

Minister  
of Natural Resources



Ministre  
des Ressources naturelles

Ottawa, Canada K1A 0E4

Mr. Kevin Sorenson, M.P.  
Chair  
House of Commons Standing Committee on Public Accounts  
House of Commons  
Ottawa, Ontario K1A 0A6

Dear Mr. Sorenson:

I am pleased to respond, on behalf of the Government of Canada, to the recommendations of the report from the House of Commons Standing Committee on Public Accounts, *Special Examination Report – Atomic Energy of Canada Limited, of the 2017 Fall Reports of the Auditor General of Canada*, released on June 8, 2018.

Atomic Energy of Canada Limited (AECL) plays an important role in Canada, given its mandate to enable nuclear science and technology and fulfill Canada's radioactive waste and decommissioning responsibilities. The Office of the Auditor General's 2016–2017 special examination of AECL occurred during the first full year of AECL's operation under the Government-owned, Contractor-operated model. It provided a useful assessment of AECL's management policies and practices that will contribute to future improvements. The overall conclusion of the Office of the Auditor General's report was that there was reasonable assurance that AECL's assets were safeguarded and controlled, its resources were managed economically and efficiently, and its operations were carried out effectively as required by section 138 of the *Financial Administration Act*.

AECL and Canadian Nuclear Laboratories are now maturing in their respective roles. Overall, the Government has seen positive results for AECL and the delivery of its mandate under the Government-owned, Contractor-operated model. Decommissioning and waste management projects are moving forward at a faster pace, and investments to upgrade scientific and basic infrastructure at Chalk River Laboratories are making good progress.

The Government supports the close tracking and reporting of the progress in the Government-owned, Contractor-operated model by AECL. A key requirement is that the measures and targets, which make up that performance assessment of Canadian Nuclear Laboratories, are well understood. In addressing the Committee's recommendation, AECL will provide a detailed report on the performance against measures and targets in place for Canadian Nuclear Laboratories by December 31, 2018.

The Government also agrees with the Committee's recommendation that AECL's employees be equipped with the necessary skills and capabilities to monitor the Government-owned, Contractor-operated model. AECL has established and implemented the necessary training of AECL personnel and will provide a report by December 31, 2018, addressing what percentage of new and existing employees have completed the contract management training.

On behalf of the Government of Canada, I would like to thank the members of the House of Commons Standing Committee on Public Accounts and its staff for the important work conducted in this review of the special examination of AECL.

Yours sincerely,



Amarjeet Sohi, P.C., M.P.