HOUSE OF COMMONS
CANADA

CHAPTER 5, MANAGEMENT OF PROGRAMS FOR FIRST NATIONS OF THE MAY 2006 REPORT OF THE AUDITOR GENERAL OF CANADA

Report of the Standing Committee on Public Accounts

Hon. Shawn Murphy, M.P.
Chair

June 2006

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

If this document contains excerpts or the full text of briefs presented to the Committee, permission to reproduce these briefs, in whole or in part, must be obtained from their authors.

Also available on the Parliamentary Internet Parlementaire: http://www.parl.gc.ca

Available from Communication Canada — Publishing, Ottawa, Canada K1A 0S9

CHAPTER 5, MANAGEMENT OF PROGRAMS FOR FIRST NATIONS OF THE MAY 2006 REPORT OF THE AUDITOR GENERAL OF CANADA

Report of the Standing Committee on Public Accounts

Hon. Shawn Murphy, M.P.
Chair

June 2006

STANDING COMMITTEE ON PUBLIC ACCOUNTS

CHAIR

Hon. Shawn Murphy

VICE-CHAIRS

Brian Fitzpatrick
Benoît Sauvageau

MEMBERS

David Christopherson
Mike Lake
Richard Nadeau
Pierre Poilièvre
Marcel Proulx
Yasmin Ratansi
David Sweet
John Williams
Borys Wrzesnewskyj

CLERK OF THE COMMITTEE

Danielle Bélisle

PARLIAMENTARY INFORMATION AND RESEARCH SERVICE
LIBRARY OF PARLIAMENT

Brian O'Neal
Alex Smith

THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

SIXTH REPORT

Pursuant to Standing Order 108(3)(g), the Standing Committee on Public Accounts has considered Chapter 5, (Management of Programs for First Nations) of the May 2006 Report of the Auditor General of Canada. The Committee as agreed to table this Report as follows:

TABLE OF CONTENTS

INTRODUCTION 1

OBSERVATIONS AND RECOMMENDATIONS 2

RECOMMENDATIONS 5

CONCLUSION 12

APPENDIX A — LIST OF WITNESSES 13

REQUEST FOR GOVERNMENT RESPONSE 15

MINUTES OF PROCEEDINGS 17

INTRODUCTION

Canada's First Nations communities face persistent challenges, such as high rates of unemployment, poverty, and health problems. For example, the life expectancy for male "registered Indians" is 7.4 years shorter than for that of other Canadians. The federal government is responsible for delivering social and economic programs to First Nations communities that directly affect the well-being of First Nations people. While the federal government spent over $8 billion in 2004-05 on programs and services targeted to Aboriginal peoples, the conditions in many First Nations communities remain significantly below the national average.

The May 2006 chapter "Management of Programs of First Nations" is part of the Auditor General's annual Status Report that follows up on the government's progress in implementing past recommendations. This audit followed up on 37 recommendations made in seven chapters published between 2000 and 2003. These chapters covered housing on reserves, economic development, third party intervention, health care, the food mail program, comprehensive land claims, and reporting requirements for First Nations. Overall, the audit concluded that progress in addressing the 37 recommendations was unsatisfactory.

Though, the audit found that progress was satisfactory on 22 of 37 recommendations reviewed these tended to be administrative in nature and had less impact on the lives of First Nations' people. However, implementation was only complete for 3 of these recommendations. Improvements were made in several areas:

- Health Canada made progress in managing programs funded through agreements. Community health plans are updated, and First Nations conduct audits prior to the renewal of transfer agreements.

- Indian and Northern Affairs Canada and Canada Mortgage and Housing Corporation improved the integration of their housing programs and strengthened the management of many elements of the programs.

- More institutional arrangements for economic development in First Nations have been established.

However, the audit found unsatisfactory progress in several areas: analyzing patterns of prescription drug use, mould in housing, comprehensive land agreements, eliminating unnecessary reporting, and addressing gaps in the Third Party Manager Policy.

Because the Committee takes a special interest in issues that affect First Nations peoples, it met on 1 June 2006 to discuss the results of this follow-up audit with officials from the Office of the Auditor General of Canada and from the departments involved. Auditor General Sheila Fraser and Assistant Auditor General Ronnie Campbell appeared on behalf of the Office of the Auditor General of Canada. They were accompanied by Glenn Wheeler, Principal, and Jim Quinn, Director General (Finance Branch, Corporate Services). Associate Deputy Minister Hélène Gosselin and Ian Potter, Assistant Deputy Minister (First Nations and Inuit Health Branch) represented Health Canada. Mr. Paul LeBlanc, Senior Assistant Deputy Minister, (Socio-economic Policy and Regional Operations) appeared as a witness on behalf of Indian and Northern Affairs Canada.

As he was not able to attend the earlier meeting, the Committee heard from the Deputy Minister of Indian and Northern Affairs Canada, Michael Wernick, on June 13.

OBSERVATIONS AND RECOMMENDATIONS

1. Prescription Drugs

Health Canada's Non-insured Health Benefits Program for recognized Indians and Inuit has been a matter of great concern to the Committee, which has issued three Reports in three Parliaments dealing either directly or indirectly with the Program.[1]

The Program has also been the focus of audits by the Auditor General, in 1997 and 2000, and was included in an audit of federal drug benefits programs whose results were reported in 2004.[2] On each occasion that the Committee has reviewed the results of these audits, the Department has failed to assure the Committee either that it was managing the Program competently or that it was taking sufficient account of the actual health needs of First Nations people. In particular, the Department has shown a marked reluctance to intervene proactively to

[1] House of Commons Standing Committee on Public Accounts, Fifth Report, 36th Parliament, 1st Session; Tenth Report, 37th Parliament, 1st Session; and Eleventh Report, 38th Parliament.

[2] Office of the Auditor General of Canada, Report of the Auditor General of Canada, April and October 1997, Chapter 13: *Health Canada: First Nations Health*; Report of the Auditor General of Canada, October 2000, Chapter 15, *Health Canada, First Nations Health: Follow-up*; Report of the Auditor General of Canada, November 2004, Chapter 4: *Management of Federal Drug Benefits Programs.*

limit the abuse of prescription drugs provided under the Program through the sharing of client information with front-line health care providers. The Department has repeatedly cited privacy concerns as its principal reason for abandoning an initial (and successful) effort to collect and share information on client prescription drug use with doctors, nurses, pharmacists, and others involved in caring for the needs of First Nation individuals.

Two solutions to this problem have been suggested. The first – advocated by the Committee – is to give the Program a legislative basis that would provide the Department with the legal mandate, as well as the obligation, to gather and share critical data with health providers. The second – preferred by Health Canada – is to approach individual recipients to obtain their permission to share information with providers. The latter approach was tried by the Department. It was costly and ultimately failed.

Health Canada's activities to obtain consent from its clients cost $5.6 million and took place over the four years ending March 31, 2004. In its Departmental Performance Report for the period ending 31 March 2004, Health Canada announced that its consent gathering initiative had been "completed," and offered the following explanation:

> As a result of an evolving privacy environment and insights gained over the past three years, the NIHB Program was able to adopt a new approach to the consent initiative in February 2004. This has meant that the March 1, 2004 deadline for the submission of consent forms by First Nations and Inuit clients no longer applies; the NIHB Program will not require a signed consent form for day-to-day processing activities and program administration. NIHB clients will therefore continue to receive benefits for which they are eligible even if they have not signed a consent form.[3]

Seeing that this effort did not produce the desired outcome, the Committee was interested in early 2005 to hear Health Canada's Associate Deputy Minister Hélène Gosselin clearly state that Health Canada would be "re-examining legislative options that could address the issue of the collection and disclosure of health information."[4] Encouraged by this statement, the Committee recommended that:

> Health Canada complete its examination of legislative options, including the option of obtaining specific enabling legislation for the Non-Insured Health

[3] Health Canada, *Performance Report for the period ending 31 March 2004,* Annex B: Status Report of actions to be taken in accordance with the response to the Auditor General's 2000 Report and the Standing Committee on Public Accounts' 2001 Report: First Nations Health July 2004.
[4] Evidence given during 38th Parliament, 1st Session, 2 February 2005, 15:45.

> Benefits Program, that would permit the collection and sharing of client health information with health professionals and report the conclusions to the Committee no later than 31 December 2005.[5]

The government, in its response presented to the House on 27 September 2005, indicated that:

> The Health Portfolio is currently considering possible legislative options in areas such as health protection to address a range of issues concerning the collection and disclosure of health information including its application to the NIHB program. Health Canada will provide the Standing Committee on Public Accounts with a status report on this work prior to 31 December 2005.[6]

To date, the Committee has not been provided with this report.

The Committee has now learned, from the results of the follow-up audit contained in Chapter 5 of the Auditor General's Status Report, that Health Canada still does not gather data on prescription drug-related deaths, nor has it sought enabling legislation for its Non-Insured Health Benefits program, leaving the rights and obligations of the department and its clients undefined. The Department's approach to analyzing inappropriate prescription drug use is limited by its approach of seeking consent on a case-by-case basis from clients before informing health providers or pharmacists of concerns about drug use.

Mr. Potter testified that the Department has taken steps to address the inappropriate use of prescription drugs by NIHB clients.[7] These steps include:

- Implementation of a drug utilization review regime;
- Identification of drugs that are at risk and either removing them from the list of drugs paid for by the Program or designating them as drugs that can only be prescribed by special permission from a client's physician;
- Placement of a limitation on the number of drugs like Benzodiazepine and opiates that clients can be prescribed until their physician approaches the Department or their pharmacist to explain why;
- Inclusion of a new code on the electronic system used by pharmacists which will warn them, at the time they fill a prescription, if a patient has had multiple prescriptions for benzodiazepine or opiate type drugs; and
- Implementation of a retrospective review six times a year that identifies clients who have been to a number of doctors. The Department then follows up with those clients.

[5] Standing Committee on Public Accounts, Eleventh Report, 38th Parliament, recommendation 6.
[6] Government of Canada, *Government Response to the Eleventh Report of the Standing Committee on Public Accounts*, September 2005.
[7] Evidence, 39th Parliament, Meeting number 06, 12:00.

The Committee agrees with the Auditor General's conclusion that these are appropriate steps for the Department to take. However, the real test of these measures and the use that the Department makes of them will be to determine their impact on reducing the harm done by inappropriate use of prescription drugs under the NIHB program. At the moment, such an assessment is not possible because the Department has not yet succeeded, after more than five years of trying (according to its own account) to make arrangements with provincial coroners and offices of vital statistics to record the relevant statistics.

The Committee feels strongly about this issue and will continue to press for its resolution until it is satisfied with the results. In order to ensure that the abuse and misuse of prescription drugs under the NIHB is reduced to an absolute minimum and to contribute to the health and safety of First Nation individuals and communities, the Committee recommends that:

RECOMMENDATION 1

Health Canada complete its study of a legislative option in consultation with first Nations with regard to the Non-Insured Health Benefits Program and submit it to the Committee no later than 30 June 2006.

RECOMMENDATION 2

Health Canada complete its discussions with provincial coroners and offices of vital statistics and develop a protocol by 31 March 2007 on the collection and provision of data related to death and injury due to inappropriate use of prescription drugs paid for under the Non-Insured Health Benefit Program. Upon completion of the protocol, Health Canada must, by 30 September 2007, provide the Committee with a detailed action plan to implement the protocol.

RECOMMENDATION 3

Health Canada begin to report annually in its Departmental Performance Report to the House of Commons on the outcomes achieved by each of its initiatives aimed at reducing inappropriate use of prescription drugs paid for under its Non-Insured Health Benefits Program beginning with its Report for the period ending 31 March 2006. The cost of each initiative is to be referenced as well.

2. Mould

Mould contamination has been identified as a serious and growing health and safety problem for several years in First Nations communities. In 2003, the Auditor General found that while the three responsible federal organizations, Indian and Northern Affairs Canada, Health Canada, and the Canada Mortgage and Housing Corporation, were participating in a committee to address the problem, they had neither developed a comprehensive strategy nor an action plan. They also had not fully assessed the extent of mould contamination on reserves and did not know how much they are spending to address the mould problem.

The Auditor General recommended that the three federal organizations develop a comprehensive strategy and action plan to address the problem of mould in housing on reserves. The departments agreed with the recommendation. Yet, the follow-up in 2006 found that no federal organization had taken responsibility for developing an overall plan for coordinating federal organizations' efforts or monitoring overall progress.

The Committee is very concerned that people living in First Nations communities may experience premature deterioration of their housing, as well have their health compromised because federal organizations are unable to coordinate their activities sufficiently to develop a strategy or a plan. Though, there may be some progress. Paul Leblanc, Senior Assistant Deputy Minister at Indian and Northern Affairs Canada, told the Committee that:

> [We] are working presently on the development of a comprehensive, consolidated strategy that brings together better yet the collective efforts of the federal government. [8]

He later said:

> Our objective is to merge the three departments in question with the enhanced strategic plan or the strategy the Auditor General recommended by the fall of 2006. I don't have a more precise date, but the fall of this year. The departments continue to resolve to work together.[9]

In order to ensure that this actually happens, the Committee recommends that:

> **RECOMMENDATION 4**
>
> **Indian and Northern Affairs Canada, Health Canada, and the Canada Mortgage and Housing Corporation collectively develop a strategic plan to address the problem of mould in housing on First Nations reserves, under the leadership of Indian and Northern Affairs Canada. The strategic plan should include a specific**

[8] Evidence, 39th Parliament, Meeting No. 6, 12:15
[9] Evidence, 39th Parliament, Meeting No. 6, 13:05.

actions and responsibilities for each organizations, a timeline, performance indicators, objectives, and a means of reporting progress. It should be submitted to the Standing Committee on Public Accounts no later than 30 November 2006.

3. Reporting

In 2002, the Auditor General conducted a study of the reporting relationship between First Nations and federal organizations. They found that four federal organizations required at least 168 reports annually from the First Nations communities reviewed. Amongst these reports, there was overlap and duplication. Further, with the exception of some financial reports, limited use was being made of the reports by the federal organizations requiring them. This is a concern because resources used to meet these reporting requirements could be better used to provide direct support to the community.

The Office of the Auditor General (OAG) recommended that federal organizations review reporting requirements to determine reporting needs and drop unnecessary or duplicative reporting requirements; use more efficient procedures to submit and process reports; and undertake a review of program authorities to streamline the programs and better allocate program responsibilities. The government responded by accepting the desire to reduce the reporting burden and committed to reviewing reporting requirements. An Assistant Deputy Minister Steering Committee was established to develop an accountability framework for all federal Aboriginal programming.

During the follow-up audit, officials told the OAG that Indian and Northern Affairs Canada (INAC) alone obtains more than 60,000 reports a year from over 600 First Nations. The audit found that while the Treasury Board Secretariat has mapped out the extent of federal involvement with First Nations (34 federal organizations deliver 360 programs and services), meaningful action is still needed to reduce the unnecessary reporting burden.

The Committee is greatly concerned by the unnecessary reporting burden placed upon First Nations who do not have resources to spare on producing reports for federal organizations, many of which aren’t used. As the government has already made a commitment to take action, the Committee recommends that:

RECOMMENDATION 5

Indian and Northern Affairs Canada report to the Standing Committee on Public Accounts by 31 October 2006 on its progress in reducing the reporting burden on First Nations, as well as a plan for further actions to be taken.

4. Comprehensive Land Claims

Comprehensive land claims are those relating to ongoing Aboriginal title to land and rights that have not been dealt with by treaties or law. Settling these claims involves negotiating and implementing complex treaties. In its 1998 audit, the Office of the Auditor General found that the implementation plans developed by Indian and Northern Affairs Canada were inadequate or non-existent. Also, the Department tracked only activities and processes, not results and costs incurred.

The OAG recommended that the Department strengthen implementation plans, improve reporting, and conduct evaluations of the implementation of land claim agreements. In its response, the Department said that it meets all required reporting and disclosure standards but the publication of comprehensive financial information on settlements is a challenge.

After considering the audit, the Committee recommended that INAC establish indicators on the economic benefits of comprehensive land claims settlements, evaluate all settlements, and provide information on the outcomes achieved as a result of settlements.[10] The Department responded that it would develop an evaluation framework to evaluate the social and economic benefits of land claim agreements. It expected to have made significant progress by December 1999 in developing a multi-year plan to evaluate the implementation of land claim agreements.

The follow-up audit included in the May 2006 Status Report found that INAC has published guidelines for strengthening implementation of comprehensive land claims, improving reporting, and conducting evaluations of the implementation of land claim agreements. However, three agreements signed in 2005 do not set out objectives but commit the government to specified activities. The Auditor General explained why objectives are important and gave an example of what such objectives could look like. She told the Committee:

> One of the land claims had an objective of increasing the employment of the Inuit, I believe it was, in the north. That was the overall objective. Then there were a number of specific actions that were laid out, one of which was to have a meeting once a year with

[10] House of Commons Standing Committee of Public Accounts, *22nd Report – Indian and Northern Affairs Canada - Comprehensive Land Claims*, 1999.

> interested parties. When we did that audit, we were asking whether employment of Inuit in the north had increased. The department came back and said, well, we had the meeting and we met our obligation to do the specific action. We basically said that isn't good enough; you have to know if you are making progress on the overall objective and to even evaluate if those actions that were initially listed are successful in attaining the objective. You have to be looking at the overall objective, not simply limiting yourself to that action.[11]

The follow-up audit also found that INAC has not evaluated the implementation of land claim agreements, as recommended in 1998 by the Auditor General and by the Committee, and as the Department agreed to do. The Department now has a draft evaluation plan and plans to complete a pilot evaluation of a land agreement by February 2007, nine years after the original recommendation by the Auditor General. Given the Department's difficulty in following through on its commitments, the Committee again recommends that:

RECOMMENDATION 6

Indian and Northern Affairs Canada finalize its evaluation plan by 31 October 2006 and evaluate the impacts of comprehensive land claim agreements by 31 December 2007.

RECOMMENDATION 7

Indian and Northern Affairs Canada establish indicators and objectives and provide information on the outcomes achieved as a result of comprehensive land claims agreements in its annual Departmental Performance Reports, beginning with the report for the period ending 31 March 2007.

5. Third Party Management

When a First Nations community delivering a program or service under a funding agreement with Indian and Northern Affairs Canada fails to meet its obligations under the agreement, the Minister has the right to intervene. If the problems are serious enough, the Minister may appoint a third party to take over management of the funding agreement until the problems are solved. In 2003, the Auditor General identified in an audit note deficiencies in the administration of the third-party management process, such as the lack of a strategy to build capacity in First Nations to end third-party management.

[11] Evidence, 39th Parliament, Meeting No. 6, 12:30.

The Auditor General recommended that INAC include certain missing elements in its Third Party Manager Policy, namely, provision for First Nations input, chief and council capacity building, and dispute resolution. However, the Department did not appear to agree with this recommendation in its response. The Auditor General also recommended that INAC should conduct an evaluation of third-party manager intervention. The Department agreed to do so once the policy was fully implemented.

The follow-up audit found that the elements identified as missing in 2003 from the Third Party Manager Policy have not yet been added, but INAC has proposed to have provisions for these elements in a new policy expected in April 2006. Also, the Department has not yet evaluated the effectiveness of third-party management intervention. The Committee is concerned that third-party management should be used to redress the situation, not perpetuate it. In order to ensure that the Department meets its commitments and takes sufficient steps to minimize the use of third-party management, the Committee recommends that:

RECOMMENDATION 8

Indian and Northern Affairs Canada ensures that First Nations communities have adequate financial administration capacity by providing training where needed.

RECOMMENDATION 9

Where third-party management is put in place, Indian and Northern Affairs Canada has a clear plan to end the third-party management.

RECOMMENDATION 10

Indian and Northern Affairs Canada conduct an evaluation of the effectiveness of third-party management intervention by December 31, 2006.

6. Management Attention

The Auditor General listed seven critical factors that enable the successful implementation of recommendations, or by their absence, hinder their implementation. The first, and perhaps the weakest at INAC, is sustained management attention. The continued attention, leadership, and commitment of senior management are required if the Department is to successfully resolve many long standing and difficult issues related to First Nations people.

The Committee reviewed this issue generally in its 10th Report of the 38th Parliament, concluding that constant turnover makes it difficult for deputy ministers to master the complexities of their departments and complicates their capacity to be held to account for their performance. The Committee recommended that deputy ministers should be appointed for a period of at least three years.[12]

Justice John Gomery also identified the turnover of senior public servants as a problem in his inquiry into the sponsorship program. He recommended that deputy ministers and senior public servants be appointed to their position for a minimum of three years, with the standard appointment lasting five years.[13]

A study conducted on behalf of the government found that over the past ten years, deputy ministers have served an average of 3.5 years per assignment. Yet, the Committee notes that over the past 7 years, the Department of Indian and Northern Affairs Canada has had five different deputy ministers. The Committee brought this issue up during the last Parliament in its 17th report, recommending that, "the government take immediate measures to retain deputy ministers at Indian and Northern Affairs Canada for at least three years to ensure policy continuity and coherence."[14] Astoundingly, the Committee learned that yet another new deputy minister for the Department was named on May 5.[15] It is not just the deputy minister that changes frequently at INAC but other senior officials as well. The Committee learned that Mr. Leblanc, the Senior Assistant Deputy Minister, had only been in his position for 18 months.

The Committee is deeply concerned by the constant rotation of deputy ministers and other senior officials at INAC, which seems to be a pattern for this Department and partly explains why so little progress has been made on First Nations issues and implementing recommendations of the Auditor General. This high turnover rate makes it difficult to achieve policy continuity and coherence or to deliver on promises made by previous deputy ministers. Moreover, it takes considerable time for a new deputy minister to understand First Nations'

---

[12] House of Commons Standing Committee on Public Accounts, *Report 10 - Governance in the Public Service of Canada: Ministerial and Deputy-Ministerial Accountability*, November 2005

[13] Commission of Inquiry into the Sponsorship Program and Advertising Activities, *Restoring Accountability – Recommendations*, 2006, p. 109.

[14] House of Commons Standing Committee on Public Accounts, *Chapter 5, Indian and Northern Affairs Canada - Education Program and Post-Secondary Student Support of the November 2004 Report of the Auditor General of Canada*, June 2005, recommendation 16.

[15] See http://pm.gc.ca/eng/media.asp?category=1&id=1154

concerns, as well as build a relationship of trust and a climate of confidence with them. In order to help ensure continued senior management attention, the Committee recommends that:

RECOMMENDATION 11

Senior public servants at Indian and Northern Affairs Canada, especially the deputy minister, be appointed for a period of at least three years, as was recommended by the Committee in its 10th and 17th reports during the 38th Parliament.

CONCLUSION

This report dealt with issues identified by the Auditor General in her follow-up audit of the management of programs for First Nations. Federal departments did make progress on some of the Auditor General's recommendations; however, this progress was primarily on administrative issues that had less direct impact on the lives of First Nations people. The Committee is disappointed that progress on recommendations that are important to the well-being of First Nations people has been less than satisfactory. In fact, on many of these issues, the problems persist year after year, audit after audit. The Committee can't help but wonder when federal departments will finally get serious and fix the problems in their programs. What is especially troubling is that the department most responsible for delivering social and economic programs for First Nations, Indian and Northern Affairs Canada, has a revolving chair of deputy ministers. Meaningful progress on the many issues facing First Nations people will take leadership from the top, which requires some consistency in senior management personnel. The Committee sincerely hopes that the government will make better progress in the future in implementing recommendations from the Auditor General on First Nations issues. The government can start by implementing the recommendations from this report, which are based on areas where the government has not yet made satisfactory progress.

APPENDIX A
LIST OF WITNESSES

Organizations and Individuals	*Date*	*Meeting*
Department of Health Hélène Gosselin Associate Deputy Minister	2006/06/01	6
Department of Health Ian Potter Assistant Deputy Minister First Nations and Inuit Health Branch	2006/06/01	6
Department of Indian Affairs and Northern Development Paul LeBlanc Senior Assistant Deputy Minister Socio-economic Policy and Regional Operations	2006/06/01	6
Department of Indian Affairs and Northern Development Jim Quinn Director General Finance Branch, Corporate Services	2006/06/01	6
Office of the Auditor General of Canada Ronnie Campbell Assistant Auditor General	2006/06/01	6
Office of the Auditor General of Canada Sheila Fraser Auditor General	2006/06/01	6
Office of the Auditor General of Canada Glenn Wheeler Principal	2006/06/01	6
Department of Indian Affairs and Northern Development Michael Wernick Deputy Minister	2006/06/13	9

REQUEST FOR GOVERNMENT RESPONSE

In accordance with Standing Order 109, the Committee requests that the Government table a comprehensive response to the report.

A copy of the relevant *Minutes of Proceedings* (Meetings No. 6 and 9 including this report is tabled).

Respectfully submitted,

Hon. Shawn Murphy, M.P.
Chair

MINUTES OF PROCEEDINGS

Meeting No. 9

Tuesday, June 13, 2006

The Standing Committee on Public Accounts met at 11:02 a.m. this day, in Room 209, West Block, the Chair, Shawn Murphy, presiding.

Members of the Committee present: David Christopherson, Brian Fitzpatrick, Mike Lake, Hon. Shawn Murphy, Richard Nadeau, Yasmin Ratansi, David Sweet, John Williams and Borys Wrzesnewskyj.

Acting Members present: Hon. Navdeep Bains for Marcel Proulx, Marc Lemay for Benoît Sauvageau and Jeff Watson for Pierre Poilievre.

In attendance: *Library of Parliament*: Brian O'Neal, Analyst; Alex Smith, Analyst.

Witnesses: *Department of Indian Affairs and Northern Development* : Michael Wernick, Deputy Minister.

Pursuant to Standing Order 108(3)(g), the Committee commenced consideration of Chapter 5, Management of Programs for First Nations of the May 2006 Report of the Auditor General of Canada referred to the Committee on May 16, 2006.

Michael Wernick made statement and answered questions.

At 11:51 a.m., the sitting was suspended.

At 11:55, the Committee resumed sitting *in camera*.

The Committee commenced consideration of draft reports.

It was agreed, — That the draft report on Considering the Government Response to the Tenth Report of the 1st Session of the 38th Parliament be adopted as the Fourth Report of the Standing Committee on Public Accounts.

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

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

That, pursuant to Standing Order 109, the Committee request that the Government provide a comprehensive response to this Report.

It was agreed, — That the draft report, as amended, on the 2006-2007 Main Estimates

and Performance of the Office of the Auditor General of Canada be adopted as the Fifth Report of the Standing Committee on Public Accounts.

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

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

That, pursuant to Standing Order 109, the Committee request that the Government provide a comprehensive response to this Report.

At 1:02 p.m., the Committee adjourned to the call of the Chair.

Danielle Bélisle
Clerk of the Committee