. As I see it, my Conservative colleagues are throwing in the towel too quickly where this matter is concerned. I think everything that needed to be said has been said and we are prepared to put the motion to a vote, Mr. Chair.

[*English*]

The Chair: There is a preamble, but I'm just going to read the motion. It reads: "That the Committee ask the Auditor General to conduct an audit of the Integrated Relocation Program (IRP) as of April 1999, including the tendering and awarding of the 2009 contract, and to present her findings to Parliament".

Ms. Meili Faile: One minute, Mr. Chair, the first paragraph is in the motion as well. There was a typo. It was supposed to be a lower-case letter instead of a capital "Q" in French.

The Chair: The first paragraph was the preamble.

Ms. Meili Faile: It goes together, or else....

The Chair: We are voting on the whole thing. There's no question about that.

Ms. Meili Faile: Thank you.

The Chair: All those in favour? Those contrary minded?

Okay, I'm prepared to support the motion, and I'll give you my reasons.

The Auditor General, as I said in my opening remarks, will make her own assessment on this thing. I have no doubt that she will do

this audit on the strength of the audit. I have a concern about the size of the contract. She will have a look at it. She has her own risk methodology, and if her office thinks it warrants further investigation, she will do it. I'm thoroughly convinced that if she thinks it does not warrant further investigation, she will not.

So I will support the motion.

(Motion agreed to)

The Chair: Is there any further business?

If not, the bells are ringing. We will see you on Monday, November 16.

The meeting is adjourned.

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