



HOUSE OF COMMONS  
CANADA

CHAPTER 7, "EMERGENCY MANAGEMENT -  
PUBLIC SAFETY CANADA," OF THE FALL 2009  
REPORT OF THE AUDITOR GENERAL OF  
CANADA

**Report of the Standing Committee on  
Public Accounts**

Hon. Shawn Murphy, **MP**  
**Chair**

APRIL 2010

**40th PARLIAMENT, 3rd SESSION**



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# **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

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# **THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

has the honour to present its

## **ELEVENTH REPORT**

Pursuant to its mandate under Standing Order 108(3)(g), the Committee has studied Chapter 7, “Emergency Management – Public Safety Canada,” of the Fall 2009 Report of the Auditor General of Canada and has agreed to report the following:

## INTRODUCTION

Many emergencies are difficult to contain and their impact can be significant. Extensive planning and coordination are needed to reduce the potential loss of life, and damage to property. Responding to these emergencies often requires the cooperation of multiple government departments and jurisdictions. Before September 11, 2001, responsibility for emergency management within the federal government was highly decentralized, and was spread among departments. In 2003, the federal government created the Department of Public Safety and Emergency Preparedness (now called Public Safety Canada), bringing together emergency preparedness, national security, and policing responsibilities within one department.

In 2007, the *Emergency Management Act* came into force. Under the *Act*, Public Safety Canada is responsible for responding to requests for assistance made by provinces and territories, and for coordinating emergency management amongst federal departments and agencies. The responsibilities of Public Safety include:

- establishing policies and programs for the preparation, testing and exercising, and implementation of emergency management plans;
- monitoring and coordinating a common federal “all-hazards” approach, which incorporates prevention, mitigation, preparedness, response, and recovery; and
- coordinating the protection of critical infrastructure, including physical and information technology facilities, networks, services, and assets essential to health and safety or the economy.

In its Fall 2009 Report, the Office of the Auditor General of Canada (OAG) examined how Public Safety Canada (the Department) carried out its responsibility to lead federal emergency management by coordinating the efforts of other federal entities and by coordinating federal efforts with the provinces and territories.<sup>1</sup> The audit focused

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<sup>1</sup> Auditor General of Canada, Fall 2009 Report, *Chapter 7- Emergency Management - Public Safety Canada*.



mainly on the Department's preparedness efforts, including its coordination of the provision of critical infrastructure protection.

As emergency management can have important consequences for the safety and security of Canadians, the Public Accounts Committee held a meeting on the audit on 2 December 2009.<sup>2</sup> At the meeting the Office of the Auditor General of Canada was represented by Sheila Fraser, Auditor General of Canada; Wendy Loschiuk, Assistant Auditor General; and Gordon Stock, Principal. The Department of Public Safety and Emergency Preparedness was represented by William V. Baker, Deputy Minister; Myles Kirvan, Associate Deputy Minister; and Daniel Lavoie, Associate Assistant Deputy Minister, Emergency Management and National Security Branch. The Privy Council Office was represented by Stéphane Larue, Director of Operations, Security and Intelligence.

## **STATUS REPORT**

It is important to properly plan and prepare for emergencies because their effects can be dramatic, and sometimes catastrophic, but it is very difficult to predict how and when they will occur. Public Safety Canada was created, in part, to help lead the federal response to emergencies, but the audit concluded that Public Safety has had difficulties in exercising leadership over emergency management, and that many challenges remain. More specifically, the audit found that:

- Public Safety had not yet developed policies that would help clarify its leadership role for an “all-hazards” approach to the emergency management activities of federal entities.
- Public Safety had developed an interim Federal Emergency Response Plan, which it considered to be final, but the Plan had not been formally approved by the government. Also, the Plan did not include updated definitions of the roles, responsibilities, and capabilities needed for an integrated approach to emergency response.

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<sup>2</sup> House of Commons Standing Committee on Public Accounts, 40<sup>th</sup> Parliament, 2<sup>nd</sup> Session, Meeting 44.

- Progress had been made in improving federal emergency coordination through the Government Operations Centre.
- Public Safety had developed a strategy to protect Canada's critical infrastructure, but at the time of the audit, the strategy was still in draft form, and the infrastructure in need of protection had yet to be determined. While Public Safety had categorized critical infrastructure, it had not provided departments with guidance for determining what assets or facilities are critical and require protection.
- Key interoperability gaps remain between jurisdictions for voice communications, which can inhibit the ability of various fire, police, and ambulance services to work together in an emergency.
- Public Safety's progress in developing a cyber security strategy has been slow, even though threats to computer-based critical infrastructure have been growing and evolving.

While the audit findings are troubling in their own right, the Committee is even more disturbed by the fact that a number of these issues were raised by the OAG in a 2005 audit,<sup>3</sup> but they still have not been resolved. The OAG informed the Committee that Public Safety had made satisfactory progress on only three of the nine recommendations made by the OAG in 2005.<sup>4</sup> In addition, Public Safety had only made satisfactory progress on one of six recommendations made by the Committee in its report on the audit.<sup>5</sup>

Given the importance of the issue, the Committee believes that Public Safety should have made better progress by now. Public Safety did provide the Committee with an action plan that outlines how the Department will implement the audit recommendations over the coming years. The Auditor General commented favourably

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<sup>3</sup> Auditor General of Canada, April 2005 Report, *Chapter 2, National Security in Canada—The 2001 Anti-Terrorism Initiative—Air Transportation Security, Marine Security and Emergency Preparedness*.

<sup>4</sup> The OAG provided ratings on the Public Safety's progress in addressing the 2005 recommendations through correspondence to the Committee.

<sup>5</sup> House of Commons Standing Committee on Public Accounts, 18<sup>th</sup> Report, *National Security in Canada*, 38<sup>th</sup> Parliament, 1<sup>st</sup> Session, June 2005.

on this plan. She said, “We are pleased with the response of the Department. They appear to be committed to taking action and have developed an action plan that we believe addresses our issues.”<sup>6</sup> However as many of the action plan’s timelines extend into 2011, and Public Safety had difficulty making satisfactory progress on the 2005 recommendations, the Committee believes that it is necessary to monitor Public Safety’s implementation of its action plan. The Committee recommends:

### **RECOMMENDATION 1**

**That Public Safety Canada provide a status report to the Public Accounts Committee by 30 December 2010 on its progress in addressing the recommendations made by the Office of the Auditor General in Chapter 7 of the Fall 2009 Report; and that Public Safety continue to provide annual status reports until all of the OAG’s recommendations have been addressed.**

### **FEDERAL EMERGENCY RESPONSE PLAN**

Public Safety took the first steps towards establishing its leadership role in emergency management by developing the Federal Emergency Response Plan, which is a framework for coordinating emergency response activities across the federal government. Work on developing this Plan began in 2004. In 2005, the Committee recommended that Public Safety obtain formal support for the Plan from other departments.

At the time of the audit, the Plan was still an outline of the requirements of an emergency response plan, had not been endorsed by other departments, and had not been formally approved by ministers. In the opinion of the OAG, the Plan “is a significant policy document that, with formal government approval, would provide proper authority and clear support to Public Safety Canada.”<sup>7</sup>

William Baker, Public Safety’s Deputy Minister, told the Committee that the Plan was “in good enough shape by June 2008.” He continued:

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<sup>6</sup> Meeting 44, 17:25.

<sup>7</sup> Chapter 7, paragraph, 7.23.

The prevailing thinking at the time was that it was sufficient to have a plan that was shared with departments and agencies, a plan that all parties were working from. The Auditor General's report raises an important and justifiable point: to give this plan the weight it needs, government approval should be in place. We agree with that, and we will be seeking it.<sup>8</sup>

According to the Deputy Minister, the Department would seek government approval of the Federal Emergency Response Plan as soon as possible. The Committee believes that formal endorsement of the plan is an important step towards addressing Public Safety's challenges with respect to emergency management, as ministerial approval is necessary for all departments to fully recognize Public Safety's leadership and coordinating role. While it took place some months after the audit report was presented to Parliament, the Committee is pleased to note that the government announced the release of the formally approved Federal Emergency Response Plan on 15 March 2010.

## **CRITICAL INFRASTRUCTURE STRATEGY AND ACTION PLAN**

In conjunction with the provinces and territories, the federal government has been developing a critical infrastructure strategy and action plan. This plan outlines ten critical infrastructure sectors, such as energy and utilities, finance, and food, and sets out protocols for information sharing and information protection. The action plan outlines the steps to be taken to assess risks and exercises to be performed to better ensure that Canada's critical infrastructure is protected.

As this plan involves the federal, provincial, and territorial governments, it requires consensus agreement amongst these governments. Myles Kirvan, Associate Deputy Minister at Public Safety Canada, told the Committee that there had been a meeting of deputy ministers from various jurisdictions in September 2009, and the agreement at this meeting was to move ahead and seek ministerial approval from the respective governments. When that is achieved, a joint ministerial announcement would be made.

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<sup>8</sup> Meeting 44, 16:05.

The Committee believes that it is important to have an integrated and coordinated approach to emergency management across jurisdictions, and it supports the development of a strategy and action plan to deal with risks to our critical infrastructure. However, this issue was first raised by the OAG in 2005 and it remains unresolved. While the Committee recognizes that the strategy and action plan must be the result of consensus, it is concerned about delays in finalizing the document. The Committee recommends:

## **RECOMMENDATION 2**

**That Public Safety Canada inform the Public Accounts Committee when the Critical Infrastructure Strategy and Action Plan has been signed by federal, provincial, and territorial ministers; and if this is not achieved by 30 September 2010, that Public Safety provide the Committee with an explanation for the delay and the federal government's strategy for moving forward.**

## **RESOURCES**

In order to be able to effectively implement a particular program, it is important to have appropriate financial and human resources. The audit found that Public Safety had difficulty spending the money allocated for emergency management and had high staff turnover in this area.

According to the audit, in 2008-2009, Public Safety had an annual budget of \$58.5 million for emergency management.<sup>9</sup> However, in each of the prior two years, the Department did not spend one third of the budget, almost \$20 million, for emergency management. Public Safety's Deputy Minister told the Committee that this money was not wasted because some of the money went into a management reserve and was spent on a secure communications interoperability project, some was transferred for accommodations and support for regional emergency management operations, and some went to help provincial and municipal partners undertake exercises. However, the fact that Public Safety did not spend a third of its planned spending on emergency management indicates that the Department had not been able to fully develop its

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<sup>9</sup> Chapter 7, paragraph 7.21.

capacity to implement its emergency management programming. In other words, important emergency management activities were simply not done.

Also noted by the audit, in the 2008-2009 fiscal year, the emergency management area of Public Safety had an employee vacancy rate of 39%, and in April 2009, only 56% of senior managers had been in their jobs for more than 18 months. The rate of turnover in emergency management was 71%.<sup>10</sup> The Deputy Minister told the Committee that many of the employees who left the emergency management area actually stayed within Public Safety. He believes that the solution to the turnover will be in having the right people in place with a concrete set of plans and deliverables.

The Committee is very concerned about Public Safety's budgetary issues and staff turnover in the emergency management area. These kinds of problems are often signs that the program area is not a priority for the Department or is experiencing serious management difficulties. As the Committee would like to monitor this issue in order to ensure that the Department makes progress, it recommends:

### **RECOMMENDATION 3**

**That Public Safety provide in its status report to the Public Accounts Committee information about the annual budget and actual spending for emergency management, as well as the level of staff turnover and employee vacancy rate.**

### **STANDARDIZING EQUIPMENT**

In order for fire, police, and ambulance services to effectively work together across jurisdictions during an emergency, it is important that their equipment be compatible and that they maintain communications interoperability. In other words, it can be difficult to coordinate emergency services if they are using equipment and communications systems that do not work well together.

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<sup>10</sup> Chapter 7, paragraph 7.20.

According to the audit, Public Safety believes its role is to assist first responder groups to purchase and use equipment to their own standards, rather than establishing standards itself. Public Safety had prepared a draft document on communications interoperability but had not presented it to provincial officials for approval. The audit also noted that Public Safety had not directed funding to promote standardized equipment due to a lack of resources. While the Deputy Minister stated that funds were spent on a secure communications interoperability project, it is not clear whether this project will assist first responder groups or whether the project is internal to the federal government.

In 2005, the OAG recommended that Public Safety lead the development of nationally accepted standards for equipment used in responding to chemical, biological, and nuclear threats. The OAG assessed Public Safety's progress on this recommendation as unsatisfactory as no national standards have been issued. The Deputy Minister told the Committee that Public Safety is working with the Canadian Standards Association and the Canadian General Standards Board, as the federal government cannot prescribe standards to the provinces. The goal is to come up with standards before the end of 2010. However, as the OAG did not make a recommendation on this issue in the latest audit, it is not covered by the Department's action plan, and thus it is difficult to track the Department's progress. Consequently, the Committee recommends:

#### **RECOMMENDATION 4**

**That Public Safety Canada provide information in its status report on progress made in the development of national standards to ensure equipment compatibility and communications interoperability.**

#### **DISASTER ASSISTANCE**

In the event of a large-scale natural disaster, the federal government provides financial assistance to provincial and territorial governments through Disaster Financial Assistance Arrangements, which are administered by Public Safety Canada. Provincial and territorial governments design, develop, and deliver financial assistance to affected

individuals, organizations, and communities. The federal government shares the costs of disaster assistance for eligible expenses based on a per capita cost-sharing formula.

The Committee is concerned that federal compensation for some disasters has not been resolved, even though a number of years have passed since the event. For example, the Committee learned at its hearing that the federal government is still working with Quebec regarding payments for the 1998 ice storm. The Committee encourages the federal government to work with other levels of government and organizations to ensure that they have in place the necessary protocols and capacity to process claims for disaster assistance in a timely and equitable manner.

## **CONCLUSION**

One of the primary reasons for the creation of Public Safety Canada was to better coordinate the federal government's response to emergencies. However, almost seven years after its creation, Public Safety still faces a number of management challenges in this area. The Federal Emergency Response Plan now has ministerial approval; however the critical infrastructure strategy and action plan has not been approved by federal, provincial, and territorial governments; the Department is unable to utilize one third of its budget for emergency management and has significant staff turnover in this area; and the Department has not been able to lead the development of national standards for emergency equipment. The Auditor General did note that she was pleased with Public Safety's action plan, and the Deputy Minister assured the Committee that the Department was making good progress in addressing these issues. As Public Safety had difficulty in making adequate progress in addressing the OAG's 2005 recommendations, the Committee intends to closely monitor Public Safety's progress to ensure that it has the capacity to lead and to coordinate the federal government's emergency management measures.



# APPENDIX A

## LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
<b><u>40<sup>th</sup> Parliament, 2<sup>nd</sup> Session</u></b>		
<b>Department of Public Safety and Emergency Preparedness</b>	2009/12/02	44
William Baker, Deputy Minister		
Myles Kirvan, Associate Deputy Minister		
Daniel Lavoie, Associate Assistant Deputy Minister Emergency Management and National Security Branch		
<b>Office of the Auditor General of Canada</b>		
Sheila Fraser, Auditor General of Canada		
Wendy Loschiuk, Assistant Auditor General		
Gordon Stock, Principal		
<b>Privy Council Office</b>		
Stéphane Larue, Director of Operations Security and Intelligence		

# REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings (40th Parliament, 3rd Session: [Meetings Nos. 7 and 9](#); 40th Parliament, 2nd Session: [Meeting No. 44](#)) is tabled.

Respectfully submitted,

Hon. Shawn Murphy, MP

Chair