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Chair

Mr. John Williams

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•(0925)

[English]

The Chair (Mr. John Williams (Edmonton—St. Albert, CPC)): Good morning, everybody. We're now back in session and we have a few things to do.

First is future business. The steering committee met on October 6, and I presume you all have copies of the report that tomorrow, Wednesday, October 19, there will be a luncheon hosted by the committee for the delegation from the national audit office of China. That's in room 340-S. It was the only room we had available with translation, I take it. There were no other rooms available.

On Thursday, October 20, is chapter 3 of the April 2005 *Report of the Auditor General* regarding Passport Canada. Tuesday, October 25, is the government response to the ninth and tenth reports. We're talking about the witnesses the Honourable Reg Alcock, President of the Treasury Board, and Alex Himelfarb, the Clerk of the Privy Council. Our clerk has put together, in essence, our reports nine and ten, because Mr. Himelfarb and the Honourable Reg Alcock have indicated that they would like to just come to one meeting instead of the two that we had indicated. So we thought we would have one hearing on report number nine and one hearing on report number ten, but now they're asking why they have to come twice to the Standing Committee on Public Accounts.

Mr. Fitzpatrick.

•(0930)

Mr. Brian Fitzpatrick (Prince Albert, CPC): Yes. I'm absolutely flabbergasted by that kind of response. This gentleman is the Clerk of the Privy Council. That's the most senior person in this town in terms of government operations. There's nobody higher in the bureaucracy than that person. He's got a wealth of experience, and to me this is a very important issue, this governance issue. We've spent a lot of time on it, and it's going to be, I think as time unfolds, an important issue that has to be dealt with by somebody eventually. I am absolutely amazed that this fellow doesn't feel that this is important enough for him to spend more than one meeting on, at his option. I'm inclined to say to this gentleman that if he doesn't want to attend our meeting, we will issue him a subpoena and he will show up here whether he wants to or not.

The Chair: Mr. Himelfarb was a witness to the committee when we dealt with the chapter—what became the tenth report on governance—and we all know there has been serious disappointment with the government's response to that, which is why we're having the hearings on these two issues. So what I'm going to do is ask the

clerk to go back to Mr. Alcock and Mr. Himelfarb and impress upon them that the committee expects them to be here.

Is that agreed? Is that okay?

So we go back and say the committee is going to have two hearings, one on report number nine and one on report number ten. These are two separate issues or two separate reports. One dealt with the bureaucracy and one dealt with the philosophy of governance, and to wrap them all up in one I think is doing them a disservice. So I'll have the clerk go back and indicate the dissatisfaction of the committee that they think they can come only once, and we'll see what we can do about getting them twice.

Mr. Lastewka.

Hon. Walt Lastewka (St. Catharines, Lib.): Mr. Chairman, if they were coming to the meeting, say we do it from 9 to 12 instead of from 9 to 11. If it's a matter of scheduling times, could we give them the option of taking an extra hour and go from 9 to 12?

The Chair: Well, the clerk did the communication, but I'm quite sure she just said 9 to 11 because of the fact that half of our members are sitting on other committees and so on. And we don't have a room, and that's our time slot, and the logistics of trying to make it from 9 to noon, I'm sure, are significantly more complex than doing the switching from one meeting to another.

That's why we just assumed two meetings, and I think it's best that we continue to assume two. Let's see what the clerk can do. Okay?

Based on the idea that they would only be here once, the clerk was suggesting that on October 27 we have a meeting with Mr. C.E.S. Franks and Mr. Lorne Sossin. I would rather that we hear from the President of the Treasury Board and the Clerk of the Privy Council before we hear from Mr. Franks and Mr. Sossin, so I'm suggesting that Thursday, October 27—we'll see what the clerk can do—would be the second meeting with Mr. Alcock and Mr. Himelfarb, and then on Tuesday, November 1, we would have Mr. Franks and Mr. Sossin.

Continuing on, Thursday, November 3, would be Natural Resources, chapter 1 of the 2005 report.

As we agreed, there will be no meeting Tuesday, November 15, because there is the IPAC conference at the Chateau Laurier. We hope we can get the funding from the liaison committee, which still hasn't been created yet, to attend that at the Chateau Laurier.

Thursday, November 17, would be chapter 5 of the April 2005 report, rating selected departmental performance reports. You may recall, I believe, that we should bring departments forward on their departmental performance reports, because they have become quite self-serving and fluffy, with not a great deal of substance. At this point, I don't have any particular department that I think should come forward.

Have the departmental performance reports been tabled yet?

• (0935)

Mr. Brian O'Neal (Committee Researcher): No, not yet.

The Chair: When do you expect them?

Mr. Brian O'Neal: They should be on.... Is it the twenty-second? Anyway, they're coming up within the next week or so.

The Chair: If the members of the steering committee can take a look at the departmental performance reports, if they have any particular desire for any particular department to come forward, let me know and we'll have a quick steering committee to decide which department we should bring forward.

Tuesday, November 22, and Thursday, November 24, are open, but we expect by that time we will have reports to deal with. Tuesday, November 29, the government responds to chapter 2 of the April 2005 report regarding national security.

Thursday, December 1, the government responds to chapter 5 of the November 2004 report of the AG dealing with Indian Affairs.

So that is your report. Is there any debate?

Mr. Sauvageau, no debate?

[Translation]

Mr. Benoît Sauvageau (Repentigny, BQ): With regard to the report?

[English]

The Chair: With regard to the report?

[Translation]

Mr. Benoît Sauvageau: No.

[English]

The Chair: Any further debate on the report? Can we move adoption of the report?

Monsieur Sauvageau.

[Translation]

Mr. Benoît Sauvageau: You said there were still two days open to hold committee meetings to deal with reports, namely November 22 and 24.

[English]

The Chair: That's correct, and there may be reports to deal with at that point in time, but we have kept these dates open, so there is no business scheduled for that date.

[Translation]

Mr. Benoît Sauvageau: Thank you.

I move the adoption of the report.

[English]

The Chair: All agreed that we adopt the report as amended?

(Motion agreed to)

The Chair: Not only do we have the Chinese coming to see us, but we also have the Russians.

I have a motion here that the committee agree to host the Russian delegation for lunch on November 1, 2005. Is there any debate on that? I think it's a fairly straightforward motion. I guess we can waive the 48-hour rule for the introduction of this motion. That's agreed.

The motion is that on November 1 we host a lunch for a Russian delegation. Is there debate? No debate.

(Motion agreed to)

The Chair: The clerk advises me that with all these lunches, we're running out of hospitality money. Therefore, I have a motion here that the committee adopt the budget of \$3,000 for hospitality purposes and that the chair be instructed to present the budget to the liaison committee at the earliest opportunity.

Can we waive the 48-hour rule for the introduction of the motion? That's agreed. For routine business we don't even need the 48 hours.

Let me read the motion again: That the committee adopt the budget of \$3,000 for hospitality purposes and that the chair be instructed to present the budget to the liaison committee at the earliest opportunity.

Is there any debate? No debate.

(Motion agreed to)

The Chair: Is there any further business, motions?

Monsieur Sauvageau.

[Translation]

Mr. Benoît Sauvageau: Mr. Chairman, it should come as no surprise if I remind you that at the conclusion of our last meeting, we interrupted our discussion before it was over. We were still debating the revised motion to undertake, further to these two reports, a review of reporting of contributions paid to the Canadian Unity Council. I'd simply like to recall certain facts to mind for my colleagues' benefit.

First, the clerk tabled two internal audit reports prepared by the Department of Canadian Heritage. I also reviewed the list of items for future business drawn up by our researchers. I noted that we had held six meetings to study public accounts in recent years. At present, we have one such meeting scheduled. Holding two or three additional meetings would not be a luxury.

In conclusion, allow me to briefly recall the circumstances which led me to table this motion. Two studies carried out in 2004 found that each year, the federal government awards \$4 million to the CRIC, an arm of the Canadian Unity Council, without requiring an accounting of this funding. One of the studies showed that only \$260,000 of the \$4.2 million transferred to the Canadian Unity Council and earmarked for the CRIC were in fact allocated to research. The studies found that Heritage Canada was guilty of lax management practices, that the Canadian Unity Council was unwilling to report on the contributions and that the work carried out by the CRIC was of little use.

On reading these two reports, it's possible to conclude that there is little connection between the program's objectives and the way these funds are being spent; that the Canadian Unity Council is misdirecting funds to the CRIC; that reporting practices are poor; that the Canadian Unity Council is hiding the source of these federal funds; and that practically speaking, the work of the Canadian Unity Council serves no useful purpose.

There are two different ways of looking at this. On the one hand, the Standing Committee on Public Accounts might want to shed light on the alleged mismanagement and review the two Heritage Canada internal audit reports. In my opinion, one of the committee's jobs is to ensure that finances are managed properly and that sound program management is in place. By endorsing this motion, members would be ensuring that the committee performs its job to the fullest by ensuring that public finances are managed properly.

On the other hand, the committee could decide to protect the Canadian Unity Council and refuse to address these questions. Even though we asked the Auditor General to be allowed to review everything that goes on and even though two compromising reports have been released, we could refuse to get into these questions because the entity involved is the Canadian Unity Council.

Therefore, we need to ask ourselves if we want to protect public finances or the Canadian Unity Council.

• (0940)

[English]

The Chair: Merci beaucoup.

Is there any debate? There is no more debate.

Do you want the question?

The question is that pursuant to Standing Order 108 (3)(g), the committee undertake a review of reporting of contributions paid to the Canadian Unity Council and Option Canada.

It was moved by Mr. Sauvageau.

(Motion negatived)

The Chair: The next motion, Mr. Sauvageau.

[Translation]

Mr. Benoît Sauvageau: I'm prepared to opt for the 48 hours' notice, but first, I'd like you to explain how I should go about moving my motion.

The motion was divided into two parts. In light of the excellent comments of Mr. Christopherson, we asked the Auditor General to

focus in particular on the reporting practices linking non-profit organizations to various departments. The vote was unanimous.

Since my motion has just been voted down, I'm wondering how I could specifically ask the Auditor General to take a closer look at the two internal audit reports. If the committee does not wish to examine these two reports and wishes to disregard its mandate, could it then ask the Auditor General to examine these internal audit reports more closely? Or, are we so risk averse that we don't want the Auditor General to do this?

In conclusion, let me just say this. Without 48 hours' notice, my dear colleagues agreed at the last meeting to split my motion calling on the Auditor General to examine accounting practices in the case of transfers. Since you defeated my motion, I'm asking you today if you are prepared to be equally open-minded and agree to our asking the Auditor General to examine transfers involving the Canadian Unity Council and Option Canada. I'm asking that the Auditor General, not the committee, be assigned this responsibility.

I don't believe I need to give 48 hours' notice.

• (0945)

[English]

The Chair: In response to your question, I think there are several things. One, you as a member of Parliament can go to the Auditor General—and you know that well. Two, of course you can bring a motion to the committee. Three, on bringing it today, you may recall that at the last meeting I asked for unanimous consent to waive the 48-hour notice. If you want to ask for unanimous consent to waive the 48-hour notice, I'll present that to the committee. If they waive it, then you can put your motion on the floor.

[Translation]

Mr. Benoît Sauvageau: Mr. Chairman, perhaps I didn't make myself clear, but that's precisely what I said. I mentioned that the committee had agreed to waive the 48 hours' notice requirement so that the motion could be split and a request made of the Auditor General to examine fund transfers. At the last meeting, the motion was split in two and the 48 hours' notice waived. Members unanimously agreed to delete the reference to the Canadian Unity Council and to Option Canada and to call upon the Auditor General to examine accounting practices in general.

Mr. Chairman, I asked you at the time whether this detracted from the validity of my motion. You responded in the negative. Everyone was in favour of waiving the 48 hours' notice and of calling on the Auditor General...

I'm asking that we take the same approach this time. Are my colleagues prepared to waive the 48 hours' notice and to carry over the motion unanimously adopted last week? With the defeat of this particular motion, we're now calling on the Auditor General to look more closely at the two reports in question dealing with the Canadian Unity Council and Option Canada.

My aim is merely to conclude the business we started last week.

[English]

The Chair: Am I correct in saying you are proposing that pursuant to Standing Order 108(3)(g), the committee request that the Auditor General undertake a review of reporting of contributions paid to the Canada Unity Council and Option Canada? Is that your motion?

[Translation]

Mr. Benoît Sauvageau: You're reading my mind again.

[English]

The Chair: Okay. So on that basis, the motion Mr. Sauvageau is proposing is that pursuant to Standing Order 108(3)(g), the committee request that the Auditor General undertake a review of reporting of contributions paid to Canada Unity Council and Options Canada.

I believe, Mr. Sauvageau, you're asking that the 48-hour rule be waived for this particular motion. Am I correct?

[Translation]

Mr. Benoît Sauvageau: Yes.

[English]

The Chair: Okay.

Is there unanimous consent to waive the 48-hour rule? There's not unanimous consent.

Mr. Benoît Sauvageau: Thank you.

The Chair: Mr. Lastewka.

Hon. Walt Lastewka: Could I ask the clerk to read out the motion that was approved? There seems to be some confusion there. What was the motion that we approved at the last meeting with the Auditor General?

The Clerk of the Committee: The motion that was approved at the last meeting of the committee is as follows:

That the Auditor General undertake a review of reporting by non-profit institutions and agencies having received transfer payments and that she issue a report on it.

The Chair: Is that okay?

Hon. Walt Lastewka: It was approved, correct?

The Chair: It was approved, yes.

Hon. Walt Lastewka: We have asked the Auditor General to undertake a review of the non-profit agencies. We didn't tell her which ones to go to or which ones not to go to. We asked that she look at the procedures, and that was approved by the committee.

The Chair: Yes, the motion was carried, as you indicated.

Hon. Walt Lastewka: Right. I think it should be left at that.

The Chair: Okay. We're not going to continue the debate on that particular issue.

[Translation]

Mr. Sauvageau.

Mr. Benoît Sauvageau: I'd like to go one step further to complete Mr. Lastewka's idea. If he were to check the "blues" he would see that since the reference to the Canadian Unity Council had been deleted, I then asked whether it could be mentioned in this motion. The Chairman said no to my request, maintaining that we would then have two totally separate motions. Therefore...

[English]

The Chair: I'm not going to continue the debate on this particular motion. It was defeated. We're into a general discussion about what could or should have taken place. That debate is now complete.

[Translation]

Mr. Benoît Sauvageau: I'm sorry, Mr. Chairman. Have members rejected the 48 hours' notice, or the motion. Or have they rejected both?

[English]

The Chair: The waiver of the 48 hours of notice was denied.

[Translation]

Mr. Benoît Sauvageau: Fine. Then we'll debate the motion in 48 hours.

[English]

The Chair: You may therefore table a motion, and that would provide the 48 hours. Then you can bring it for debate again.

[Translation]

Mr. Benoît Sauvageau: I hereby table the motion that we spoke of earlier, and we'll debate it in 48 hours. I'm confident that...

[English]

The Chair: No. You can table it, and you can introduce the motion on Thursday. Next Tuesday would be the earliest opportunity for debate.

Mr. Benoît Sauvageau: Thank you very much.

The Chair: Is there any further business before the committee?

There being no further business, the meeting is adjourned.

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