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—
Chair

The Honourable Shawn Murphy

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• (1530)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): Colleagues, I'd like to call the meeting to order and at this time ask that the cameras leave. Thank you very much.

Welcome, everyone. Welcome, witnesses. Welcome, members. Welcome, members of the public.

The matter today is chapter 11 of the November 2006 report of the Auditor General, "Protection of Public Assets—Office of the Correctional Investigator", a report of the Auditor General of Canada.

We're very pleased to have with us today the Auditor General, Sheila Fraser. She's accompanied by Jean Ste-Marie, assistant Auditor General and legal advisor. As an individual, we have Mr. Ron Stewart, accompanied by his solicitor, Peter Doody. From the Department of Public Safety and Emergency Preparedness we have Suzanne Hurtubise, the deputy minister. From the present Office of the Correctional Investigator, we have Mr. Howard Sapers. From the Treasury Board, we have Charles-Antoine St-Jean, the Comptroller General of Canada. From the Privy Council Office, we have Mr. Marc O'Sullivan, the assistant secretary to the cabinet, senior personnel and special projects secretariat.

I want to welcome each and every one of you.

I understand that several of you have opening statements. I would urge you to keep them as short as possible.

Members, we're going to conclude this portion of the meeting at 5:15. Then we're going to go to motions that we had before this meeting, the first one at 5:15.

Without any further ado, I'm going to call upon you, Mrs. Fraser, for your opening comments.

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

I thank you for this opportunity to present the results of chapter 11 of our November 2006 report entitled "Protection of Public Assets—Office of the Correctional Investigator".

The Office of the Correctional Investigator acts as an ombudsman for federal offenders. It is a small, independent agency that investigates complaints of individual offenders and tries to resolve them by making recommendations to Correctional Service Canada.

Our audit identified a series of abuses and wrongdoings at the Office of the Correctional Investigator. These related to personal

leave, absences, cash-out of annual leave, and travel and hospitality claims.

[Translation]

Before continuing, I would first like to address statements made that may cause committee members to question our conduct of this audit. I want to assure the committee that we rigorously followed our audit methodology, including allowing the entity and individuals concerned the opportunity to review and comment on our findings.

While our audit dealt with only the Office of the Correctional Investigator, it served to highlight some broader, more fundamental problems. I would like to focus today on the underlying issues and on how such abuses could be prevented in the future. To this end, my remarks will centre on three concerns highlighted in our chapter.

[English]

First, to maintain the public's trust and confidence in government, agency heads and senior management are required to discharge their responsibilities according to the highest ethical standards of integrity, objectivity, and impartiality. Their conduct and their actions are expected to exemplify the values of the public service.

In order to do this, Governor in Council appointees, such as the Correctional Investigator, and other senior officials need to be advised and informed about their expected standards of conduct as holders of public office. Responsibility for this orientation and training rests with the central agencies, the Privy Council Office and the Treasury Board Secretariat.

We raised this issue in our audit of the Office of the Privacy Commissioner in 2003. To our knowledge, it has still not been resolved, even though the public accounts committee made a recommendation about the training of Governor in Council appointees in its 2004 report on the audit of the Office of the Privacy Commissioner.

Second, our audit found that poor human resource management and financial management practices contributed to the improprieties of the Office of the Correctional Investigator. Appropriate comptrollership and management are essential in any federal organization to manage financial risks and protect against fraud, financial negligence, violation of financial rules or principles, and losses of assets or public money.

In our audit, we found there was some confusion about who was assuming the position and functions of the senior financial officer of the OCI. We recommended that the Treasury Board Secretariat ensure that every small, independent organization have a formally designated senior financial officer who is appropriately trained to carry out his or her responsibilities and duties.

We also found that Public Safety Canada did not properly fulfill its responsibilities as a provider of financial and human resource management services to the OCI. Public Safety Canada officials failed to report concerns or suspicions to appropriate government officials. Instead of challenging questionable and inappropriate transactions of the OCI, they simply processed them.

[Translation]

The third concern arising from our audit was that these abuses continued over such a long period of time, and that while senior officials were aware of some of the improper activities, they took no action to stop them. It is important to reinforce the responsibility of all public servants to take action in such cases.

The audit once again points to the issue of accountability in independent or quasi-judicial bodies. An independent agency such as the Office of the Correctional Investigator must maintain its independence while discharging its mandate; at the same time, it must act in accordance with government policies and the public interest. The challenge for central agencies is to provide adequate oversight while respecting this independence.

I would like to take this opportunity to inform committee members that we are planning to undertake audit work, in the near future, looking at the governance of small entities in general.

The Privy Council Office, the Treasury Board Secretariat and Public Safety Canada have agreed with all of the recommendations in our audit. The Office of the Correctional Investigator has also agreed with those recommendations directed at it and has indicated that it is taking action to address deficiencies.

Mr. Chairman, that concludes my opening statement. We would be pleased to answer the committee's questions.

Thank you.

• (1535)

[English]

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

I understand, Mr. Stewart, you have an opening statement.

Mr. Ron Stewart (Former Correctional Investigator, As an Individual): Yes, I have. Thank you, Mr. Chairman.

I was appointed the Correctional Investigator of Canada by the Governor in Council in November 1977 and held that position until I retired in October 2003. I was reappointed three times. The Correctional Investigator's office does very important work, and I was proud to lead that office for over 25 years. I tried to do the job to the best of my ability.

I am 72 years old and my memory is not good. On April 13, 2006, before I was questioned by the Auditor General's investigator and lawyer, my lawyer, David W. Scott, spoke to the present Correctional

Investigator, Howard Sapers. Mr. Sapers told Mr. Scott that he and the executive director had been instructed by the Auditor General's investigators that no one at the office was to speak to anyone about the audit or the things under investigation. As a result, I could not speak to anyone in the office about these matters.

Even after I received a copy of the Auditor General's draft report, none of the people in my office would speak to me or my lawyer. Although I was given copies of some documents, my lawyer and I were not allowed access to many important documents from the office to refresh my memory before I was questioned.

Although I had kept a lot of documents at my home, which would have helped me to remember some of the things I was asked about, my wife and I destroyed them long after I retired. My lawyer has asked the Correctional Investigator's office and the Auditor General's office to provide him and an accountant I have retained with relevant documents to allow them to determine the true facts. None has yet been provided.

The result is that I do not have an adequate memory or the ability to respond completely today to many of the accusations brought against me, but I intend to have my lawyer and my accountant review all of those documents.

I want to tell this committee and the people of Canada that if I have received money or benefits that I should not have received, I intend to pay them back to the best of my ability. I promise you I will do that.

Thank you, Mr. Chairman.

The Chair: Thank you, Mr. Stewart.

We have with us the deputy minister of the Department of Public Safety and Emergency Preparedness and the present investigator with the Office of the Correctional Investigator, Mr. Howard Sapers.

I understand, Mr. Sapers, you have a brief opening comment. Is that correct?

Mr. Howard Sapers (Correctional Investigator, Office of the Correctional Investigator): Yes, Mr. Chairman. Thank you.

Members of the committee, good afternoon. Thank you for this opportunity to appear before the public accounts committee and, through you, to report to Canadians on the actions the agency I lead has taken to implement the recommendations of the Auditor General in her report to Parliament.

I will use my brief time to update you first on recovery efforts and then on how the financial management systems within the Office of the Correctional Investigator have been improved to prevent the abuses and wrongdoings reported by the Auditor General from happening again.

At the request of the Minister of Public Safety, my office is leading the process to confirm and recover funds that have been, or may have been, improperly paid to the former Correctional Investigator. During the last four months, my office has established an advisory committee, co-chaired by the Comptroller General of Canada and me, to guide the office in its recovery efforts. We've retained the services of a senior litigator to support the recovery process, and we've begun the verification process of the audit's findings and conclusions.

The due diligence legally required in this instance is a separate validation process to ascertain any amounts that may be owed by Mr. Stewart. This must be done independently from the analysis and conclusions of the Auditor General. My office is also fully cooperating with the RCMP.

While this recovery process may seem slow and frustrating, the need for swift and clear action following apparent breaches of trust must be balanced by the need for reliable due process.

I was concerned when first briefed on the findings of the initial audit, upon my appointment in April 2004. That's almost three years ago, and long before the Auditor General's final report was tabled, I initiated the strengthening of the financial and human resources management practices within the office.

Following the release of the Auditor General's report in November, my office worked with the Office of the Comptroller General to secure the services of an interim senior financial officer. He was contracted to review and further improve the new management policies and procedures already in place and to advise on how best to respond to the Auditor General's broader recommendations.

Today, our interim senior financial officer confirms that the processes now implemented at the Office of the Correctional Investigator represent prudent and effective practices for a small agency.

My office is also working with central agencies on the development and application of appropriate government-wide policy or procedural changes aimed at strengthening agency accountability. I'm proud of the commitment and diligence with which my office has responded to the Auditor General's report, all the while continuing to perform the important work legislated to it by Parliament.

In addition to investigating individual complaints, the Office of the Correctional Investigator also addresses broader systemic issues and corrections to improve the outcomes for inmates and ultimately to contribute to public safety. Since April 2004, the agency's work in this regard has focused on improving health services for inmates with mental illness, closing the outcome gaps for aboriginal inmates, and better accountability in women's corrections.

Thank you, and I look forward to your questions.

• (1540)

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

Madame Hurtubise has a brief opening comment, which is being circulated and will form part of the record.

Statement by Mrs. Suzanne Hurtubise (Deputy Minister, Department of Public Safety and Emergency Preparedness): Mr. Chairman, members of the committee, I am pleased to be here today to discuss the issues relating to the Department of Public Safety raised in chapter 11 of the Auditor General's report.

While Public Safety Canada and the Office of the Correctional Investigator are part of the same portfolio, each is a separate agency headed by a deputy head, who is also the accounting officer. In view of its relative size—approximately 30 employees—it would not be practical or cost effective for the Office of the Correctional Investigator to provide its own core administrative services.

Since its establishment as a separate agency in 1992, the Office of the Correctional Investigator has received from the former Department of the Solicitor General and from Public Safety Canada some services in the area of financial and human resources management.

As the accounting officer of the Department of Public Safety, I am responsible for the quality of the services provided by officers of the department to the agencies of the portfolio.

The report of the Auditor General identified some weaknesses in the way officials of my department have discharged their responsibilities over the years. The appropriate corrective measures have been identified and are being implemented. For example, we now have a memorandum of understanding with the Office of the Correctional Investigator, which clearly specifies the roles and responsibilities of each organization. We have also issued further guidance and tools to assist employees who have delegated financial and human resources responsibilities.

I would be pleased to respond to the questions of committee members.

The Chair: Mr. St-Jean, you have a few comments you want to make.

Mr. Charles-Antoine St-Jean (Comptroller General of Canada, Treasury Board Secretariat): Thank you very much, Mr. Chairman and members of the committee.

I've got a few opening comments, which I'll shorten to give you more time for questions.

I'd like to thank you for inviting me to appear before the committee to discuss the November 2006 report of the Auditor General regarding the Office of the Correctional Investigator.

[*Translation*]

I would in particular like to discuss the actions my office is taking to strengthen financial management and internal audit in small departments and agencies. My office has provided advice and support to the Office of the Correctional Investigator in responding to recommendations.

[English]

For example, we've assisted the office in acquiring the services of an interim senior financial officer. We are also providing financial management and internal audit advice and support, and we've also worked closely with the Office of the Auditor General to review the audit material. I would like to thank especially Mr. Jean Ste-Marie and Mr. Neil Papineau for their ongoing assistance in this matter. I'm also co-chairing the advisory committee with Mr. Sapers to ensure a coordinated and comprehensive response by government.

Clearly, however, this case also indicates a need for broader efforts to strengthen internal audits and financial management across government as a whole. My office is leading this effort, and our work is well supported by the Federal Accountability Act that came into effect on December 12, 2006.

[Translation]

As part of the accompanying Federal Accountability Action Plan, which complements the act, the government also committed to implementation of the policy on internal audit. Let me say a few words about the internal audit policy, which came into effect on April 1, 2006.

[English]

Under the policy, the Office of the Comptroller General has a mandate to conduct horizontal and other audits of small departments and agencies. We are conducting our first horizontal audit of travel and hospitality in small departments and agencies and we will be reporting this in the next few months. My office expects to complete this work in the next few months.

In our next small departments and agencies audit we will review the use of delegation of authority. We're also exploring the possibility of conducting an audit of the financial management practices associated with overtime, leave, and taxable benefits. By conducting these audits we can support small departments and agencies in identifying problems and implementing solutions and we can resolve issues before they have a chance to escalate.

There is also a broader policy review under way that will support our efforts to strengthen financial management across government.

[Translation]

That review is near completion and the report will be presented to the President of the Treasury Board in the near future. Once the new financial policies are in place, everyone's role and responsibilities will be clearly defined, and accountabilities will be clear.

[English]

The Federal Accountability Act and action plan, the review of the financial management policies, and the policy on internal audit and the management and accountability framework are just some of the many actions we have taken to strengthen financial management, internal audit, and overall accountability across the government. These actions address many of the issues raised in the Auditor General's report.

No systems, measures, or sanctions can completely eliminate problems in an organization as large as the Government of Canada, but we can mitigate the risk.

Thank you very much. I look forward to your questions.

• (1545)

The Chair: Thank you, Mr. St-Jean.

Mr. O'Sullivan, you're from the Privy Council Office. Do you have an opening comment?

Mr. Marc O'Sullivan (Assistant Secretary to the Cabinet, Senior Personnel and Special Projects Secretariat, Privy Council Office): Thank you, Mr. Chairman.

I'll be very brief. I'll provide a quick overview of the steps taken by the Privy Council Office in response to the Auditor General's recommendations.

[Translation]

Prior to appointment, conflict of interest and expected standards of conduct are discussed with each proposed governor in council appointee. Candidates are provided with a copy of the Conflict of Interest and Post Employment Code and instructed to contact the Office of the Ethics Commissioner to discuss any concerns or queries.

Upon appointment, each new full-time governor in council appointee is contacted by the Ethics Commissioner to discuss their situation. A condition of holding office for all public office holders is compliance with the Conflict of Interest and Post Employment Code and each new appointee must sign a certificate of compliance.

Moreover, as you are aware, the new Conflict of Interest Act will enact stronger compliance measures, including the power for the Conflict of Interest and Ethics Commissioner to initiate formal investigations and to levy monetary sanctions for administrative breaches under this act.

[English]

We are also updating our guidebooks for Governor in Council appointees to reflect changes in the conflict of interest regime and other changes brought about notably by the Federal Accountability Act.

To ensure proper orientation of new appointees, we are proceeding with one-on-one briefings for newly appointed heads of agencies that cover terms and conditions of employment, conflict of interest, and standards of conduct. We are also providing a session covering standards of conduct in the orientation program for heads of agencies offered by the Canada School of Public Service, which has also become compulsory. The next session is on April 3. Finally, we are issuing more fulsome guidance to deputy heads on the approval, usage, and reporting of their leave.

In summary, we take every opportunity to emphasize ethics and values in both our guidance and training initiatives to ensure that public office-holders are aware of their responsibilities and their obligations with regard to standards of conduct.

The Chair: Thank you, Mr. O'Sullivan.

I understand, Madame Hurtubise, you want to read your report into the record.

Mrs. Suzanne Hurtubise (Deputy Minister, Department of Public Safety and Emergency Preparedness): Thank you, Mr. Chair.

I'd like to make a few points. I will not repeat the niceties.

I simply make the point that while Public Safety Canada and the Office of the Correctional Investigator are part of the same portfolio, each is headed by a deputy head who is the accounting officer for that body. Since the establishment as a separate agency in 1992 of the Office of the Correctional Investigator, the former Department of the Solicitor General and now Public Safety Canada does provide services in the area of financial and human resources management to the Office of the Correctional Investigator.

Mr. Chairman, the report of the Auditor General did identify some weaknesses in the way officials of my department have discharged their responsibilities over the years. I can assure the committee that the appropriate corrective measures have been identified and are being implemented.

For example, I referred the Auditor General's report to the RCMP. We developed a work plan to implement the recommendations made in the Auditor General's report. I can confirm that most of the corrective measures are already in place. For example, we now have a memorandum of understanding with the Office of the Correctional Investigator that clearly specifies the roles and responsibilities of each organization. We have also issued further guidance and tools to assist employees who have delegated financial and human resources responsibilities. I, and others in the Department of Public Safety, have worked closely with the Correctional Investigator, Mr. Howard Sapers, to address the issues raised in the Auditor General's report.

I would be pleased to respond to the committee's members.

Thank you, Mr. Chairman.

The Chair: Thank you, Madame Hurtubise.

On behalf of the committee, I want to thank all witnesses for their presentations and their attendance here this afternoon.

Before going to the first round, I want to make a few brief opening comments.

We have here what I consider to be a breakdown in the system of checks and balances that we as parliamentarians would normally expect to see in the federal financial administration.

Some of the facts are titillating, but I hope that in the dialogue that ensues here we get answers to the basic questions of who was responsible for financial comptrollership within this agency and did that person understand his or her role. What were the role, duties, and responsibilities of the Department of Public Safety and Emergency Preparedness? Did they have any mandate for financial oversight? Where was the Treasury Board?

This is not a situation of a snatch and grab in the middle of the night. This went on for 13 or 14 years. Where was the Treasury Board, in particular the Office of the Comptroller General? That may be an unfair comment because it was just reinstated since this event. But where was the Treasury Board, and did they provide any oversight at all to this particular agency?

Does the Office of the Auditor General have any responsibility for going in at any point in time to audit a small agency like this? If they did, it would have caught the situation.

Hopefully we can get to the answers of these particular questions. I urge all members to keep their questions brief and relevant—we don't need long preambles. I urge all witnesses to answer the questions as succinctly as possible.

Having said that, I'm going to start the first round. The first round will be seven minutes, and then we'll see how we get along after the first round. We are going to adjourn at 5:15 sharp.

Mrs. Sgro, seven minutes.

• (1550)

Hon. Judy Sgro (York West, Lib.): Thank you.

Everything you just said is exactly what I was feeling while I was sitting here listening to the heads of various departments that we rely on to make sure things are running right. It seems that everybody brings in more rules after.

To get to the point, Mr. Stewart, a couple of things concern me just in looking at the audit findings—things like receiving unearned salary. You were absent for 319 days from OCI premises from 1998 to 1999. You were paid for that time and generated little work product. What did you do when you were working, and how can you account for being absent for 319 days, yet receiving payment for that?

And thank you, Mr. Stewart, for coming. We very much appreciate your being here.

Mr. Ron Stewart: Thank you.

I live in Ottawa, but I have a summer place. I'd spend most of the summer at the summer residence, where I took my work and did it at that place. I don't think there's anything that says you have to sit in an office to do your work. There was lots of work to do in the Office of the Correctional Investigator, and I always had a briefcase full of things I had to get through. Whether I did them in the office or at my summer place really didn't make a lot of difference to me.

Hon. Judy Sgro: What kind of work were you doing, Mr. Stewart? Help me to understand the kind of work you were doing if you were able to do it at home with little tracking of e-mails, letters, phone calls, or so on.

Mr. Ron Stewart: You don't get a lot of e-mails or telephone calls from inmates. I'm not trying to be flippant, but you would go to the institution, meet with them and see what their problems were, and try to figure out through analyzing things and reading material...to see what kind of help you could give them.

Hon. Judy Sgro: How many times did you go and visit the correctional institutions?

Mr. Ron Stewart: How many times?

Hon. Judy Sgro: Yes.

Mr. Ron Stewart: I have no idea.

Hon. Judy Sgro: Did you normally go every two weeks? Once a month?

Mr. Ron Stewart: There are about 60 federal institutions in Canada, and I would go on a needs basis, really. If we had a lot of complaints from Millhaven, I might have to go down there for a couple of weeks to see if I could clear some of them up. Sometimes you wouldn't get a complaint from an institution, but you would manage to get there...well, I can't say "once a month" or whatever. You'd have to go to see the person, or one of the investigators would go.

When I first took over the office, we had a staff of five people. I pretty well did everything. I would be contacted by the warden's secretary, who kept a list of the inmates who wanted to talk to me. I would arrange my office business. I would arrange the flight out there. I'd rent a car and drive to the institution. I'd meet with the warden, meet with the inmate. I did that for years. It was a kind of one-man show.

When I left the office, I think we had 25 people in place, and with more investigators to go into the prisons, I spent less time there and more time in the office in Ottawa.

•(1555)

Hon. Judy Sgro: Thank you.

Ms. Fraser, Mr. Stewart indicated at the beginning that he was not given an opportunity to explain any of this. Is that the normal practice?

Ms. Sheila Fraser: I would like to make it very clear to the committee that we take exception to that statement. Mr. Stewart was interviewed by us three times, twice accompanied by his lawyer. Photocopies of all the documents on which he was to be questioned were provided to him. There was another list of additional questions that were sent to him for written responses, which we received from his lawyers. We also provided them with a draft report requesting any comments. We received a response from his lawyers indicating that Mr. Stewart was unable to respond. We sent a final report to his lawyers for any final comments they might have. We did not receive a response.

In fact, as to the documents, it is our normal practice in an audit to try to recover documents that we may have given out, as being part of our audit files. We've asked for those documents back and we have received letters from his lawyers saying they are not going to return them to us.

So we followed the normal procedure that we would follow for any audit.

Hon. Judy Sgro: Turning to the other officials, why is it that no one was paying any attention? Why is it that bills were being paid and so on, and with all of the supervision that is there from one to the other, you just continued paying and no one was questioning?

I'll leave it to whoever wants to answer. Treasury Board?

Mrs. Suzanne Hurtubise: I'll answer if you wish, simply to say that according to the Auditor General's report, if I read it correctly, the overwhelming majority of the transactions had been dealt with properly and carefully. There were very important exceptions where there was insufficient paperwork on the file. The service providers, in fact, should have caught that and did not. That's what we have now sought to correct.

Hon. Judy Sgro: We correct it now, afterwards.

Mrs. Suzanne Hurtubise: I wasn't aware before the report.

Hon. Judy Sgro: Thank you, Mr. Chairman. My time is up.

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

Thank you, witnesses.

Before we go to Mr. Laforest, I should point out something I neglected to point out in my opening comments. I don't know this, but I understand from media reports that there may be a possibility of civil litigation, maybe even criminal litigation. I want to point out to all witnesses and members that whatever is said here cannot subsequently be used in a court of law.

[Translation]

Mr. Laforest, you have seven minutes.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chairman.

My first question is for Mr. O'Sullivan from the Privy Council Office. What were Mr. Stewart's qualifications when he was first appointed as the Correctional Investigator?

Mr. Marc O'Sullivan: Mr. Stewart is a lawyer by training. He studied at Queen's University and was admitted to the Ontario Bar. This was the main reason he was hired for the position.

Mr. Jean-Yves Laforest: My question is for Mr. Stewart.

You were reappointed several times. You were appointed a first time and then reappointed three times as Correctional Investigator.

Over the years, did you ever meet or hold discussions with representatives from the Privy Council with regard to your mandate? Did you ever receive training? Did anyone monitor your management plan? Were you ever questioned about it? Have there ever been any reports on that matter?

•(1600)

[English]

Mr. Ron Stewart: I can categorically say that I never met with anybody from any of the agencies. I never got any instruction from them. I was sort of put in the office and told, "Here are the keys. You're now the Correctional Investigator." I had no contact with the Auditor General or any other of the departments that are represented here today.

[Translation]

Mr. Jean-Yves Laforest: My question is for O'Sullivan.

How is it that Mr. Stewart was reappointed three times, as he told us a few moments ago, for five-year mandates? He served as correctional officer for 26 years. If the mandate was five years, that should have been a total of 20 years. How is it that he served in that capacity for 26 years without ever having been evaluated or monitored?

Mr. Marc O'Sullivan: First, as far as the length of the mandates are concerned, Mr. Stewart was appointed from 1977 to 1993 under the Inquiries Act, which did not call for a fixed mandate.

In 1993, he was appointed for a five-year term under the new Corrections and Conditional Release Act. In fact, he was appointed for five years in 1993, reappointed for three years in 1998, and lastly reappointed again for a two-year period in 2001.

Mr. Jean-Yves Laforest: Mr. Stewart, you said a little earlier that every time you went to your summer residence, you brought work with you. However, when one reads the Auditor General's report, one doesn't really find any kind of paper trail which might include letters, communications, files or other such things. Nothing was found which could corroborate what you are saying. The Auditor General's report points this out at least twice.

The report also says that your executive director, whose name I would like to know, would surely have had to carry out some of the management duties you were neglecting.

What exactly did you do? You say that you brought work home with you, but we did not find any evidence of that. Can you also tell me who your executive director was?

[English]

Mr. Ron Stewart: The executive director's name is Mr. Ed McIsaac.

I should mention that during only certain parts of the year I commuted to the office from my summer residence. I've been denied access to the records, as has been mentioned, so I wasn't aware of any—

[Translation]

Mr. Jean-Yves Laforest: Mr. Stewart, there were also indications that you were not only absent during the summer time. Your office staff told the auditors, the people who conducted the audit, that you were gone much more often than just during the summer. You were absent often, and they could not reach you.

[English]

Mr. Ron Stewart: Well, it really is hearsay, because I couldn't talk to anybody and there was no way of finding out what was said. So to the best of my ability I did attend meetings or did specific jobs—

[Translation]

Mr. Jean-Yves Laforest: I don't understand why you say you worked to the best of your ability: this was your job. I don't understand why you say that you were doing things to the best of your ability and that you tried to be present at meetings. You had a responsibility.

● (1605)

[English]

Mr. Ron Stewart: You mentioned—

[Translation]

Mr. Jean-Yves Laforest: It was your job. You had important responsibilities which were part of your mandate, and you say that you worked to the best of your ability. This leads one to believe that you thought you really didn't have to do your job, that you were really working part-time.

Is that what you're telling us?

[English]

Mr. Ron Stewart: No, sir.

I did my best to be at any meetings that were called, and to my knowledge, there were never any complaints about the way the office was run. In fact, it was well run during the years I headed up the office.

I was in the office when it was necessary to be in the office. I did spend some time away from the office, but always in a working capacity.

The Chair: Thank you, Mr. Laforest.

Thank you very much, Mr. Stewart.

Mr. Poilievre, for seven minutes.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Madam Fraser's report indicates, Mr. Stewart, that you were at your summer residence 258 days throughout the audit period. Is that correct?

Mr. Ron Stewart: I have no way of knowing because I didn't receive copies of records. So when those are—

Mr. Pierre Poilievre: Is it roughly correct, though?

Mr. Ron Stewart: No, I don't think so.

Mr. Pierre Poilievre: How many days would you say you did spend at your summer residence during that time?

Mr. Ron Stewart: I don't remember.

Mr. Pierre Poilievre: Not even roughly?

Madam Fraser, how did you get the 258 days?

Ms. Sheila Fraser: Chair, what the staff did was go through all of the telephone logs, all of the travel claims, all of the documents within the Office of the Correctional Investigator. If there was a telephone call, it was credited as a day worked. If there was a mileage claim for a trip in to Ottawa, it was credited as a day worked. If there was a document with a signature on it, it was credited as a day worked. They went meticulously through the whole calendar, which was provided, and found that over that period of time of six years, there were 258 days where there was no telephone call, no mileage claim, no indication of any meetings, e-mails, memos, no signature on an annual report, nothing.

Mr. Pierre Poilievre: You indicated specifically there were 258 days within the vicinity of his summer home—

Ms. Sheila Fraser: Without conducting OCI business. There would have been more days, but there would also have been days that would have been considered as OCI business—if there had been a phone call, for example.

Mr. Pierre Poilievre: Okay. So we seem to have some documented evidence here, Mr. Stewart, that you were not in your office or conducting work on behalf of the taxpayer for 258 days, and yet you booked absolutely no vacation days in your time as the Correctional Investigator. How is that? Did you not take one day of vacation?

Mr. Ron Stewart: First of all, let's deal with the time at the cottage. I had a cellphone there, but it was used by my family, so it—

Mr. Pierre Poilievre: Ms. Fraser, did you find any evidence that the cellphone had been used for business purposes? Were there cellphone bills that were turned in that would be evidence?

Ms. Sheila Fraser: We would have used the telephone...yes, the bills, the telephone logs from the office cellphone.

Mr. Pierre Poilievre: Okay. So, Mr. Stewart, it seems that your cellphone calls for business purposes have been taken into consideration, and even with that there are still 258 days for which no work was done by you but for which you were paid.

• (1610)

Mr. Ron Stewart: No, there's no evidence that I didn't do any work. It was the Auditor General—

Mr. Pierre Poilievre: There's no evidence that you did.

Mr. Ron Stewart: The Auditor General is putting together telephone calls to try to establish how much work was done.

Mr. Pierre Poilievre: Well, there's no evidence that you did do any work during those 258 days. And you would think that during 258 days there would be evidence of some sort of interaction that could document achievement in your place of work, but there isn't, according to the Auditor General.

Mr. Ron Stewart: Can I ask a question? What is the Auditor General looking for?

Mr. Pierre Poilievre: She just listed those things.

Mr. Ron Stewart: I did work—

Mr. Pierre Poilievre: She just listed the things she was looking for. But we'll move on to another subject.

I will note that your summer residence has no land line, no Internet access, and no fax, so it would be impossible on planet earth for you to be doing any form of communication with your place of work on those hundreds of days that you spent at your summer residence for which you did not claim vacation.

You're a football fan. Is that still the case?

Mr. Ron Stewart: What's the relevance of that, sir?

Mr. Pierre Poilievre: Well, there were some coincidental visits to Grey Cup towns on game days—five of them, in fact. According to the Auditor General there was no evidence that you performed any duties during those visits whatsoever. Did you attend the games while you were in those towns?

Mr. Ron Stewart: There isn't one point or anything to suggest that I was at a Grey Cup game.

Mr. Pierre Poilievre: Did you attend them, though?

Mr. Ron Stewart: No, I did not.

Mr. Pierre Poilievre: You didn't attend any Grey Cup games on those occasions that the Auditor General—

Mr. Ron Stewart: No, I did not. The last Grey Cup game I attended I played in it, and it was in 1969.

Mr. Pierre Poilievre: Congratulations. But on 14 days, according to the Auditor General, you did travel to numerous cities and there's no documentation of any work. That is to say, there's no log of you visiting a prison. There's no evidence of a meeting that was held. Is

there any reason for that? Any reason why there was no evidence of any work done on those days?

Mr. Ron Stewart: You don't have to go to prison to deal with inmate complaints or people I met with, with lawyers. I would meet with the provincial ombudsman, who sometimes, when there was an urgent complaint at a federal institution, would go in my stead and look after that. There were, as I said, lawyers and families of inmates who I would be in touch with. I would also be in touch with people on parole, which is part of my mandate—

Mr. Pierre Poilievre: I'm sorry, Mr. Stewart, we're limited on time.

I just want to ask, Ms. Fraser, if there was any evidence on these 12 trips you referred to on page 8 that Mr. Stewart did any of the other kinds of work he's just described. He says you don't have to go to a prison to investigate a complaint. Is there any evidence that he did anything else?

Ms. Sheila Fraser: We could not find any documentation, and we of course asked Mr. Stewart if he could recall the purpose of those trips, and he was unable to provide us with any explanation either.

The Chair: Mr. Christopherson, seven minutes, please.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you all very much for your time.

I don't have a lot of questions of Mr. Stewart. I'm going to assume that the Auditor General has done her job, and obviously she's prepared to defend and stand behind the work her office has done and the conclusions they've reached.

So with the exception of one question, I'm going to focus my attention on the checks and balances as to how this happened. I'm also assuming that this is not going to end here. You can't make these kinds of allegations against people without expecting—unless you're completely and totally guilty—some kind of a response. So I'm going to assume this whole thing is going to work its way through other proper channels.

But I would like to know, Mr. Stewart, in the last full year that you worked, what was your pay for that position?

Mr. Ron Stewart: It would be in the \$130,000 range.

Mr. David Christopherson: Thank you.

Auditor General, help me out here. What do you see as the first check and balance that should have kicked in, and if the answer is different, who, in your opinion—what entity—holds primary responsibility for letting this drop?

•(1615)

Ms. Sheila Fraser: I think one of the first issues, as I mentioned in the opening statement, is the whole role of the senior financial officer within the organization. The executive director had signed many of the documents that require a signature from the senior financial officer as senior financial officer, but he told us that he didn't believe he was assuming that role; he thought it was someone in the department who was offering a form of transactional services.

That's why we recommended that the Treasury Board Secretariat should ensure that it is absolutely clear in each organization that there be a senior financial officer and that the senior financial officer be fully aware of their roles and responsibilities, so that there isn't this kind of confusion.

A second issue, and this points to a sort of breakdown in controls, is that the Correctional Investigator was able to submit and approve his own travel expenses and bills. I'm told that some of them actually went directly from him to the people doing the processing; they didn't necessarily go through.... I think that too is a kind of basic control, that people should not be able to sign their own. This again comes back to the senior financial officer role and the question of who would normally be approving this.

Then I think there's a role on the part of the processing people, which I believe the deputy minister agrees with. When they see transactions that appear questionable, they should ask more questions about them.

Mr. David Christopherson: Thank you for that.

Deputy, in your opening comments you said:

The Report of the Auditor General identified some weaknesses in the way officials of my department discharged their responsibilities over the years. The appropriate corrective measures have been identified and are being implemented.

On the last part, again I'll assume that you're doing exactly what you've said and that it's done the right way.

But talk to me a little bit more about your officials and the role your officials have in terms of this responsibility.

I'm going to leave it at that and see what comes from that.

Mrs. Suzanne Hurtubise: Thank you.

To pick up on what the Auditor General just said, the responsibility of the Department of the Solicitor General at the time—now Public Safety—is as a service provider with respect to some human resource services and some financial management services. Basically we process the bills, the accounts given to us by the Office of the Correctional Investigator.

The lacuna, if you like—what I do not believe officials of the department did correctly and what we have now corrected—is that people were processing some documentation directly from the Correctional Investigator without a third-party attestation.

I cannot sign off for myself before I get a cheque to be reimbursed for travel, say, or hospitality. I fill out my claim like anyone else, but someone checks it for me to ensure that everything is according to the rules and the guidelines of the Treasury Board. That's an example.

The clerks who were allowing this were not requiring this additional check, and that's where the check and balance wasn't working. But I must add that these were clerical functions, and I cannot explain why it was done that way. It's not appropriate; we've now fixed it. You need that check.

Mr. David Christopherson: Deputy and Auditor General, is there any evidence at all to indicate collusion outside of the agency?

Mrs. Suzanne Hurtubise: Not that I'm aware of, no.

Mr. David Christopherson: Okay.

When we're talking about processing—and thank you for the fullness of your answer—normally I would assume that to mean that proper checks and balances are part of the appropriate processing. Does that mean that this was handled differently from other processing within your...?

Mrs. Suzanne Hurtubise: Yes. It was done differently.

Mr. David Christopherson: And as the deputy you were okay with that?

Mrs. Suzanne Hurtubise: I was not the deputy minister at the time.

Mr. David Christopherson: Well, here we go again. I appreciate that. Okay. That's for another debate.

Mrs. Suzanne Hurtubise: But no, it's not okay.

Mr. David Christopherson: Does that mean, then—and I'll leave it to you to answer it, as you are a high official—that your predecessor didn't do the job?

Mrs. Suzanne Hurtubise: I can't comment on my predecessor.

Mr. David Christopherson: Where do I go, Deputy? Where do I go to get the accountability about who allowed this to happen? Help me.

It is important to keep this in mind, when we're having the other debate later, Chair, about deputies coming forward.

Please don't take any of this personally. You've done a splendid job here, but it's frustrating to no end.

How much time do I have left here, if any?

•(1620)

The Chair: You have 45 seconds.

Mr. David Christopherson: Okay. That doesn't leave much for a question.

Auditor General, is there anywhere that you think we ought to be going further? There are a lot of pieces to this. Although it is one story, there are many different pieces. Is there anywhere you would recommend we focus further attention, or is it your sense that we've caught the systemic problems and we shouldn't see this again in the future?

Ms. Sheila Fraser: As I mentioned in my opening statement, I think there are special issues, if you will, or special concerns around many of the small agencies that perform quasi-judicial, ombudsman-type roles. In order to do that, they require independence from central agency direction of their mandate, but they still have to give appropriate accountability for their use of financial and human resources.

We have seen, unfortunately, a couple of instances where the central agencies have been hesitant to be seen to be interfering—and I suspect it would be the same thing with the Solicitor General with an ombudsman kind of person, in that the department would be hesitant to become too intrusive into management.

So we are starting what will probably be a couple of audits on the whole question of the governance of small agencies. First of all, how many are there? What kinds of roles do they fulfill, because there is a myriad of them? How do they maintain that professional independence while having proper accountability? There are a number of issues that will come up from those. We would hope to have a broad overview piece by late 2008, probably, and then have some specific audit issues that we can bring to the committee.

Mr. David Christopherson: Thanks.

Thanks, Chair.

The Chair: Thank you, Mr. Christopherson.

Mr. Wrzesnewskyj, for seven minutes.

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

Mr. Stewart, during your opening statement you said you were 72 years old and did not have an adequate memory to respond to the accusations. You also went on to say that you had destroyed most of the documentation you would have had to support your faulty memory. So we're left with a situation of having the documentation that existed within the Ottawa offices, which the Auditor General has been able to piece together. Is that correct?

Mr. Ron Stewart: First of all, just to clarify, I didn't say "most", I don't think. I said there was some documentation that I kept for awhile, and then I got rid of it. But I did not receive a lot of documentation from the Auditor General to be informed of what happened. They haven't produced the documentation they're relying on.

Mr. Borys Wrzesnewskyj: I'd like to stop you there for one second. We've heard that before.

Ms. Fraser, is that correct, yes or no?

Ms. Sheila Fraser: Well, I guess I'd like to know what documentation Mr. Stewart thinks he needs. We provided him, for example, with copies of invoices, travel claims, and all of those sorts of documents on which he was interviewed and which are cited in the report.

Mr. Borys Wrzesnewskyj: And he's had those for what period of time?

Ms. Sheila Fraser: He would have received those certainly by early 2006.

Mr. Borys Wrzesnewskyj: Madam Fraser, when I look at your exhibit 11.1, there is a schedule there that outlines five types of improper payments over a period of approximately six years, or less than six years, which total approximately \$200,000. In the previous eight-year period you just noted one type of improper payment—the cashing out of annual leave—which would have put the total over that 14-year period up to \$325,000.

For the previous eight-year period, was there any reason you did not categorize or try to put a numeric value on the other types of improper payments?

• (1625)

Ms. Sheila Fraser: Our audit really only went back to 1998. It was easy to identify the cash-out of annual leave for the preceding period. That's why we included it.

We did not go back into travel expenses or hospitality claims. We cut it off at 1998.

Mr. Borys Wrzesnewskyj: I see. But it seems to point out that even in the previous eight years there was a pattern in play that you were able to easily document.

Ms. Sheila Fraser: For the cash-out of vacation leave, yes.

Mr. Borys Wrzesnewskyj: If we average that out over the whole quarter century that Mr. Stewart was there, we're potentially looking at an amount of \$800,000-plus. If we took that sort of numeric value annually and we worked backwards, is—

Ms. Sheila Fraser: I would caution against that kind of generalization or extrapolation. We don't know what the work pattern was previously, nor the expenses.

We were able to substantiate, if you will, the amounts that are noted here.

Mr. Borys Wrzesnewskyj: Thank you.

In your report, in paragraph 11.18, you state that the

...Correctional Investigator generated little work product in six years. Senior managers and employees who we interviewed could not recall ever receiving documents or other written information from the former Correctional Investigator about any meetings he may have attended off OCI premises during the audit period.

When you couple it with paragraph 11.38, where it states:

The former Correctional Investigator spent the majority of his time from April to October each year at his summer residence, located on an island more than one and a half hours' drive from Ottawa,

it seems to indicate that there's very little work that can be pointed to, never mind when he was at his summer residence. And it seems to be a misnomer, by the way, because it states that he was there most of the time, April to October. So I guess it was more of a spring/summer/fall residence.

You also seemed to indicate that there wasn't a great deal of work done during the rest of the year when he seemed to be in the Ottawa offices—in the winter, I guess.

Ms. Sheila Fraser: I guess all I can add to that is that we have come up with the 258 business days where there was, to our knowledge, no OCI business conducted. Then we add to that other times, for example, vacation times or extending trips, international trips, to arrive at the 319 days.

Mr. Borys Wrzesnewskij: Mr. Stewart, how do I match up your statement—and I wrote it down when you said it—that you pretty well did everything with the statement of the employees within your offices that senior managers and employees who were interviewed could not recall ever receiving documents or other written information? How do we match up those two statements?

Mr. Ron Stewart: My first statement was going back to when I was appointed. Initially I did everything. I had a very small staff.

Mr. Borys Wrzesnewskij: “Small staff” meaning how many people?

Mr. Ron Stewart: There were probably five people in the office, including me. When I left the office, I think there were 26, give or take.

Mr. Borys Wrzesnewskij: So in those initial years you did everything—

Mr. Ron Stewart: Yes.

Mr. Borys Wrzesnewskij: —and managed to handle the job well. And then towards the end, you had a staff that quintupled to 25. I guess you spent most of your time at your spring/summer/fall residence, where there was no computer that tied you back to your office, no phone lines, no faxes. You said you did paperwork. If you did paperwork there during those three seasons of the year, how did you manage to get it back to your office? There doesn't seem to be a record of it in the offices.

Mr. Ron Stewart: First of all, the Auditor General says they talked to my employees. I'm not able to talk to my employees, so I don't know what they said.

Mr. Borys Wrzesnewskij: Well, it's in the report.

Mr. Ron Stewart: But how do I know that's accurate?

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

Mr. Sweet, seven minutes.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Madam Fraser, I just wanted to ask you, how long have you been the Auditor General of Canada?

• (1630)

Ms. Sheila Fraser: I've been the Auditor General for close to six years now.

Mr. David Sweet: Roughly how many audits have you done?

Ms. Sheila Fraser: Performance audits? Probably about 150.

Mr. David Sweet: And in 150 audits you would have had a lot of experience at seeing what work outcomes look like—paper flows, correspondence—in the sense of work accomplished?

Ms. Sheila Fraser: Yes.

Mr. David Sweet: Mr. Stewart says he got lots of work accomplished; you're saying that in fact there's very little evidence.

Ms. Sheila Fraser: I can tell the committee that when we began this we heard from a lot of employees and others that Mr. Stewart was not very present at work. It is a challenge to prove. It's easy to prove that somebody worked. How do you prove that somebody wasn't present?

The team went through a very rigorous approach whereby they used cellphone records, travel logs, and all the memos, e-mails, and

documents within the office. Actually, if there was a telephone call, they credited that whole day. When we say 319, it's really because we found absolutely no indication of a telephone call, a travel claim, mileage, a signature on a report, or an e-mail.

The team, in the interviews, would have asked about this. If someone said, “Well, no, I was working on this big project and I didn't keep the drafts”, I think we would have accepted that. We found no indication of work for those 319 days.

Mr. David Sweet: Okay. In fact, there was a lot of latitude given if there was ever even any possible evidence.

Mr. Stewart, two computer systems were purchased on your own expenses. What were they used for?

Mr. Ron Stewart: I had my office purchase a computer, which was initially loaned to a member of my family, and I regret doing that now. It was always my intention to learn to use the computer. I didn't purchase a second computer; I took one home from the office. I practised on it, but I found it difficult to learn how to operate it.

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

Mr. Sapers, when you took over the office in 2004, what condition did you find the office in?

Mr. Howard Sapers: Well, on the investigative side, in terms of the functioning and the mandate of the office, I found the office was working relatively well. Within my first week I was presented with a briefing on what was characterized at the time as an interim audit report from the Auditor General, primarily looking at human resources issues. That suggested to me that a number of areas needed to be examined and strengthened in terms of how we conducted our business and our relationship with the department. Administratively, there was work to be done, and we commenced doing it.

Mr. David Sweet: Maybe I'd better clarify here. You said that part of it was working well. Are you saying that both the human resources aspect of it and the administrative aspect of it were working well?

Mr. Howard Sapers: No. What I said was that in terms of our legislative mandate, which is to investigate and resolve offender complaints and to bring systemic issues in corrections to Parliament's attention, it was working well. During the audit period, for example, the office completed over 40,000 reviews of inmates' complaints.

Mr. David Sweet: So in spite of the issues that the Auditor General was saying...the work outcomes, as far as investigations go, were okay. Do you agree with the Auditor General's observations regarding the human resource and administrative aspects of the audit?

Mr. Howard Sapers: I found there were many systems that needed to be improved. At the same time, there were some minor comptrollership issues that were going government-wide and that we were a part of. We set about working on those issues. There have been several improvements in terms of financial administration and human resources management.

Mr. David Sweet: Okay. That's great.

Ms. Hurtubise, how is it possible, with everything that we see here in this audit, that a performance award of \$41,000 was given to Mr. Stewart in the midst of all this? We have absolutely no performance reviews, I believe, of his position. He said he was never trained in any of the responsibilities he was supposed to do. How would it be that he would receive this kind of bonus?

•(1635)

Mrs. Suzanne Hurtubise: Mr. Chairman, Mr. Stewart was a Governor in Council appointee. I think I need to pass the question to my colleague from the Privy Council Office.

Mr. David Sweet: Thank you.

Mr. Marc O'Sullivan: Because Mr. Stewart was heading a quasi-judicial position during the period of the audit, he was not getting performance pay. In fact, what he was getting was management pay for his management responsibilities.

There had been case law in the late 1980s that indicated there was a problem for the government to award performance pay to a person holding a quasi-judicial position or a position requiring independence, such as an ombudsman-like function. Therefore the government moved to a new regime in the early 1990s for heads of quasi-judicial bodies or bodies that had independent investigatory functions. The person, instead of receiving performance pay, was receiving management pay, which was not variable. It was basically half of the maximum performance pay available to a person in a similar non-quasi-judicial position.

Mr. David Sweet: But this is over and above his annual salary?

Mr. Marc O'Sullivan: Yes.

Mr. David Sweet: Okay. I don't have time to dispute that policy with you.

Mr. Stewart, do you remember signing for your payout of your leave time? Do you remember certifying that you never took any leave year after year and were paid out for that? You did this a number of times. Do you remember that?

Mr. Ron Stewart: Do I remember every one of those signings, like what day they were?

Mr. David Sweet: Well, do you remember the last one? That you certified that you took no leave and were paid out for it?

Mr. Ron Stewart: I can't remember signing it, no.

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

Before we go to the second round, I just have a couple of questions from the chair to you, Mr. St-Jean. These questions aren't personal because you weren't appointed when these situations were going on.

You're part of Treasury Board, and it's my understanding that the role of Treasury Board is to provide financial direction, guidance, and oversight to these departments. Its role is to ensure that the departments and agencies have the capacity, that the people in there are trained, that they understand their roles, that transactions will be done in accordance with the Financial Administration Act, Treasury Board guidelines, that there is a properly functioning internal audit, and that the reports coming out of the agency are all in accordance with the Financial Administration Act. Obviously, in this case, this was not done.

I have three questions. Do you agree with me that Treasury Board failed Canadians? My second question is why? And my third question is, have steps been taken that this will never happen again?

Mr. Charles-Antoine St-Jean: Maybe I could start with the third question. There have been steps taken to prevent a recurrence of such events. When I took over the position of Comptroller General in June 2004, there were essentially two mandates I received. One was to assess and diagnose the health of financial management, and also to do the same with internal audit. There were issues with both processes, both functions, and we've taken steps to address this.

In terms of the clarity of the role, now the policy framework spells out the roles and responsibilities of the key players. Deputy heads, CFOs, ADMs—these are now being put in front of the President of the Treasury Board.

There was also the issue of internal audits that we see were not conducted in small departments and agencies. Until then, there was no authority for TBS to conduct horizontal audits in the small departments and agencies because of the difficulty of protecting the independence of those organizations. That particular authority was granted as of April 1 this year to the Treasury Board Secretariat, my office, and now we're conducting internal audits on some of those processes, including, right now, one in travel and hospitality. Another one that is coming up is delegation of authorities; another one will be coming up. So the steps are being taken to address that.

In terms of why these things happened, when I came out with these new policy frameworks I was very clear about the need for clarity of roles and responsibilities. That is now being addressed by the new policy framework. Some of them have been enacted and some will be shortly.

Maybe my colleague who's here from PCO could speak more about the upcoming guide in terms of the roles and responsibilities of the deputy head, which is now being updated, and say why those things happened. They were not clear, absolutely not clear. They weren't getting—

•(1640)

The Chair: My first question, Mr. St-Jean, was do you agree with me that Treasury Board failed in this particular file?

Mr. Charles-Antoine St-Jean: I would not be prepared to make that comment in those terms. It was the lack of clarity of roles and responsibilities.

The Chair: But whose job was it to clarify the roles and responsibilities? My understanding is that it would be Treasury Board.

Mr. Charles-Antoine St-Jean: Roles and responsibilities of the deputy head, responsibility of machineries, responsibilities of PCO, the roles and responsibilities of other officials, TBS—like I said, the Office of the Comptroller General was not there at the time.

The Chair: Okay. I have just one other question to you, Mr. O'Sullivan.

It's my understanding that to finance this particular agency, funds were appropriated from the general revenues. At the end of the year, if there was a surplus or if they saw a surplus coming, they would take the pot of surplus and divide it among all employees on an equal basis. They had to do a very complicated arrangement on a per-hour basis. If you were entitled to \$2,000 and you were making \$10 an hour, you would put in for 200 hours of overtime. If you were making \$20 an hour, you'd put in for \$100 an hour.

I have two questions. It seems to me that this is a fundamental violation of organizational values and public sector ethics. Are you as disturbed as I am? What has Privy Council done to make sure this will never happen again?

Mr. Marc O'Sullivan: With respect to the actions of staff of the Correctional Investigator, I'm not in a position to respond to that, because our section is responsible for Governor in Council appointees—i.e., Mr. Stewart—but not for the staff of the Correctional Investigator's office.

There is an issue there that Howard may—

The Chair: Does somebody want to answer the question?

Mr. Howard Sapers: I'd be happy to.

The Chair: Okay, go ahead, Mr. Sapers.

Mr. Howard Sapers: First of all, I think it's important to understand the almost unique context in which the Office of the Correctional Investigator exists. It's been given a very particular mandate by legislation that Parliament awarded to it, and it's been given a policy framework by government, including, through order in council, the delegation of all human resources-related material. So everything that would normally be done by the Treasury Board has been delegated to the Office of the Correctional Investigator as an independent agency and a separate employer, where the employees are not part of the core public service.

Secondly, when the office was created in 1977, it was created under the Inquiries Act. All of the other employees in the office were on personal service contracts to the Correctional Investigator at the time. That didn't change until 1993, so those relationships that you were talking about had been long-standing.

When it comes to those awards of extra payments, it is clearly within the authority of the Office of the Correctional Investigator to

make awards for extra payments, as it is in the general public service, either at the executive level in terms of performance bonuses that we've heard Mr. O'Sullivan speak about or other kinds of awards that can be made.

The Auditor General was quite correct in coming to the conclusion that those particular payments you referred to were not properly documented and were mischaracterized as overtime. However, they were payments that were made in terms of resolving long-standing issues in the office, and they were payments not just for overtime but also for extra services that were performed above and beyond the level and scope of the work that most of the employees were ordinarily involved in.

They took place over three periods, and the financial flexibility the office had at the end of those particular years was a factor in the decision to make the awards at that time. That flexibility wasn't available in the office, in my understanding, prior to those years.

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

We're going to go to the second round, colleagues, of three minutes, and I will unfortunately have to be very tough on the time.

It's to Monsieur Simard, for three minutes.

Hon. Raymond Simard (Saint Boniface, Lib.): Thank you very much, Mr. Chair.

I'll ask my questions in sequence.

Madam Fraser, in your introduction you indicated that the Office of the Auditor General received anonymous tips. I'm assuming that if you had not had this tip-off, given the lack of internal controls, we would never have discovered these deficiencies, would we?

•(1645)

Ms. Sheila Fraser: It is certainly very unlikely that we would ever have conducted this audit if we had not—

Hon. Raymond Simard: I would imagine, again, that this tip-off would have incited you to immediately audit other similar agencies. Did you find similar deficiencies?

Ms. Sheila Fraser: What is interesting here is in fact that the complaint we received was about human resource practices within the office. That came in, interestingly enough, the day after we tabled the report on the Office of the Privacy Commissioner.

So the audit was initially looking at human resource management practices. It would have been in 2003 that we received the initial complaint. That audit went on until 2004. As Mr. Sapers said, we met with management, explained the issues, and they took corrective action.

Hon. Raymond Simard: I guess your audit revealed a lot more than human resource issues.

Ms. Sheila Fraser: That's right. It—

Hon. Raymond Simard: That must have triggered you to look at other agencies at that point, or—

Ms. Sheila Fraser: We had already started, after the audit of the Office of the Privacy Commissioner, to realize that as an office we were not doing enough work in the small agencies, that our work tended to be focused mainly on the large departments.

In 2004 we created a special unit within the office to do work only on what are known as the small agencies. We've done some audits in there. For example, the audit of Elections Canada was part of it, and we have an audit under way right now on three of the smaller agencies, as well as the other piece I mentioned on governance.

Hon. Raymond Simard: The ultimate responsibility with regard to audits was with your office, I would imagine?

Ms. Sheila Fraser: Yes.

Hon. Raymond Simard: Did you normally audit every two years, three years? Was there some kind of rotating basis?

Ms. Sheila Fraser: Among the small agencies—I'll be quite honest—there are many that we have never audited.

Hon. Raymond Simard: Really.

Ms. Sheila Fraser: Even among large departments, we will do about 30 audits a year. There are some departments we will always have audits in, such as, for example, National Defence or Canada Revenue Agency. But there are, on their own, something on the order of 90 small agencies, so we would never do it.

That was why we were pleased when the Office of the Comptroller General established the internal audit function, so that they could as well do the broader management audit, which I think is a more effective way of going about it than having the external auditor doing them.

Hon. Raymond Simard: Thank you.

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

Mr. Lake, three minutes.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Thanks, Mr. Chair.

Mr. Stewart, I think you claimed earlier that you had no contact from any of the departments, no training whatsoever when you started?

Mr. Ron Stewart: That's correct.

Mr. Mike Lake: Nothing.

Does anyone here have any contention with that, based on your own information, that there was any...? There is no contention with that?

It seems pretty amazing to me that you wouldn't have had any kind of training or any people coming to talk to you and explain some of these things to you. I'm wondering, how did you even know when you took on this position that you were even qualified for it, if you didn't really talk to anybody about what it was you were supposed to be doing and how you were supposed to be reporting?

Mr. Ron Stewart: Could you repeat that, please?

Mr. Mike Lake: How did you even know you were qualified for the job? You were kind of in nowhere land, it sounds like. You didn't have people talking to you about what you were supposed to be doing or how you were supposed to be reporting.

Mr. Ron Stewart: I don't know how you would get previous training to go into a cell with Clifford Olson and sit and talk to him about a problem he had. You just did it. That was what the job entailed and you did it.

Mr. Mike Lake: That seems a little odd to me. I don't know if it would seem very odd to anyone else.

Mr. Ron Stewart: I don't think there's any training you could have had, unless you worked for the Correctional Service.

Mr. Mike Lake: When it came to the human resources side and the reporting, just simply recording your vacation time and what was okay and what wasn't, if you had questions, why didn't you ask someone? You're a pretty smart guy; you're a lawyer, I think. Didn't you ever ask yourself the question, hey, this job seems pretty easy.... Why didn't you ask someone?

Mr. Ron Stewart: It was an independent agency. I ran it to the best of my ability.

Mr. Mike Lake: But if you knew your training wasn't up to snuff, if you knew you didn't have abilities in certain areas, and if you recognized that people hadn't come to you telling you things that you thought maybe you should know...didn't you think that maybe it was a little too independent?

Mr. Ron Stewart: I don't think that ever crossed my mind, no.

Mr. Mike Lake: Changing direction a little bit, earlier you talked about attending to your business on a needs basis, is how you referred to it. I'm curious, if you're at your cottage on an island, with no electricity and no telephone, how would people even reach you if they had needs? By kayak or canoe?

• (1650)

Mr. Ron Stewart: If I could take some of your time....

Mr. Chairman, could I answer that, please?

The Chair: Yes, definitely. Go ahead, sir.

Mr. Ron Stewart: On one Sunday morning the OPP came down the lake in their OPP boat. They knew I was on the lake, but they didn't know where. They made some inquiries and they finally ended up at my dock. They said there was a riot out in Stoney Mountain Institution, which is just north of Winnipeg. There was an understanding with the Corrections people that whenever there was any kind of a riot or commotion, I would go to the institution and see if I could help. So I got in the boat, went over to the land, got in my car, got on a plane, and went to Winnipeg. I was there for a number of days.

Mr. Mike Lake: I'm going to stop you right there. Wouldn't the very fact that the OPP had to wander around a lake looking for you and come and get you be a sign that maybe this wasn't the appropriate way to be doing that job?

Mr. Ron Stewart: This was on a Sunday morning. I don't think it would have mattered.

Mr. Mike Lake: Well, a phone would have made a difference.

The Chair: Thank you, Mr. Lake.

Madam Brunelle, four minutes.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Stewart, did your executive director warn you about some of your irregular practices?

[*English*]

Mr. Ron Stewart: No, he didn't.

[*Translation*]

Ms. Paule Brunelle: Is the executive director here in this room, Mr. Chairman?

[*English*]

Mr. Ron Stewart: Is he here?

The Chair: No.

Mr. Ron Stewart: No.

[*Translation*]

Ms. Paule Brunelle: I would also like to know whether the executive director in question is your current executive director.

[*English*]

Mr. Howard Sapers: The executive director is currently employed by the office in that capacity, and his duties and responsibilities were reviewed, along with all of the management control practices in the office, post the receipt of the 2004 briefing on the first audit from the Auditor General and then specifically with the interim consultant and senior financial officer who I retained after receiving the November 28 report from the Auditor General. So his role was also part of the audit. I think you will find in the audit report that it's very clear that he had no part in approving the issues, nor did he benefit from them, and as a consequence of the reviews that have been done internally and externally, there has also been no reason for disciplinary action.

There have, however, been a number of corrective issues in the office in terms of process and procedure.

[*Translation*]

Ms. Paule Brunelle: I will stop you there, Mr. Sapers.

The Auditor General says the following in her report:

The executive director of the Office was aware of certain irregular activities, but took no action to stop these activities.

Further, the Auditor General's report notes that the Office of the Correctional Investigator paid out many amounts of money to employees as bonuses, and that these payments are suspicious, since they were the same amounts but at different pay scales.

Was there cronyism? And how is it that this gentleman is still in the same position?

[*English*]

Mr. Howard Sapers: I took those conclusions from the auditor very seriously, as you can imagine, and they became the immediate focus of my review. There is absolutely no evidence that there was any form of collusion or that those payments were made in any untoward way. Those payments were made and received in good

faith on the issue of the executive director. I think the audit report also says that the executive director, at least on two occasions, made very senior officials of the department aware of concerns he had. One of those discussions took place about mid-career for my predecessor, and the other conversation took place after his retirement.

The role of the executive director was focused by job description. In the office, by work description, the role was focused on managing the investigative function of the office. The administrative function of the office was largely provided through service provision with the department.

• (1655)

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

Mr. Sweet, for three minutes.

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

Mr. Stewart, you just answered my colleague about the work you did, and you were talking about interviews you had in correctional institutions. Was that your role? In your position, was it not leadership that you were supposed to be involved in, or were you directly involved in investigations on a regular basis?

Mr. Ron Stewart: When I first took the job there were five people in the office, so, as I mentioned before, I would get my girl to get me a plane ticket. I would phone the institution and tell them I was coming. They would make up a list of inmates who wanted to see me and I would go out and do it.

I had a part-time investigator, and then there was myself and a couple of secretaries in the office. That was it.

Over the years we were allowed to hire more staff. I don't know how often Mr. Sapers goes to the institutions, but I would think it might not be necessary if you have enough investigators to do that function. Basically the role of the Correctional Investigator was to investigate inmate complaints, and you would have to go to the institution to talk to them.

Mr. David Sweet: That's fine.

Mr. Sapers, do you in fact do any investigations right now?

Mr. Howard Sapers: I visit the institutions on an infrequent basis. I try to be in each region at least once a year, so that would be five or more institutions, and I don't conduct first-hand investigations

Mr. David Sweet: That's for oversight and leadership capability, though.

Mr. Howard Sapers: Absolutely.

Mr. David Sweet: Mr. Stewart, have you repaid the government for the one computer you provided for your family?

Mr. Ron Stewart: No. I offered to pay the finance department of the secretariat and I was told that wouldn't be necessary. I made that offer on my retirement.

Mr. David Sweet: Okay. Mr. Stewart, my colleague asked you about training and whether you'd received any training, and you've said on two occasions here that you did not receive any training. But he did ask you about you taking initiative to find out about your roles and responsibilities, the ethical performance standards you should be operating by. I believe you had adequate credentials for the position to know that would have been your responsibility.

Which departments did you communicate with in order for you to adequately fulfill the fiduciary duty you had as a leader of that department?

Mr. Ron Stewart: Well, there were five people in the office, so that was the department. You're suggesting the office of the—

Mr. David Sweet: You had a fiduciary duty to the Crown as a leader of the department in order to fulfill your responsibilities. You had a fiduciary duty for ethics, for administrative oversight, for leadership of the department. What initiative did you take to make sure you fully understood the performance standards you had to act upon?

Mr. Ron Stewart: Well, 30 years ago I don't think they—

Mr. David Sweet: Well, as your department began to grow, Mr. Stewart, you must have thought with your added responsibilities that at some point in time you must communicate with one of these departments and find out what your responsibilities would be. At any time, while you were the leader of that department, did you ever consider that that would be a good question?

The Chair: Okay, a brief response, Mr. Stewart, and then I'm going to move on to Mr. Christopherson. Have you a brief response or any response?

Mr. Ron Stewart: No, I never met with anybody, and I never considered it. I was too busy dealing with the many complaints to consider those things. Perhaps I should have.

The Chair: Thank you, Mr. Sweet.

Mr. Christopherson, please.

Mr. David Christopherson: Thank you, Chair.

Let me just say that as endlessly fascinating and interesting as it is to continue to query a senior public servant about how they worked from home without electricity or a phone, I want to get to the accountability on this.

But something just came up and I want to ask about that. Mr. Stewart just said that somebody in Finance or somewhere told him he didn't have to pay back this computer. Do we know anything about that? Can I get a commitment from somebody, an undertaking, that it will be looked into and reviewed and that we'll get an answer as to whether that happened, and if it did, was it appropriate, and if it isn't—

• (1700)

Mrs. Suzanne Hurtubise: We will work together to look at that and get back to the committee.

Mr. David Christopherson: That's fine.

I have to say again, Chair, it has been interesting to play around with some of the details, but I really don't feel that we have any better sense of accountability as to who didn't do their job that

allowed these things to happen. The infractions, the concerns, and the allegations are one thing, if they're true, and for working purposes they are at this table, but I still don't, as a member of this committee, have a sense that we know who dropped the ball. And it's incredibly frustrating.

So I'm going to ask again. I'm going to ask the Auditor General. Maybe I'm just not getting it, but where in this process is the first place that somebody should have caught this?

Ms. Sheila Fraser: Maybe I can answer a little differently. Where is the first place to have prevented this? I would say it would be with the appointment process and the training guidance given to GIC appointees.

It is clear Mr. Stewart has said he received no training. I can tell you when I was appointed I received no training, no instructions, nothing, and I would suspect that Mr. Sapers would also confirm that he didn't receive a whole lot of training either. So I think there's a question about the role of PCO, the guidance that is given to people. Do they understand their roles and responsibilities and the values of the public service? To me, that's number one. And as deputy head of any organization, the deputy head is ultimately accountable for what goes on in that organization.

Mr. David Christopherson: Yet that person is still there.

Ms. Sheila Fraser: Well, no, Mr. Sapers is now the—

Mr. David Christopherson: Oh, I thought you were talking about—

Ms. Sheila Fraser: Within an organization.

Then I go back again to the checks and balances that should be in place. So the senior financial officer has a role to play, and in fact any public servant who has a duty if they—

Mr. David Christopherson: Well, that's my point, Auditor General. I realize that according to your report, internally we have all kinds of problems.

And notwithstanding what you're saying, sir, that the mandate was being fulfilled, we have a whole lot of other problems.

But getting outside this shop, where should these things have been caught? Where do we focus our attention?

Ms. Sheila Fraser: I would say certainly the Solicitor General should have noted some of the issues in the processing of the payments. There should have been—

Mr. David Christopherson: Which we can't get to the details of because we don't have the deputy that was there at the time.

Ms. Sheila Fraser: There's some oversight that should also be done by the Treasury Board Secretariat. Even if the office was a separate employer, there is still reporting that has to be done to the Treasury Board Secretariat.

Mr. David Christopherson: I realize my time is up. Let me just say, Chair, that I understand all of this, but I hope we focus our report on those areas that get glossed over. They're not very sexy or interesting or headline material, but that seems to be where the check and balance, the accountability, the prevention part is, and that's what we're supposed to be focusing on, so I hope we find a way in our report. I say to our analysts to dig into that a little bit, drill down a little bit more, so we can put some emphasis and not just get caught up in the interesting stuff.

Thanks, Chair.

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

Mr. Wrzesnewskyj, three minutes.

Mr. Borys Wrzesnewskyj: Thank you, Chair.

Previously, Mr. Poilievre noted that you had been in the Grey Cup cities over the weekends of the last five Grey Cups while you were still in your office. You basically said it was coincidental. When he questioned whether or not there was any documentation of having visited correctional facilities, you said, and I quote, "You don't have to go to prison to deal with inmate complaints".

Now, I understand that a number of your flights and hotel reservations were made by Football Canada and the Canadian Football League. Were you discussing inmate complaints with Football Canada and the Canadian Football League?

Mr. Ron Stewart: No, nothing.... At Grey Cup time, airlines and hotels are at a maximum. You can't get a room in a hotel—

Mr. Borys Wrzesnewskyj: Sir, it's noted these were booked months and months and months in advance.

Mr. Ron Stewart: And that's why. The CFL reserved a number of hotel rooms for people who were going to go to the city where the game was. Football Canada is the amateur arm of football in this country and they would reserve, say, half a dozen tickets, depending on how many people were going from Ottawa, and do it early on so they would get the tickets and get the hotels where they wanted to stay.

• (1705)

Mr. Borys Wrzesnewskyj: So your previous friends from the Canadian Football League...you put calls into them to reserve the tickets for you. Is that—

Mr. Ron Stewart: No, I didn't; Football Canada did that.

Mr. Borys Wrzesnewskyj: And you would stay in the hotel where they'd be staying?

Mr. Ron Stewart: We would get a reservation from the league, but not necessarily where they were staying.

Mr. Borys Wrzesnewskyj: See, here's the problem. We have no record of any meetings at or any visits to correctional facilities or meetings with people from those correctional facilities. We seem to have documentation that indicates that somehow they may have done it without you calling them, but you were well aware of it, and this was done months and months and months in advance. When I couple that with chapters 11.3 and 11.31 and I take a look, on 80 occasions where hospitality bills were submitted by you, it turns out that approximately 75% of those occasions—58—were for family, friends, and acquaintances.

Mr. Ron Stewart: Sorry, is there a question there?

Mr. Borys Wrzesnewskyj: I seem to see a pattern of abuse, sir, and you don't seem—

Mr. Ron Stewart: Well, first of all—

Mr. Borys Wrzesnewskyj: —to have recollection. You've stated that at 72 your memory isn't what it used to be. You say documents have been destroyed, but perhaps not all. If those documents, from what I understand, were to counter anything the Auditor General has stated, from the documentation that she was able to access through your offices...I'm sure you must have thought that if any of those documents you have would counter these allegations, you would have been forthcoming with those documents, sir. That hasn't occurred.

Mr. Ron Stewart: I don't have any documents.

The Chair: That's it.

Anything further to add, Mr. Stewart?

Mr. Ron Stewart: I'm sorry, I can't hear.

The Chair: Anything further to add?

Mr. Ron Stewart: I'd just like to say that it had always been my habit to combine business with cities where there was a Grey Cup festival. A festival is what goes on during the week. Unfortunately, without access to those records, I can't be more specific.

I'd like to assure the members of the committee that I never intended to do anything wrong. I was combining two things on the same trip.

The Chair: Thank you, Mr. Stewart.

Mr. Fitzpatrick.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. St-Jean mentioned that you're doing some horizontal audits with some of these small agencies, and so on. We're trying to prevent mismanagement in all departments. Do you think the step Mr. St-Jean has mentioned will help curtail some difficulties we have in small agencies?

Ms. Sheila Fraser: Yes, I think the establishment of the internal audit group in the Comptroller General to specifically look at these small agencies is a very good initiative.

Mr. Brian Fitzpatrick: Then I have a comment for the deputy minister.

I understand that as an accounting officer you're answerable before this committee and before Parliament. I suggest that this quasi-judicial, independent, sub-agency thing is a loophole that you can drive an eight-ton truck through, let alone a three-ton truck, as far as making deputy ministers responsible for what goes on in their departments. This is a concern to me because we run into too many of these situations.

Mr. Stewart, when you started your job you had five people in your department. When you left you had 26. Are the Clifford Olsons of our world being better served today because we have 26 people in this department rather than the five you started with?

Mr. Ron Stewart: I think all the inmates were dealt with in a professional manner, whether it was Mr. Olson or someone else.

During my time there we not only expanded the office but enhanced our role with both staff and inmates at the institutions.

• (1710)

Mr. Brian Fitzpatrick: Another very troubling comment that came up today is on performance pay. You don't call it performance pay; it's just something called management pay. It seems to me that when you're hired for a senior position to manage a department, you assume that management goes with the job, but along comes this extra payment that automatically goes to people.

To the deputies who are here, are we going to continue with these kinds of automatic payments regardless of whether people are doing a job or not? There are a lot of trials going on with ex-CEOs of companies on these sorts of issues. I don't think we should have a lower standard than in the private sector.

Mr. Marc O'Sullivan: The issue with performance pay for heads of quasi-judicial tribunals is the legal difficulty of having the government assess performance of someone who has an investigatory or decision-making capacity vis-à-vis government decisions. There is case law to that effect saying that it is seen as going against the required independence of the agency for the government to have flexibility in what amount should be attributed as performance pay. This regime of having payments made in recognition of management responsibilities for heads of quasi-judicial tribunals was created in 1990 in reaction to the cases that had occurred in some provinces. That's the regime we have in place.

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

Thank you, Mr. O'Sullivan.

That concludes the second round of questions.

Mrs. Fraser and Mr. Stewart, do you have any brief closing remarks before we go to the second part of the meeting?

Ms. Sheila Fraser: I'd just like to thank the committee for its interest in the report. I hope the committee will look at issues like roles and responsibilities, and perhaps the training given to order in council appointees. These are longstanding issues, and in fact the committee made a recommendation concerning training back in 2004. Those are issues you might want to consider as you go forward.

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

Do you have any closing remarks, Mr. Stewart?

Mr. Ron Stewart: I don't.

The Chair: I want to thank all the witnesses for their appearance here today and for taking the questions. The committee will take the matter under advisement, and we will be issuing a report in due course.

Colleagues, we're now going to proceed to the motion Mr. Wrzesnewskyj made at the last meeting that the protocol we've developed over the last number of months be adopted by the committee. I will read it:

That the Protocol for appearance of Accounting Officers before the Standing Committee on Public Accounts, be adopted by this Committee as the interim protocol governing the appearance of Accounting Officers before this Committee pending the adoption of a final Protocol and that it be tabled in the House of Commons as the Thirteenth report of the Standing Committee on Public Accounts.

I am prepared to entertain five interventions of two minutes each. Then I'd like to put the vote.

Would anybody like to comment?

Mr. Pierre Poilievre: Yes. I'd like to go on the speakers' list, unless Mr. Wrzesnewskyj wants to introduce his motion.

Mr. Borys Wrzesnewskyj: No, I'm fine.

The Chair: We'll allow you, Mr. Wrzesnewskyj, to go ahead first, and then we'll go to Mr. Poilievre.

Mr. Borys Wrzesnewskyj: I think the motion itself makes it quite clear what we're moving. We had a full discussion around this topic in accountability and a very detailed report from Mr. Franks. I would like to see this motion passed.

Thank you.

The Chair: Thank you, Mr. Wrzesnewskyj.

Mr. Poilievre, do you have a comment?

Mr. Pierre Poilievre: Yes.

I don't understand why we don't entertain the motion that Mr. Sweet provided to invite discussion with the President of the Treasury Board. We are publishing a report without hearing a single solitary witness, other than the author of the report, which is very unusual for this committee. Normally we do hear from other witnesses to hear conflicting viewpoints, and then we allow the committee to be the judge of what we heard. We usually do that by reviewing clause by clause, instead of just taking the entire document, passing it whole, and sending it off to Parliament. It seems as though we've paid a consultant to do our thinking for us, and now our goal is just to get it out as quickly as possible, before it can be scrutinized in any way whatsoever. I find the process to be very unusual.

I know, Mr. Chair, that perhaps there's a desire to flex muscles and wave fists and show a sign of strength, but this is not the way to do it.

At the same time, I have always believed in ministerial responsibility. It's the cornerstone of our democratic system. It means that ministers are responsible to Parliament for their actions and that they can't scapegoat public servants for their behaviour. There are aspects of this report that would allow politicians to scapegoat public servants rather than take responsibility for their own behaviour.

Normally it's the opposition demanding that ministerial responsibility be upheld, but in this situation it's the government that's trying to defend ministerial responsibility and the opposition, through this motion, is taking it away and assigning that responsibility to bureaucrats. Mr. Chair, the reality is that the accounting officer is not accountable to this committee; the accounting officer is accountable before this committee. It is the minister who is responsible. There's nothing you can do, Mr. Chair, to—

• (1715)

The Chair: We'll move to Mr. Williams.

Mr. Williams, you have the next intervention.

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

The only intervention I really want to make is that I have a lot of arguments in favour of the report, but I don't know that the correspondence dealing with this report has actually been tabled before the committee. You can check with the clerk.

I'm looking at a letter from C.E.S. Franks dated February 23, 2007, and I'll just quote one sentence:

Though I have had the assistance of many persons in preparing this draft, the final decisions on its contents and form are mine, and I accept full responsibility for any faults in it.

When I look at the report, Mr. Chairman, Mr. Franks is noted as the consultant, but this is his report. Now, I would have thought this report would have been a one-page report from the public accounts committee saying we're pleased to table a report from Professor Franks, who has given us advice, and we've accepted his advice—rather than in essence plagiarizing his report, because we haven't given him any credit for it. With that editorial change—if it is an editorial change—I think we should proceed.

The Chair: Okay.

Ms. Sgro is next, and then Mr. Christopherson. I'm sorry, David, I recognized Judy first.

Hon. Judy Sgro: You talk in your motion about a revised draft. The report we got from Mr. Franks answers everything the committee has worked on for months when you talk about accountability. The fact that it differs from what PCO would like—well, that's just life. The report is here. I think we should move as quickly as possible and adopt it. Let's table it in the House. Let's get moving with it.

The Chair: Go ahead, Mr. Christopherson.

Mr. David Christopherson: Thank you, Chair.

I share the views of my colleague Ms. Sgro.

I look at the letter from the President of the Treasury Board, dated March 13, and it seems to me the relevant sentence is at the end of the third paragraph on page 2, where it says:

Nevertheless, the purpose of the accounting officer's appearance is to support the Minister's, and ultimately the government's, accountability for the way departments and agencies are managed.

This is not a nuanced difference. That is 180 degrees different from what we're saying. We are saying something very different.

And in terms of sending Mr. Franks, I did not agree that the notion of sending a hired consultant to meet with a politician, to negotiate, was the right way to go anyway.

It seems to me, and I agree with Ms. Sgro, based on the argument that we've been dealing with this for months and months and months.... I think this was initiated not long after the class of 2004 came in, and probably Mr. Williams can talk about times before, when this actually got its initial momentum. We're here now. This is not the time to suddenly get shy and to get caught up.

I understand where the government members are coming from. It would be interesting, if they were on this side, to hear what the arguments might be. I hear what they're saying, but I'm not hearing

anything strong enough, Mr. Chair, in a non-partisan way, that suggests we should deviate from the course we've set with all-party support. All along we've been all but unanimous at every step. You've provided excellent leadership, Chair, since you've been in office, and Mr. Williams did before you.

Now is the moment of truth. Now is not the time to back away. We're there. And the fact that the executive branch of government doesn't like it—too bad. It's just too bad.

Parliament speaks on this. Parliament decides what the rules of the game are at Parliament's committees. So I think, Chair, that it's time to close this in terms of work. It's no longer a work in progress. I realize you used that term.

We can always amend any policy. On the policy that is there in front of us, today is the day we adopt it and tell the government that this is the way it's going to be. And that's not about pounding tables and trying to get headlines. That's just about making sure we don't go through the nonsense we went through earlier, which happens over and over and over, where you start to get close to where you think you're going to get, where the accountability is, and somebody says, "Oh, I wasn't there", or they start to say, "That was government policy and that's as much as I can comment on". Now is the time. Pass this.

• (1720)

The Chair: Thank you.

Mr. Wrzesnewskij, and then Mr. Fitzpatrick. Then I'm going to call the question.

Mr. Borys Wrzesnewskij: Chair, I move that the question be put.

Mr. Pierre Poilievre: I have a point of order, Mr. Chairman. I believe we had a speaker over here. Mr. Wrzesnewskij has already spoken. Can we not hear from—

The Chair: He's not speaking again, so we'll have Mr. Fitzpatrick, and we'll call Mr. Sweet, too, and then we'll call the question.

Mr. Brian Fitzpatrick: Right. I want to clarify a few points here.

At one point we were going to have Mr. Franks meet with the Treasury Board people and try to iron out the differences. Now we're saying on this committee that it would be terribly wrong for Mr. Franks to meet with the President of the Treasury Board. I'm a little puzzled at the logic and the rationale of that position, with all due respect. They're not consistent whatsoever in any shape or form. That was Mr. Franks' strategy. He stated he was frustrated because he wasn't getting cooperation.

We're suggesting, before we plunge into this sort of thing and make it our report, to take that one little step and try that route. But for some unknown reason this would just be terrible and wrong.

There is another point I'm going to raise. There are some flaws with the process here. I've been on this committee for a long time. I've never had a third-party consultant file a report in a committee where we endorse it as our report and file it back to Parliament without going through the study of going clause by clause before we finally approve that.

There are some things in Mr. Franks' report that I don't agree with. I've looked at the legislation. It says, "accountable *before* Parliament", not "to Parliament". And if you actually read what Mr. Franks is proposing in some sections there, he's going well beyond just being answerable to Parliament. He's saying accountable in the full scope of it, which is beyond what the legislation is saying.

Furthermore, if you get into the history of this matter, one of the most important features of accounting officers is to have a mechanism to make deputy ministers accountable if they're put in an untenable position. The legislation is enacted that the teeth are in the legislation.

That's probably the key point about this whole accounting officer matter, which is to avoid the sponsorship thing and to put deputy ministers on the spot.

The Chair: Okay, Brian. We're going to move this.

Mr. Brian Fitzpatrick: I think these are all relevant points we should take seriously. I'm not going to just slam-dunk a report without changing a sentence or going through one sentence of this report without our guiding and analyzing it. I think if we endorse that, we're really becoming voting machines for third-party consultants. This is an issue.

The Chair: Mr. Sweet has the floor.

Mr. David Sweet: Mr. Chairman, I put this motion before the committee today because I believed our pursuit was to make sure we knew how the new Federal Accountability Act and everything that had been discovered by the Gomery report would function in a new light of accountability.

Dr. Franks had previously wanted to meet on several occasions in order to have a more fulsome report himself. The people at the Treasury Board are going to be the people we deal with all the time. We're talking about having a more fulsome participation in this report so we can table it. Right now, all we have is the report prepared by the consultant that we hired, and we just put our cover on it.

So, as I did before, I'm suggesting that you send a letter directly to the President of the Treasury Board insisting that he meet with Dr. Franks. I think that, frankly, Dr. Franks has a strong enough character to not be bamboozled or persuaded, as some people suggested in the last meeting, but rather to determine areas that he may not have fully investigated, where there might be some nuances, where there might be some additional text added to this report.

• (1725)

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

That's the end of the list, colleagues. I'm prepared to put the vote.

Mr. Pierre Poilievre: A point of order, Mr. Chair.

The Chair: A point of order, Mr. Poilievre.

Mr. Pierre Poilievre: I think it is impossible to go ahead with a vote on this matter until we've had a chance to do a clause-by-clause review. That's the first aspect of my point of order. We've not had occasion to look through the report on a clause-by-clause basis, the way reports are always approved by this committee.

Mr. Borys Wrzesnewskyj: That's not a point of order.

Mr. Pierre Poilievre: Actually, it is a point of order. I'm talking about process here. I understand you want to pass this as quickly as possible and spread it out and take credit for it, but that's not the purpose of this committee. This committee—

Mr. Borys Wrzesnewskyj: That's not a point of order.

The Chair: Order, please. I'm prepared at this point in time to put the question. That is not a point of order.

Mr. Pierre Poilievre: I have another point of order, Mr. Chair.

The Chair: No.

Mr. Pierre Poilievre: Are you going to ignore points of order?

The Chair: What is your second point of order, Mr. Poilievre?

Mr. Pierre Poilievre: My second point of order relates to the document itself, which is not a report of this committee. It's merely

The Chair: Okay, that is it, colleagues. The question is going to go.

Mr. Pierre Poilievre: He has a point of order.

The Chair: Mr. Lake, you have a point of order?

Mr. Mike Lake: His point of order is first.

Mr. Pierre Poilievre: You have to hear points of order. It's in the Standing Orders.

The Chair: A point of order, Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: I move that Mr. Simard have the floor.

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

Hon. Judy Sgro: That's not a point of order, so let's just get going. Otherwise we're losing time.

Mr. Mike Lake: I put my hand up and asked to be on the list.

The Chair: I said I was going to have a certain list, Mr. Lake, and I did, and I had to cut it off somewhere.

Mr. Mike Lake: Is that normal practice?

The Chair: I told everybody I was going to entertain five and I entertained about seven.

Mr. Brian Fitzpatrick: I have a point of order. It's a legitimate point of order.

Mr. Sweet has a motion that I believe, if we voted in favour of it, would supersede—

The Chair: We'll deal with the motions in the order they come, Mr. Fitzpatrick.

Let's put the question.

Mr. Williams, a point of order.

Mr. John Williams: I raised it in my intervention, Mr. Chairman. I quote Dr. Franks' letter again that "the final decisions on the contents and form are mine and I accept full responsibility for any faults in it".

Now the presentation of this report is, as I said, plagiarism of Dr. Franks' work, as far as I'm concerned, in the way it is presented. It's not being presented as our tabling of a report prepared by Dr. Franks. It's as if we had written this as a committee ourselves. Some people want to go through it line by line by line, and we either—

The Chair: I'm sorry, it's up to the committee to adopt it.

Mr. John Williams: No, Mr. Chairman, I have—

Mr. Borys Wrzesnewskyj: Can we have a recorded vote, sir?

The Chair: This will be a recorded vote.

Mr. Pierre Poilievre: On a point of order—

The Chair: I'm going to call on—

Mr. Pierre Poilievre: A point of order—

The Chair: —the clerk—

Mr. Pierre Poilievre: Are you going to recognize a point of order, or are you going to abandon the Standing Orders?

The Chair: It is not a point of order, Mr. Williams. I recognize it is not a point of order. I'm sorry.

Mr. Pierre Poilievre: You haven't even heard—

Mr. John Williams: You mean plagiarism is not a point of order?

The Chair: We're adopting the report.

Mr. John Williams: No, I said the report is plagiarizing Dr. Franks' work. Are you going to address that issue?

The Chair: No, it's up to the committee to adopt the report. It's not my—

Mr. Pierre Poilievre: You seem to be determining whether we're going to proceed or whether we're going to hear the points of order. So you're making the decision for the rest of us.

Mr. John Williams: You know, Mr. Chairman, we have the law clerk right here. Why don't we ask him about plagiarism, if this is plagiarism?

The Chair: No, we're not going to get—

Mr. John Williams: Why not?

The Chair: Order.

The question will be put to a recorded vote.

Mr. Pierre Poilievre: I have a point of order. There are two points of order.

The Chair: I haven't heard a legitimate point of order yet.

Mr. Brian Fitzpatrick: I think some of them were.

Mr. David Sweet: Could you ask the clerk whether, if there are two motions on the table, the first one negating the second one, there's an opportunity to put the second one in priority?

The Chair: Once we deal with the first one, we'll deal with the second one.

Mr. Pierre Poilievre: But you can't. The second one is negated.

Mr. David Sweet: That's why I'm asking.

The Chair: Order.

Okay, obviously—

• (1730)

Mr. Pierre Poilievre: I have a point of order, Mr. Chair.

The Chair: I'm going to put the question. It's a recorded vote.

Mr. Pierre Poilievre: Mr. Chair, I have a point of order.

The Chair: I'm going to turn it over to the clerk to conduct the vote.

Order.

Clerk, you have the floor.

Mr. Pierre Poilievre: I have a point of order.

Mr. Brian Fitzpatrick: Mr. Chair, there's a point of order here.

The Chair: The clerk has the floor.

(Motion agreed to) [See *Minutes of Proceedings*]

The Chair: The second part of the motion—and hopefully this will be very quick—reads:

That the Clerk be authorized to make such editorial and typographical changes including the approved ones as necessary, without changing the substance of the Report.

—and—

That the Chair be authorized to table the Report in the House.

Mr. Pierre Poilievre: I'd like to speak to that, Chair.

The Chair: Okay, go ahead, speak to it.

Mr. Pierre Poilievre: This is clearly an attempt to undermine the responsibility of ministers. During the Liberal sponsorship scandal, we saw your government attempt to avoid responsibility by blaming public servants for the corrupt behaviour of political leaders in the Liberal Party. Perhaps this is an attempt to protect future Liberal governments, many years down the road, from political responsibility that would result from their behaviour at that time.

Hon. Judy Sgro: Look after your own. Don't worry about ours.

Mr. Pierre Poilievre: This speaks to the institutional corruption of the Liberal Party and demonstrates that the Liberal Party still has not learned that politicians ought to be accountable for their behaviour. We on this side are prepared to take responsibility for our behaviour. We believe in ministerial responsibility, and we're not going to undermine that principle by voting in favour of a report written by a consultant and rammed through this committee.

Thank you.

The Chair: Thank you.

Mr. Fitzpatrick, this deals with the typographical changes. Is this on the motion?

Mr. Brian Fitzpatrick: Are we not dealing with Mr. Sweet's motion?

The Chair: No, we're not talking about that yet.

I'm going to ask the clerk, on the typographical change, which is all we're talking about—

The Clerk of the Committee (Mr. Georges Etoka): You need a mover.

Mr. Borys Wrzesnewskyj: I so move.

The Chair: I'll ask the clerk to call the vote on that particular question.

You don't need a recorded vote.

(Motion agreed to)

The Chair: The next item, colleagues, is the Sweet motion. Did you want to deal with that today, or did you want to defer that until the next day?

Hon. Raymond Simard: There's another one.

The Chair: That was included in the thing.

Mr. Williams.

Mr. John Williams: On a point of order on the motion by Mr. Sweet, Mr. Chairman, I actually think you should get the advice of the clerk or someone as to whether it's actually in order.

As a committee, we have certain responsibilities. We can report to Parliament. Beyond that, there's very little else. I do not think we actually have the authority to direct somebody to go and meet with the President of the Treasury Board.

Remember that we had a motion a few months ago about involving the RCMP or reporting to the RCMP. That was out of order. I actually think this may be out of order, too. Can you consult with the clerk or someone else to find out if that's correct?

The Chair: I'm not going to make a ruling right now, but I'm going to ask Mr. Sweet to comment.

Mr. David Sweet: It's a much different circumstance if we have a paid consultant to the committee and ask him to fulfil a responsibility for us, as opposed to us directing a police organization. I would therefore respectfully and most humbly disagree with my colleague.

Mr. Pierre Poilievre: He works for us.

Mr. Brian Fitzpatrick: He's our employee on this job.

• (1735)

The Chair: We can always change the report, but I don't think it's out of order.

I hear Mr. Williams' comment.

Mr. Williams, I consulted with the clerk. I appreciate some of what you're saying. Again, the Treasury Board doesn't have to meet with Mr. Franks, but Mr. Sweet is entitled to put the motion.

Mr. Christopherson.

Mr. David Christopherson: Chair, just to put it on the record, the first point I made earlier was just my personal opinion about a committee mandating a hired person to meet with a politician, a minister, and to negotiate one on one. We did send Dr. Franks to meet with the staff, which is the appropriate way to go. It seems to me that it has been reported to us that Dr. Franks can't get further meetings and that they won't talk to him any further.

It's not as if we haven't given the opportunity for any other point of view to be there. We have already approved the protocol, we've done our homework, we've done due diligence, and we've had a democratic vote that has adopted it. It seems to me that voting in favour of this just stands on the toes of what we have already approved. For substantive reasons and procedural ones, then, it seems to me that a majority vote against this is the right thing to do.

The Chair: I'll hear three additional interventions, from Mr. Poilievre, Mr. Fitzpatrick, and Mr. Sweet, and then I'll call the question.

Mr. Pierre Poilievre: I find it interesting that opposition members say we can't direct individuals who are not part of this committee on how they should behave, but that's exactly what this protocol proposes to do. It proposes to direct deputy ministers, who have no fiduciary relationship with this committee, on how they ought to behave. This is done without any collaboration with the executive branch of government, for which those deputy ministers work.

Make up your mind, friends. Either you think you can direct others by this committee or you can't.

Furthermore, we did direct Mr. Franks to meet with members of the government. He says he wasn't successful in obtaining those meetings. Well, I can assure you that the President of the Treasury Board is ready to meet with them. He's also ready to testify in front of this group.

I suppose there are some people who do not believe their arguments will stand up against his and they have therefore avoided having him here in the first place. Now we're stuck with a protocol that will undermine ministerial responsibility, and opposition members will have to explain that to their constituents.

The Chair: Mr. Fitzpatrick, Mr. Sweet, and then I want to call the question.

Mr. Brian Fitzpatrick: You know, in my life experience, communication between people who have power makes a lot of sense. I think common sense would tell you that. There are things that were in the guidelines that I personally didn't agree with. The Treasury Board guidelines suggested this committee should be well behaved when we're dealing with accounting officers before us. Well, everybody on this committee knows you don't get before this committee without having stepped out of line somehow, and you're going to hear about it on this committee.

To me, there are things on both sides that I think would make the meeting constructive. We say it's an ongoing process. If our committee is going to be opposed to having the people who have power getting together to discuss things, how in the world are you ever going to get anything resolved? It seems to me it's a strange argument to say we do not want to meet with the President of the Treasury Board because maybe they might just resolve some of these differences. Some of the points, quite honestly, I think are words, and we're talking about how many angels are dancing at the end of a pin.

I think there could be a lot of merit in these two individuals getting together, and we could all save ourselves a lot of hot air in this committee. But if you don't want communications with government, so be it. You may have what Mr. Christopherson didn't want—a clash between what Treasury Board is telling their people and what we understand it to be here. I think that would be unfortunate.

So I think common sense should dictate that we should try to take that extra step to have the ongoing process in place to improve the guidelines we're using here.

The Chair: I'm going to ask Mr. Sweet, the mover, for the last response.

Mr. David Sweet: Yes, Mr. Chairman. I can remember at least half a dozen cases where we've had witnesses who have told this committee that the interplay between the Treasury Board and this committee is a vital one. The relationship is a critical one in the accountability process. I respect my colleague's comments—Mr. Christopherson's—but the point isn't to have Dr. Franks meet with the President of the Treasury Board and have there be some negotiating aspect. The point is to have all the players involved in the outcome of this document. Dr. Franks said himself that this was a living document in process, and to live up to the same spirit of what he said, there's absolutely no problem with still having him go and meet the President of the Treasury Board on this issue.

• (1740)

The Chair: Thank you, Mr. Sweet.

I'm prepared now to put the question. I'll ask the clerk to record the vote.

(Motion negatived) [See *Minutes of Proceedings*]

The Chair: That concludes the business today.

If I can make one comment, I do believe in Mr. Sweet's comment that there has to be further dialogue. We can't forget, people were explaining here.... Mr. Toews said, "I would like to explain in broad

terms the government's reasons for not pursuing a joint protocol", and he went on. But we're both in the same business and I think we have to develop a joint dialogue. I will certainly be trying to do that, and I'm going to put that on the agenda for our next steering committee, which is the 16th.

Mr. John Williams: I have a comment. I'm a little bit concerned that there's documentation floating around that we really haven't tabled. I think you just made reference to two letters from the President of the Treasury Board, one dated March 12 and one dated March 13.

Were these formally tabled at the committee?

The Chair: If they weren't, they should be, Mr. Williams.

Mr. John Williams: Can you tell the clerk to make absolutely sure that any documents that come before this committee are tabled by you at a committee meeting, because we are losing a lot of the background and supporting evidence for our deliberations. If we go back later on, we don't know what we're talking about. So make absolutely sure these documents are tabled and circulated.

The Chair: Point well taken, Mr. Williams.

The meeting is adjourned.

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