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Chair

Mr. David Christopherson

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• (1535)

[English]

The Chair (Mr. David Christopherson (Hamilton Centre, NDP)): I declare this meeting of the public accounts committee open for business.

Welcome to our guests. This will be a continuation of a previous meeting that was interrupted, ironically enough, by a vote, if my memory serves me correctly. The committee agreed to invite you back to conclude the discussions of this chapter, which is therefore before us now.

We'll start with Mr. Wiersema. If you could give us a brief overview of the chapter just to get us up to speed, we will then probably get in two, three, or maybe four rounds. When the bells go, we'll adjourn and then reconvene after the vote. That is where we are, and will be going.

Mr. Wiersema, you have the floor, sir.

Mr. John Wiersema (Interim Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chair.

Thank you for the opportunity to appear before the committee again today. At the previous meeting where we discussed this chapter, I read an opening statement into the record. I propose not to do that again today.

At a very high level, this report indicates that the government has made satisfactory progress on improving the internal audit function in government. It has been professionalized, and I think the Government of Canada can be proud of the quality of internal audit work being done in government.

There were some minor observations in the report, and I'd be pleased to answer any of the committee's questions on the report and the one recommendation we made.

The last point I would make is that strengthening the capacity to do internal audits is an area in which I believe the government has performed well in recent years. However, it is a very small part of overall Government of Canada activity. Mr. Ralston could indicate the size of the internal audit community. I believe it's about 400 people. This is part of a broader public sector. The core public sector includes many hundreds of thousands of people, so in that context this is an area in which the government has made some significant improvements.

We'd be pleased to answer any questions the committee might have.

The Chair: Thank you very much.

With that, because this is a continuation of our meeting on October 26, we'll pick up from where we left off.

In rotation, Ms. Bateman, you now have the floor. I hope you are going to take a moment to introduce a very special guest who is here.

Ms. Joyce Bateman (Winnipeg South Centre, CPC): With pleasure, Mr. Chair, and thank you so much. It is my honour to be here. My 92-year-old father is with us in the audience, and I'm pretty thrilled that he's here.

Thank you, Dad.

Some hon. members: Hear, hear!

Ms. Joyce Bateman: Now on to questioning, Dad, because the time counts.

I am thrilled that you are all here. I'm honoured to be a part of this committee, and I'm delighted to see the depth and breadth and enhanced bench strength of the internal audit and financial management.

I have a number of questions. But first, by the way, please accept my compliments. I keep seeing your work, or all of these chief audit executives' work, being referenced in professional journals, which makes me very proud to be a chartered accountant and a member of government. I am very proud of your work.

In the financial management and internal audit, you went as far as to describe the improvements as significant, both to internal audit and financial management. Could you distill the significant changes that have occurred, say in the past five years, or whatever your period of concentration has been? Hopefully you are seeing positive results as a result of the changes you have made.

• (1540)

Mr. Jim Ralston (Comptroller General of Canada, Treasury Board Secretariat): Is that directed to me?

[Translation]

Ms. Joyce Bateman: As you wish.

[English]

Mr. Jim Ralston: With regard to the most significant changes in internal audit, first of all I would say that the chief audit executives are now members of the executive committee. They're directly reporting to deputy heads. It gives them access and status that causes their work to command greater respect.

We've made steps to enhance their independence in the same way by relieving them of any connection to the activities they might be called upon to audit. That independence is reinforced by the audit committees that are now present, the external members of the audit committees. In the emphasis that we now place on adherence to audit standards the Government of Canada audit standards are based on the standards of the Institute of Internal Auditors.

Finally, we are actively promoting training and certification, basically the professionalization of the function. Frankly, with better people we yield better products.

Ms. Joyce Bateman: Excellent.

Now, you mentioned in your commentary, Mr. Ralston, the audit committees. This is from your comments, I believe, of October 26. You spoke of the independent audit committees and said that in each of the 24 largest departments and agencies, there were committees that included individuals from outside of government who have very impressive qualifications. Could you elaborate on the independent nature of the audit committees and the qualifications of the individuals involved?

Thank you, sir.

Mr. Jim Ralston: Okay.

Prior to around 2006, there were audit committees in government, but they tended to consist of members of senior management. So there was no independent presence. The innovation of asking people from outside of government to join audit committees is basically looking at best practice in the corporate world, where members of audit committees are, of course, non-executive members of the board. We put in a requirement that there be at least one financial expert on the committee. More generally, we ask that the deputy heads look at the nature of their operations and look at the kinds of skill sets they believe would be useful in advisers. I, together with the deputy heads, will come to an agreement on a roster of potential members who would meet both my views about competence and the deputies' views of their relevance to the task at hand.

The Chair: The time has expired.

Ms. Joyce Bateman: Thank you very much.

The Chair: Thank you very much.

Mr. Kramp, you have the floor, sir.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Chair.

Certainly, we have quite a diversity of things that come before this committee, and it's not always wonderful news. We generally have some problems and recommendations that, quite frankly, we occasionally find disturbing. This is a certainly not unique, but we're pleased to see that, generally speaking, there is a lot of good news in this.

It's comforting to the Canadian taxpayer to know that the departments involved have a very good handle on their own actions. It didn't require someone coming in with a heavy hand to say, "You have to do this." There's been a lot of initiative taken by the departments as a result of the economic action plan, the efforts of government, and of course the efforts of the departments.

Without dispute, the effect and impact of internal audit done well, and done, of course, so that it's trusted and not a snow job, because facts are facts, is that everybody has a lot of confidence. When we see that such confidence has been supported, generally, by the independent Auditor General's report on this, it is truly comforting. We thank you for that.

Going forward now, we see a number of people who were involved in this who are outside the realm of the department. In internal audit, a lot of the inspections and a lot of the people who have viewed these reports are experts from various fields. I'd like to know a little bit more about these experts. Who are the experts who have assessed these audits? Is there an independent source involved? Are there experts, claimed or actual experts, assessing internal audits as well?

Mr. Ralston, would you have any comment on that?

• (1545)

Mr. Jim Ralston: Yes. I think you are referring to the practice of the inspections. The chief audit executives, in their reports, represent to us that they're following internal audit standards. We like to verify that by having an inspector accredited by the Institute of Internal Auditors look at the work according to their own programs for doing inspections of this sort. Essentially, it is effectively an independent review by someone who is aware of the institute's standards and looks at it in that light.

Mr. Daryl Kramp: Fine. Thank you.

The Auditor General, obviously—

The Chair: Mr. Wiersema was indicating that he may want to add a comment. We may want to hear that.

Mr. Daryl Kramp: Please feel comfortable, Mr. Wiersema, to do that.

Mr. John Wiersema: If I may, Mr. Chair, I have just two very brief comments.

First, there is no doubt that this particular report is a good news story. The government has made good progress on strengthening internal audit in the Government of Canada. I think it is also important not to over-generalize from that. This report applies to a pretty small community in the Government of Canada.

The other point I'd like to make is specific to the question about the external reviews of the internal audit function. This was the subject of the one recommendation that we made in this audit, where many of the internal audit functions had not yet undergone such a review. For those, we recommended that they undergo such a review. They have all agreed to do so, and in their responses have indicated the timelines within which they wish to do that.

One area of interest for the committee might well be whether those departments are on track to meet those timelines for getting the external reviews done.

Mr. Daryl Kramp: Thank you. That is just the very question you were leading me to, Mr. Ralston.

Obviously some best practices have been established here. Could you give us an indication of the progress that we might expect from other departments that were not part of this audit? How are they making out in the internal audit process?

Mr. Jim Ralston: Okay, I'll go from the top of my head. Brian will correct me if I slip up.

I believe we have about 18 completed now, with another nine inspections in progress and another dozen or so scheduled for the next year. Basically by the end of next year, we would expect to have the bulk of the large departments covered, if not all of them, and would be into the second tier.

I just want to point out that the reason for the delay was that the expectation was that there would be an inspection about once every five years, and it just so happened that the policy came into force in 2006, so some people were ahead of the curve and were already having inspections. Many were not late, but the inspections were just coming in due course and we're now seeing them fall into place.

Mr. Daryl Kramp: The fruits of the labour are starting to pay off.

Thank you very much, Chair.

• (1550)

The Chair: Thank you, Mr. Kramp. I appreciate that.

Mr. Dubé, you have the floor, sir.

[*Translation*]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Thank you, Mr. Chair.

I wish to take advantage of this opportunity to thank our guests for being with us once more, although we may be interrupted again.

I would like to focus on one thing. Point 3.43 states that some audit committees were only formed in 2009-2010, and that they had only met once or twice before your audit was completed.

To my mind, this is a problem. When you want to study a given phenomenon, or, as in this case, the effectiveness of something, it seems to me that it would be advisable to look at it several times.

Given that only one or two meetings took place before you completed your report, are you able to say that the government achieved real success?

Mr. John Wiersema: Thank you for your question.

I believe there is a need to put this into proper context.

[*English*]

The introduction of departmental audit committees with external independent members is a relatively new initiative in the Government of Canada, and it was not universally well received. I think that initially there were some concerns within the government about whether or not this was a wise initiative. It was only introduced as a result of the policy requirements that Mr. Ralston has referred to.

My take is that this initiative has now taken hold in the Government of Canada, and I think these departmental audit

committees are an important part of improving governance in the Government of Canada and are now fairly well received right across the system.

The fact that some committees had only been established recently in 2009-10 and hadn't had very many meetings, I don't think is surprising given the newness of the initiative and the initial resistance that existed in some quarters.

Mr. Ralston could indicate if he has a different view, but my sense is that this initiative has now taken hold in the Government of Canada.

Mr. Jim Ralston: I would confirm what John has just said. It took a certain amount of time to recruit members and to have them appointed to give them a certain amount of training and orientation to government, and then finally to bring them up to the point where they could be operational.

I can tell you that today we have 47 committees in place. They're all fully staffed and we have about 160 members now filling the function of these external members. It did take a little bit of time to get it rolling, but it's fully operational at this moment in time.

[*Translation*]

Mr. Matthew Dubé: I have the greatest respect for your opinion. So when you say that it is an effective machine, I accept that in good faith.

However, I ask myself the following. Despite the fact that this program is in place and is effective, isn't it somewhat hasty to talk of the efficiency or the success of the program? In your view, all is well. Do you not think that we should have a long-term view before praising this work, this process?

Mr. John Wiersema: Yes, Mr. Chair, I agree.

[*English*]

It's still early days. The full impact of the institution of these departmental audit committees for the external members will only be seen over time. My point was simply that.

[*Translation*]

I believe that this initiative is a good one.

[*English*]

It's taken hold in the Government of Canada, and I think that this committee and government can expect to see the benefits of time. I agree it's too early to declare a victory, but I think the initiative is well under way.

[*Translation*]

Mr. Matthew Dubé: In point 3.6, you mention that three departments partially met the Institute of Internal Auditors' standards. What do you mean by "partially"? Did you observe certain weaknesses that led you to this conclusion?

Mr. John Wiersema: What is the reference in the report?

• (1555)

Mr. Matthew Dubé: It is the observation flowing from the 2004 audit. You stated that three departments only partially met...

Mr. John Wiersema: Are you talking about paragraph 3.6?

Mr. Matthew Dubé: Yes.

Mr. John Wiersema: Mr. Chair, that paragraph...

[English]

...is referring to the last audit we did of internal audit, conducted in 2004. That was the audit where we recommended that the government needed to significantly strengthen its internal audit capacity, and it's the audit that we followed up on in this status report. It's the audit where we recommended that the government consider putting external members on the audit committees.

[Translation]

Mr. Matthew Dubé: Are you in a position to verify that these three departments are fully meeting the standards? Are they still simply partially meeting them?

Mr. John Wiersema: This question refers to the matter of the external review of...

[English]

When we did this most recent audit not all the internal audit functions had undergone that external review. As Mr. Ralston indicated, that's in process and some of those internal audit functions are not yet in a position for us to be able to say they fully comply with the standards, based on an external independent review.

[Translation]

Mr. Matthew Dubé: Thank you very much.

[English]

The Acting Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)): Thank you, Mr. Dubé. We'll now go to the government side.

Mr. Aspin.

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Thank you, Chair, and welcome again, guests.

I have a couple of questions for Mr. Ralston.

The Office of the Auditor General noted in his report that in response to the 2004 audit, the Office of the Comptroller General of Canada made a commitment to strengthen the internal audit activity in government. Could you possibly elaborate on his commitment and speak about how your office has responded to the observations and recommendations in the 2004 report?

Mr. Jim Ralston: I think the policy of 2006 is certainly the key response, in that it set out all of the requirements that followed. I've already alluded to some of the key features of that policy around enhancing independence and professionalism.

On the other things that we've done in the office, I'd point out that we've produced a lot of guidance tools for auditors in the form of guides and directives and things of that nature. We are also active in supporting the community through training events to keep them up to date. We try to make sure there's a strong network among the auditors so they can exchange ideas and best practices. As John Wiersema said, it's a small community, but a vibrant one where there is a lot of healthy exchange, which the OCG tries to facilitate as much as it can.

Mr. Jay Aspin: Thank you.

The report mentions that your office has provided direction and guidance to the internal audit and departmental audit committee community. What strategic direction was provided to departmental internal audit activities with respect to audit coverage of expenditures made under the terms of the economic action plan? Could you possibly provide other examples of where your office gave strategic direction to the community?

Mr. Jim Ralston: For the first part of that question, I'd like to ask my colleague, Mr. Aiken, to respond since he was there and I wasn't at that time.

Mr. Brian Aiken (Assistant Comptroller General, Internal Audit, Treasury Board Secretariat): Very good, thank you.

In support of the Government of Canada's economic action plan, the Office of the Comptroller General implemented a strategy to assist chief audit executives and the internal audit community in providing strategic and timely advice and recommendations to the respective departments in regard to the government's efforts to expedite implementation of the economic action plan. This strategy included ongoing discussions with the chief audit executives, the sharing of tools and best practices, and the provision of overall guidance to the internal audit community. These actions enabled the internal audit function to demonstrate that it could proactively respond with advice on governance, risk, and controls in a timely manner in support of this very important initiative. The audit community also demonstrated that it was operating within the professional standards of the internal audit function. The Office of the Auditor General was able to rely on the work of its own audit in the economic action plan. This was a major milestone in the professionalization of the internal audit function in the Government of Canada.

Some of the key risks we identified that were addressed included the ability to change in a timely manner, ensuring that capacity was there to support this function in this very important initiative, and the capability and the knowledge to deal with this change.

We are very pleased with the work that was done and how we delivered on it.

• (1600)

Mr. Jay Aspin: Thank you, gentlemen. Those are all the questions I have, Chair.

The Chair: Before I go to Mr. Byrne, I'm going to propose what I'm hoping may be a solution to some of the scheduling dilemmas we face.

The first thing I want to do is to ask Mr. Wiersema a question. Don't worry about the context, because this is just straight-up fact stuff that the committee needs to know, which ties in with the matter I talked to you about earlier. You're going to be acting, as we understand it, in an advisory capacity to the new Auditor General. There is a short period where you won't be associated, because of technicalities and the rules here, but you will be acting in a formal advisory capacity to the new Auditor General.

On behalf of the committee, I am going to ask the following. Should the committee want you to come here to provide your comments—given that you were possibly there or working with Madam Fraser prior to that—would that be consistent with your role as an adviser to the Auditor General? Upon a request by this committee during that time period, would you be available to come before this committee to answer any questions?

Mr. John Wiersema: Thank you for the question, Mr. Chair.

Perhaps this is an opportunity for me to share with the entire committee—and you and I have discussed this—what the plans are going forward. As this committee is aware, a new Auditor General of Canada has been appointed, effective November 28. He will be in the office on November 28 and will start to assume his responsibilities.

Given that decision, I have announced my decision to retire from the Office of the Auditor General on November 27. I have to retire on a Sunday because, under the Auditor General Act, the position of Auditor General can't be vacant. So I'll be retiring on a Sunday.

However, I believe I have an obligation both to the organization and to the new Auditor General to assist with the transition, so I have agreed to work with the new Auditor General in the capacity of an adviser to him as he assumes his new responsibilities. I will do that for as long as he needs, but I'm reasonably hopeful this won't be a matter of many years—in fact, it will be a matter of months. I will be re-employed by the office on a part-time basis to advise the new Auditor General and assist with the transition.

There are some staffing rules in the Government of Canada, and as we're the Office of the Auditor General, we worry about complying with rules. I have to ensure that I comply with those rules as well. One of those rules is that there has to be a clear seven-day break in service between my retirement and the office re-employing me on a part-time basis, which means that I cannot perform any official duties during the week following my retirement on November 27. I may talk to Mike—that is, Mr. Ferguson—once in a while during that week and provide him with advice, but I will not be doing anything official. After that, my understanding is that the office will be re-engaging me on a part-time basis as adviser to the Auditor General.

So, absolutely, Mr. Chair, in discussions with this committee and in consultation with the new Auditor General, I am quite prepared to make myself available to the committee. In particular, on past audit reports that I've obviously played a role in or in fact tabled, I think it would be very unfortunate, if not unreasonable, to ask the new Auditor General to come and appear before this committee to testify on reports he had no role in. So I believe I have an obligation to the system, to this committee, and to the Auditor General to make myself available to do that. I am prepared to do that for some months following my official retirement.

I hope that answers your question, Mr. Chair.

• (1605)

The Chair: It does. Thank you very much.

I would note to everyone here that there will be appropriate times to give our appreciation to Mr. Wiersema for his service, and there is

much to say and to convey to him. However, that will come at a later date.

I look to the members of the steering committee. Has requirement number one been met?

Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Yes.

The Chair: Mr. Kramp.

Mr. Daryl Kramp: Yes.

The Chair: Mr. Allen.

Mr. Malcolm Allen (Welland, NDP): Yes.

The Chair: Very good.

We'll move now to the document that Mr. Kramp tabled with the full committee, and which went to the steering committee. Anyone who has that in front of them, most importantly for the three steering committee members....

I will read these so that we're clear.

Is there any change, Daryl?

Mr. Daryl Kramp: No, there is no change. It's the same one that was presented by everybody. It's the limitation of time.

I don't know if we have to read through them. They were one, two, three—

The Chair: Well, I think we do, because it's not tabled in French—

Mr. Daryl Kramp: Okay.

The Chair: —and if it's not tabled, then it has to be on the official record.

Pardon me?

A voice: [Inaudible—Editor]...the members before the meeting.

The Chair: In both languages? Very good. All members should have it in both languages.

The motion will be that the first three items only be confirmed by this committee.

Is that correct, Mr. Kramp?

Mr. Daryl Kramp: That's correct.

The Chair: I offer Mr. Byrne and Mr. Allen the first opportunity to comment on what I will deem to be Mr. Kramp's motion that the first three items now be moved and passed.

Mr. Daryl Kramp: That's correct.

The Chair: Correct? Very good.

Mr. Byrne.

Hon. Gerry Byrne: Thank you, Mr. Chair.

For the record, it is the position of the Liberal Party of Canada, and my position as a member of this committee, that all the chapters, the entire agenda that has been discussed by the steering committee and the committee at large, be indeed studied. It is our position that the interim Auditor General...

I'll put it to you more bluntly. There has never been a time when an Auditor General has not appeared before a committee—

An hon. member: [*Inaudible—Editor*]...again.

The Chair: I hear your point. Give me just a moment, Mr. Byrne, please. I'm asking—

Hon. Gerry Byrne: I think it's important. Since other parties have a tendency to reconstruct what has been said, I will agree to this. However, I hope there is no obstruction in completing the full agenda, as outlined by the committee, in future weeks.

The Chair: I will go on the record to say that from my discussion with the government members, that is not their intention. That's what I've been told. So anything like that should happen, I'll have comments too.

Notwithstanding that, are you in agreement with the first three items being approved right now, so that we'd actually have a work plan?

Hon. Gerry Byrne: In the necessity of time and to be able to provide an agenda to the committee, yes I am, with those caveats included.

The Chair: Thank you, sir.

Mr. Allen, the same to you, sir.

Mr. Malcolm Allen: Yes, we're fine with the first three—

The Chair: Mr. Kramp.

Mr. Daryl Kramp: Mr. Byrne is basically suggesting an amendment. As it stands, this is what I thought we had agreed and are very comfortable with. If that is not to be the case—

The Chair: I know. Daryl, I'm confused. It's the first three items only, and he's agreed that he will support them, and Mr. Allen—

Mr. Daryl Kramp: But with the inclusion of his caveats, he said.

The Chair: No, his caveats were comments. But his comments are done, and I made my comments.

Mr. Daryl Kramp: Good.

The Chair: Here's where we are, sir. These three are before us now in a motion that is in order. I've had indications from the Liberal caucus and from the official opposition that they are prepared to support these three items. What I need now from you, sir, is a confirmation that the government benches are also willing to support it.

Mr. Daryl Kramp: That's correct.

The Chair: Okay, so your committee will support your motion?

Mr. Daryl Kramp: Yes.

The Chair: Very good.

I believe we're ready to move forward. Therefore, the motion is now before the committee. Is there any further debate?

Hearing none, all in favour of the motion, please indicate.

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

The Chair: The motion is carried and so ordered. Thank you so very much.

I have one more quick item while I have you on a roll, and then I will go to Mr. Byrne, who has the floor next in the rotation. I mentioned to the steering committee that we have a parliamentary delegation from Bangladesh. We need approval for this committee to set up the usual kind of meeting with them. They are here on Thursday, November 24, at 9:30 a.m. Again, I'm not here next week, but Mr. Kramp will either chair the meeting or make sure someone is there to chair it. Members are invited. It's by invitation and not mandatory. You are urged to attend, but I need the approval of this committee so that we can go ahead and conduct such a meeting.

Do I have that motion?

•(1610)

Mr. Daryl Kramp: I so move.

The Chair: I have that from Mr. Kramp.

Is there any discussion or debate?

Hearing none, all in favour of the motion, please indicate.

(Motion agreed to)

The Chair: The motion is carried and so ordered. Thank you all so very much, and my thanks to the three steering committee members for their cooperation and efforts to keep us on track. I do thank all of you personally.

An hon. member: [*Inaudible—Editor*]

The Chair: I'm going on that election observation mission. It's the seventh one. I'm really looking forward to it.

We will pick up where we left off.

Mr. Byrne, you now have the floor.

Hon. Gerry Byrne: Thank you very much, Mr. Chair.

I will note, for those who may be viewing or may read the transcript and for ourselves as a committee, that we just did a piece of committee business—agenda planning—without having to go in camera. The sky did not fall and I think we were very successful at it. I encourage committee members that we do such business on the public record in the future, as we just did a few moments ago.

I want to ask Mr. Wiersema a quick question about auditors general appearing before this committee on our studies of chapters or status reports. In your recollection, has the public accounts committee ever engaged in a study on a chapter or a status report produced by the Auditor General, or an interim Auditor General, in which the Auditor General or interim Auditor General was not asked to appear before the committee?

Mr. John Wiersema: That's a tough question to respond to off the cuff, Mr. Chair.

In past Parliaments, this committee has undertaken on its own certain studies and investigations. I can think of two, off the cuff—

Hon. Gerry Byrne: Specifically, Mr. Wiersema, on the study of a chapter or a status report tabled by the Auditor General, has there ever been a study of a tabled report in which the Auditor General himself or herself has not been asked to appear before the committee?

Mr. John Wiersema: The committee does not consider all reports tabled by the Office of the Auditor General.

Hon. Gerry Byrne: No, of those that we study—

Mr. John Wiersema: Of those, I do not recall any examples, Mr. Chairman, when the committee held a hearing where the Auditor General or his or her office was not invited to attend the hearing. I cannot recall any examples of that, off the cuff.

Hon. Gerry Byrne: Thank you very much, Mr. Wiersema.

For those who have been watching the theatrics of just a minute ago, it is because this committee is engaged in a study of the G-8 legacy fund and the G-20.

You will concur that you have not been asked to formally appear before this committee specifically on that study. You have spoken to the committee in an introductory capacity on the total spring report, on all the chapters and status reports produced in the spring, but you have not appeared specifically on that particular chapter, which this committee is now studying.

Is that correct?

Mr. John Wiersema: Yes, Mr. Chairman, that is correct. This committee, as this committee is well aware, had a hearing on that chapter a week or two ago. The Office of the Auditor General did not participate, nor have we participated in a hearing specifically dealing with the G-8 legacy fund.

Hon. Gerry Byrne: Thank you, Mr. Wiersema.

From my and the Liberal Party of Canada's point of view, and I believe that of the New Democratic Party as well, we would like you to appear before this committee to discuss that particular chapter. For those who are wondering whether or not you are going to be asked, we are going to attempt to do so within this committee to get you to appear before it to provide your reflections and recommendations about the G-8 summit. I hope you do, if the committee does indeed ask you. You've already stated to us that should you be asked by the majority of the committee, you would indeed come. I appreciate that very much. I am glad to have it on the record that we would like you to appear—or at least some of us. I hope that request will be duly processed by the majority of the committee.

I'd now like to ask a question of Mr. Ralston. First, I'd like to say congratulations. I think you and your team, as well as all the internal auditors within government, deserve a high level of praise and respect following the Auditor General's report on internal audit and the improvements that have been made.

Define for the committee, if you would, what exactly is the Office of the Comptroller General? How do you coordinate internal audit within a cross-governmental perspective?

Mr. Jim Ralston: I have three roles with respect to internal audit. The first is establishing.... I'm with a policy body, so we do the

research and propose policies that may be adopted by the Treasury Board of Canada and that would then apply to the practitioners.

•(1615)

Hon. Gerry Byrne: Mr. Ralston, can I interrupt you with a supplementary question? I'm afraid I might miss asking important question because this answer is important. If you don't have time to answer this question within the time allotted, could you outline—

The Chair: I'm sorry, but we over your time. There's not even time to get the question out. Otherwise, I would have allowed it.

Thank you very much.

Moving along to Mr. Hayes, you have the floor, sir.

Mr. Bryan Hayes (Sault Ste. Marie, CPC): Thank you, Mr. Chair.

This is directed to Mr. Ralston. As most members are independent of the federal public administration, I want to get a pretty clear understanding of how the government has ensured that the audit committee members are well prepared for their roles on the committee. I also want to get a clear understanding of the qualifications of the members on these audit committees.

Mr. Jim Ralston: Thank you, Mr. Chair.

With respect to their qualifications, it depends on the context. As I started to say in an earlier answer, depending on the particular department and the nature of the operations of that department, different skill sets may be required. We encourage deputy heads to consider a committee that, when you consider the total skill set of all the members together, that is appropriate to the context. That would be my response to that part of your question.

Mr. Bryan Hayes: The second part would be on the training program, in terms of preparation for their roles in the committee.

Mr. Jim Ralston: Again, there are two parts to that. There will be a part that is context-specific to the department. Typically, there are orientation programs for members. They would get briefings on different parts of departmental operations to try to understand the operations. We provide training on more generic skills on understanding financial literacy in terms of government and understanding the supply process, for example, and things of that nature.

Mr. Bryan Hayes: In recognition of the bells, I can stop right now.

The Chair: That's up to you, sir. You have the floor, and we have the time.

Mr. Bryan Hayes: I will carry on with one more thing.

The Auditor General's report stated that departmental audit committees are at varying stages in developing their practices and procedures. Is that because practices and procedures are different for each area, or is there a standard template and the different committees got started at a different time?

Mr. Jim Ralston: Mr. Chair, I think the answer is the latter one that you proposed. There's a lot of commonality from one committee to the next. It's just a question of when they got started, in terms of how far along they are in getting themselves established.

Mr. Bryan Hayes: Thank you, Mr. Chair.

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

I believe that we may be on a bit of a roll and have one more item of unanimity. So if that happens, I'm running out and buying a lottery ticket.

Hon. Gerry Byrne: Before we do, since we have attempted to have this meeting twice and have twice been interrupted by votes, can we table a limited number of questions through the chair and ask our witnesses to respond in writing to them?

The Chair: No. That would be a major departure, and I would want to see a steering committee discussion and a fulsome committee discussion before I ruled on that unilaterally, Mr. Byrne.

Hon. Gerry Byrne: Thank you.

The Chair: However, I'm going to move back to where I hope we are.

I do believe there is agreement, in light of the fact we've now had what would be probably more than one full day spread over two, not to ask our witnesses to continue any further. My understanding is that the committee members have exhausted the questions they have, and with thanks to the witnesses, a motion to adjourn this meeting would not only be in order but be accepted.

So with that in mind, I will look to Mr. Kramp to move a motion that this meeting adjourn. With that understanding, is there any discussion?

Hearing none, all in favour of the motion, please indicate?

(Motion agreed to)

The Chair: I thank our witnesses.

This meeting now stands adjourned.

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