



**HOUSE OF COMMONS  
CANADA**

**FOLLOWING UP ON RECOMMENDATIONS MADE  
BY THE STANDING COMMITTEE ON PUBLIC  
ACCOUNTS IN THE 39th PARLIAMENT, 2nd  
SESSION**

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

**Hon. Shawn Murphy, MP  
Chair**

**MARCH 2010**

**40th PARLIAMENT, 3rd SESSION**

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# **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**40th PARLIAMENT, 2nd SESSION**

## **CHAIR**

Hon. Shawn Murphy

## **VICE-CHAIRS**

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# **THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**

has the honour to present its

## **FIRST REPORT**

Pursuant to its mandate under Standing Order 108(3)(g), the Committee has undertaken a study to follow up on its recommendations in the 39th Parliament, 2nd Session and has agreed to report the following:



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# **FOLLOWING-UP ON RECOMMENDATIONS MADE BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS IN THE 39<sup>TH</sup> PARLIAMENT, 2<sup>ND</sup> SESSION**

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## **INTRODUCTION**

The House of Commons Standing Committee on Public Accounts (hereinafter the Committee) has a mandate to examine the reports of the Auditor General, the Public Accounts of Canada, and the management and performance of the Office of the Auditor General (OAG).<sup>1</sup> Like all House of Commons standing committees, the Public Accounts Committee has the power to hold hearings on the subjects within its mandate and subsequently present a report to the House of Commons on its findings.<sup>2</sup> As most of the Committee's reports contain recommendations to the government, the Committee usually requests a response from the government, which must be tabled in the House within 120 days.<sup>3</sup>

Most of the Committee's studies, and subsequent reports, focus on performance audits conducted by the OAG. One of the Committee's main objectives is to provide political support to the findings and recommendations of the OAG and thus hold the government to account for improving management systems and practices. Issuing a report with recommendations and asking for a government response serve to highlight specific issues and add a parliamentary voice to further encourage government action to address problems raised by the OAG.

In a typical year, the Committee may present 15 to 20 reports to the House and subsequently receives responses from the government. With so many reports, there is a real possibility that the Committee may move onto new subjects and not fully determine whether the issues raised in previous reports have been addressed. Consequently, the Committee decided to develop and implement a process to follow-up on its recommendations. Such a process keeps the Committee aware of the progress being made in specific areas and helps to ensure the Committee's recommendations are taken seriously by the government and are not ignored once the Committee's report is presented to the House.

The Committee's follow-up process began in the 39<sup>th</sup> Parliament and culminated in a report that looked at select Committee recommendations and government responses in

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1 House of Commons Standing Orders, Section 108(2) and 108(3)(g).

2 The power to report is under the Standing Orders, Section 108(1)(a).

3 The timeline for a government response is under the Standing Orders, Section 109.

the 37<sup>th</sup> and 38<sup>th</sup> Parliaments.<sup>4</sup> This report represents a continuation of the follow-up process and looks at all Committee recommendations made in the 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session. It is the Committee's intention that this will be an annual process.

## **FOLLOW-UP PROCESS**

On February 26, 2009, the Public Accounts Committee adopted a motion to commence the follow-up process in the 40<sup>th</sup> Parliament. The motion read:

**That the Committee Chair and staff be authorized to:**

- **review Government responses to recommendations made by the Committee during the 39<sup>th</sup> and 40<sup>th</sup> Parliaments;**
- **acknowledge by letter, on the Committee's behalf, receipt of Government responses where they respond clearly and completely to recommendations or request further information or clarification, as required;**
- **monitor the implementation of Government commitments made in response to Committee recommendations, and request further information as required; and**

**That the Committee request the assistance of the Office of the Auditor General in its follow-up process by including the Committee's recommendations, where relevant, within the scope of its follow-up audits and by clearly reporting on the results of this work.**

The first step of the follow-up process is for Committee staff to review government responses and to assess whether the responses address all components of the Committee's recommendations and whether the government clearly commits to specific actions. One of the initial problems the Committee encountered in its follow-up process is that it is difficult to hold the government to account for taking action if the government response does not clearly commit to anything. Quite often, government responses contain vague, bureaucratic language that touches on the issue at hand but does not directly address the concerns raised by the Committee. Consequently, it is often necessary to seek further clarification from the government. It should be noted that this process has led to a gradual, though noticeable, improvement in the clarity of government responses.

The initial assessment is reviewed by the Sub-committee on Agenda and Procedure (the Steering Committee). Based on this assessment, decisions are made about possible next steps for each recommendation. Subsequently, the Chair sends letters

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4 House of Commons Standing Committee on Public Accounts, *Departmental Answers to Questions about Government Responses*, 6<sup>th</sup> Report, 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session, presented to the House on February 25, 2008.

on behalf of the Committee to ministers and their departments seeking clarification or further information, as appropriate.

Government responses sometimes contain specific commitments to be met at a later date. In these cases it may be necessary to request an update on whether those commitments have been fulfilled. Depending on the timeline of commitments made in the response, the request for an update may be made at the same time as requests for clarification, or may be made at a time appropriate to the commitment.

As the OAG regularly conducts follow-up audits of its work, the Committee asked the OAG to include the Committee's recommendations within the scope of follow-up audits where relevant. The OAG has considerably more staff and resources than the Committee and is thus well suited to assist the Committee in its follow-up process.

After the Committee has received information from the government in response to its requests for clarification and updates, the last step is for Committee staff to conduct and present to the Committee a final assessment of the status of Committee recommendations, and for the Committee to issue an annual report to the House on its follow-up process.

## **FINDINGS**

In order to provide a picture of the status of Public Accounts Committee recommendations as of the writing of this report, they have been assessed using the categories described below. The assessments have been based on the information available to the Committee — government responses and additional information provided by the government in response to requests for clarification or updates. The Committee assumes that the information provided by the government is fair, accurate, and complete. An assessment, and a very brief explanation, for each recommendation made by the Committee in the 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session can be found in the Appendix to the report.

The categories for assessment are as follows:

- **Addressed:** Many Committee recommendations are fairly straightforward, such as asking the government to provide a progress report or to undertake specific actions. Where it is fairly clear, either through the government response, subsequent actions, or in further information provided to the Committee, that the government had fulfilled the expectations of the recommendation, it is considered to be addressed.
- **Ongoing:** If the information available to the Committee indicates that the government has to do further work to address the recommendation, it is considered to be ongoing. A date is also provided of when the Committee received the most up to date information on the status of the recommendation.

- **Status quo:** In many instances, the government asserts that current systems and practices already address the recommendation, and thus new actions are not required. Alternatively, the government may not be willing to commit to new actions but also not willing to explicitly reject the recommendation. Instead, the government response reasserts the importance of its current approach. In these instances, it is not clear whether the recommendation has been addressed or has been rejected. As the commitment is to the status quo, that is the assessment given to the status of these recommendations.
- **Not addressed:** In rare cases, it may be clear that a recommendation has not been addressed. For this report, only two recommendations are considered to be not addressed as they were directed to the House of Commons, and the House took no action.
- **Rejected:** In some instances, the government either explicitly rejects the Committee's recommendation, or it is clear that the government intends to pursue a very different approach. The government may have valid reasons for rejecting a recommendation, and the Committee welcomes a clear explanation of why the government rejects a recommendation. Instances where the Auditor General has declined to conduct an audit based on a recommendation of the Committee are also assessed as rejected.

Table 1, found below, represents a summary of the assessments outlined in the Appendix. As can be seen in the table, a significant percentage of the Committee's recommendations, 63%, are assessed as addressed. It is difficult to draw any underlying conclusions about the effectiveness of the Committee's recommendations or the willingness of the government to act on them because the status of Committee recommendations depends a lot on the nature of the recommendations themselves. Recommendations that are fairly uncontroversial and straightforward, such as providing a progress report or undertaking very specific actions, are much more likely to be addressed than recommendations that are more controversial or require more in-depth changes to government practices. These latter recommendations are more likely to be assessed as status quo, or be explicitly rejected.

**Table 1:  
Summary of Assessments of the Status  
of Public Accounts Committee Recommendations**

Status	Number	Percentage
Addressed	50	63
Ongoing	10	13
Status quo	7	9
Not addressed	2	3
Rejected	10	13
<b>Total</b>	79	100



Instead of drawing overall conclusions about trends in the status of the Committee's recommendations, the follow-up process allows the Committee, and other interested observers, to monitor the status of particular issues and, if deemed necessary, revisit these matters in order to encourage the government to clarify its intentions or to make better progress in needed improvements to government management and administration.

## **AREAS OF CONCERN**

Among the various issues addressed by the Public Accounts Committee's reports during the 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session, the status of several recommendations for the two studies noted below merit further discussion.

### **A. Report #2: Chapter 9, Pension and Insurance Administration—Royal Canadian Mounted Police of the November 2006 Report of the Auditor General of Canada**

The Committee held extensive hearings on allegations of wrongdoing in the administration of the Royal Canadian Mounted Police (RCMP)'s pension and insurance plans. In its comprehensive report on the many issues that were raised during these hearings, the Committee made over 30 recommendations. A number of these recommendations remain ongoing, due, in part, to the RCMP's current process of reform, which is being overseen by the RCMP Reform Implementation Council.

The Committee understands that reforming an organization as large and complex as the RCMP requires a considerable amount of time and effort. However, the Committee had hoped that further progress would have been made by now. There are two issues of particular concern to the Committee: the powers of the Commission for Public Complaints Against the RCMP and the need for a Police Accountability Board.

The Committee continues to believe that the Commission needs to have the authority to conduct self-initiated reviews, as well as have full access to the documents and persons needed to conduct these reviews. Also, the problems uncovered during the Committee's study demonstrate that the RCMP would benefit from independent oversight by a Police Accountability Board. The Committee hopes that the government will move forward with these reforms in a timely manner.

### **B. Report #7: Chapter 3, Large Information Technology Projects of the November 2006 Report of the Auditor General of Canada**

In its report on the audit by the Office of the Auditor General of large information technology (large IT) projects, the Committee expressed concern that some large IT projects may not be well managed thus putting substantial amounts of public funds at risk.

The Committee recommended that business cases be required for information technology projects, as well as an options analysis on the possibility of breaking large projects into smaller, more manageable projects. The government agreed and stated that enhanced requirements for business cases and independent reviews, which could include options analyses, were being completed. However, further information provided by the

government indicates that the Treasury Board Secretariat has developed guidance on business cases and independent reviews, rather than mandatory requirements.

Given the risks large IT projects pose, the Committee is disappointed that the Secretariat decided to move forward with guidance documents rather than mandatory requirements, contrary to what was originally proposed in the government response. The Secretariat asserts that deputy heads are accountable for the management of departmental projects. Nonetheless, the Committee continues to believe that the Treasury Board and its Secretariat have a fundamental responsibility to ensure that public funds are well managed and spent wisely. Should further problems arise with large IT projects, the Committee will want to be assured that the Secretariat had adequately fulfilled its challenge function before these projects were approved by the Treasury Board.

## **CONCLUSION**

The Public Accounts Committee's follow-up process, as outlined in this report, represents the Committee's effort to maintain a continuing dialogue with the government with respect to issues raised by the OAG in its audits and the Committee's subsequent reports. However, simply issuing a report with recommendations and then moving onto new subjects does not ensure that the government is responding to the Committee's concerns, even on straightforward matters, and thus does not ensure accountability for effective management and administration. The Committee believes that it has a responsibility to follow-up on the status of its recommendations in order to monitor progress being made. The government may not agree with the Committee or the OAG in certain areas, but the Committee welcomes an open and transparent discussion with the government that may lead to more effective Committee recommendations and clearer, more precise government responses and subsequent actions to address the Committee's and the OAG's concerns.

**APPENDIX:**

**ASSESSING THE STATUS OF RECOMMENDATIONS OF THE HOUSE OF COMMONS  
STANDING COMMITTEE ON PUBLIC ACCOUNTS  
39<sup>TH</sup> PARLIAMENT, 2<sup>ND</sup> SESSION (SEPTEMBER 16, 2007 –SEPTEMBER 7, 2008)**

The information in this Appendix is organized into tabular format, using three columns as follows:

<b>REPORT</b> (number, title and date presented to the House) <b>Government Response</b> (date presented to the House)		
<b>Committee Recommendation</b>	<b>Government Response to each Recommendation</b>	<b>Assessment</b>
This column presents the Committee's recommendations and, where appropriate, breaks each recommendation into components in order to ensure that government responses can be examined in relation to those components.	This column places the relevant parts of each government response beside the recommendation, or component of a recommendation, to which it corresponds.	This column provides an assessment of the status of Committee recommendations in one of the following categories: <ul style="list-style-type: none"> <li>• Recommendation addressed</li> <li>• Status quo</li> <li>• Ongoing</li> <li>• Recommendation not addressed</li> <li>• Recommendation rejected.</li> </ul>

**REPORT # 1: MOTION OF COMMENDATION**

Adopted on November 20, 2007, presented to the House on November 21, 2007.

**Government Response:** None.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
No recommendations.	No response requested.	

**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 1:</b> The Royal Canadian Mounted Police provide the Public Accounts Committee a detailed status report by 31 March 2008 on the implementation of the Auditor General's recommendations from the November 2006 Report, Chapter 9. This report should contain confirmation of whether those who participated in the golf game at St. Andrews by the Sea have reimbursed the CMP pension fund for the benefit they inappropriately received.</p>	<p><b>Response:</b> The Government supports this recommendation and has attached, as Appendix 1 to the Government Response, a status report on the implementation of the Auditor General's recommendations from Chapter 9 of her November 2006 Report.</p>	<p><b>Recommendation addressed:</b> Appendix 1 of the government response indicates that 10 out of 11 individuals have reimbursed the pension fund for the benefits inappropriately received.</p> <p>Appendix 1 responds to three of the six recommendations contained in the Auditor General's report. The responses to recommendations 20 and 21 (below) cover two additional recommendations.</p>
<p><b>Recommendation 2:</b> The Royal Canadian Mounted Police review all transactions charged against the pension plan in the fiscal years 2000–2001 through 2003–2004, and reimburse any amounts that should have been more appropriately charged elsewhere.</p>	<p><b>Response:</b> The Government supports this recommendation. In 2003–2004 and 2004–2005, the Royal Canadian Mounted Police (RCMP) initiated reviews of the pension plan administration expenditures incurred from 2001–2002 to 2003–2004 for all transactions, with the exception of certain overhead costs, totalling approximately 97% of all administration expenditures. Amounts inappropriately charged to the plan were reimbursed as a result of this review. A review of all pension plan 2 administration expenditures for 2000–2001, and the balance of expenditures not reviewed for 2001–2002 to 2003–2004 is underway and will be completed by 31 March 2008, with appropriate action to follow.</p>	<p><b>Recommendation addressed:</b> The government response indicates that the requested review has been completed.</p>

**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 3:</b></p> <ul style="list-style-type: none"> <li>Component #1: The Royal Canadian Mounted Police commend Assistant Commissioner Bruce Rogerson for his efforts to put an end to the acceptance of gifts and hospitality by senior members of the RCMP.</li> </ul>	<p><b>Response:</b> Steps have been taken to address this recommendation. The RCMP recognizes and is grateful for the efforts of Assistant Commissioner Bruce Rogerson. The RCMP Commissioner, William Elliott, has met personally with Assistant Commissioner Rogerson to extend his appreciation on behalf of the Senior Executive and the entire organization.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions have been taken to address the recommendation.</p>
<ul style="list-style-type: none"> <li>Component #2: That the RCMP restore all people who were demoted or removed to their original positions as promptly as possible, if those who were demoted or removed so wish.</li> </ul>	<p><b>Response:</b> The RCMP is working with the other affected staff to reach mutually acceptable resolutions.</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, "The RCMP has taken steps to work with the affected employees and acceptable resolutions have been reached."</p>

**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 4:</b> The House of Commons denounce the lack of leadership shown by former RCMP Commissioner Giuliano Zaccardelli during the investigation into malfeasance in the administration of the RCMP's pension and insurance plans.</p>	<p>No government response.</p>	<p><b>Recommendation not addressed:</b> The recommendation is directed to the House of Commons, not the RCMP. The House took no action.</p>
<p><b>Recommendation 5:</b> The RCMP clarify the procedures for reporting breaches of the Code of Conduct pursuant to the RCMP Regulations and <i>Royal Canadian Mounted Police Act</i>, and the procedures for disclosing wrongdoings pursuant to the <i>Public Servants Disclosure Protection Act</i>.</p>	<p><b>Response:</b> The Government supports this recommendation. The RCMP is working with the Canada Public Service Agency (CPSA) in actively cross referencing the <i>Public Servants Disclosure Protection Act</i> with the <i>RCMP Act</i> to ensure compliance and reporting clarity as expeditiously as possible.</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, "The RCMP has launched a number of communication products informing RCMP employees about the <i>Public Servants Disclosure Protection Act</i> and their reporting options."</p>
<p><b>Recommendation 6:</b> The Government of Canada should amend the <i>Public Servants Disclosure Protection Act</i> to allow a Royal Canadian Mounted Police member to file a complaint of reprisal with the Public Sector Integrity Commissioner, regardless of whether there are ongoing proceedings under the Royal</p>	<p><b>Response to Recommendations 6, 7 and 8:</b> The Government supports Recommendations 6, 7 and 8 in principle, and endorses the Committee's view that the reprisal complaint procedures established pursuant to the <i>Public Servants Disclosure Protection Act</i> (PSDPA) should allow RCMP members to exercise the same options that are available to other public sector employees. These options would include the ability for an RCMP member to</p>	<p><b>Ongoing as of Sept. 2009:</b> According to further information provided by the government, "The Office of the Ethics Advisor, RCMP, continues to participate in consultations with internal and external stakeholders, including TBS and Public Sector Integrity Commissioner, to develop and propose legislative amendments</p>

**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p>Canadian Mounted Police Act. Furthermore, the Public Sector Integrity Commissioner and the Public Servants Disclosure Protection Tribunal should be provided with the full authority to deal with such complaints.</p>	<p>make a reprisal complaint to the Public Sector Integrity Commissioner that could ultimately be dealt with by the Public Servants Disclosure Protection Tribunal, as an alternative mechanism to that provided under the <i>RCMP Act</i>.</p>	<p>which will align the <i>RCMP Act</i> and the <i>Public Servants Disclosure Protection Act</i>.”</p>
<p><b>Recommendation 7:</b> Any <i>Royal Canadian Mounted Police Act</i> proceedings against the member should be suspended until the complaint of reprisal has been dealt with under the <i>Public Servants Disclosure Protection Act</i>. Moreover, where the complaint is found to have merit, the Public Servants Disclosure Protection Tribunal should have the authority to dismiss or discontinue the <i>RCMP Act</i> proceedings.</p>	<p>The Government is carefully studying this matter to clarify procedures for reprisal complaints under both the PSDPA and the <i>RCMP Act</i>. These recommendations will be carefully considered during the Government’s review of the recommendations of the Task Force on Governance and Cultural Change in the <i>RCMP</i>.</p>	
<p><b>Recommendation 8:</b> Consequential amendments should be made to the <i>Royal Canadian Mounted Police Act</i> to ensure that the <i>Public Servants Disclosure Protection Act</i> prevails where an <i>RCMP</i> member files a complaint of reprisal with the Public Sector Integrity Commissioner.</p>		



**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 9:</b> The Government of Canada amend the <i>Royal Canadian Mounted Police Act</i> to provide the Royal Canadian Mounted Police External Review Committee with adjudication powers whose decisions are binding and final.</p>	<p><b>Response:</b> This recommendation will be carefully considered as part of the Government’s ongoing efforts to make the RCMP a stronger, more accountable and modern organization. The Government is consulting on this and other legislative recommendations made by the Task Force on Governance and Cultural Change in the RCMP, and will give them full and proper consideration before further action on major reforms is decided upon.</p>	<p><b>Ongoing as of September 2009:</b> According to further information provided by the government, “As part of the RCMP’s overall review of its governance and accountability systems and processes, the RCMP has commenced its examination of its discipline and grievance systems, which will include a review and analysis of the role, powers and mandate of the External Review Committee.”</p>

**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 10:</b> The Auditor General of Canada conduct an audit of the contracting practices at Consulting and Audit Canada during the past ten years.</p>	<p>No government response.</p>	<p><b>Recommendation rejected:</b> The Auditor General declined to conduct the audit on the grounds that corrective measures have already been taken by Consulting and Audit Canada.</p>
<p><b>Recommendation 11:</b> All Royal Canadian Mounted Police members and employees with any level of contracting authority undergo specific training in the Treasury Board Secretariat's (TBS) Contracting Policy.</p>	<p><b>Response:</b> The Government supports this recommendation and action has been taken to address it. All employees of the RCMP with delegated signing authority must complete the Canada School of the Public Service mandatory training as indicated in the Government's Policy on Learning, Training and Development. Signing authority is not delegated until such time as the above-mentioned training is undertaken. In addition, the RCMP provides further training on areas specific to RCMP contracting and procurement.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions have been taken to address the recommendation.</p>
<p><b>Recommendation 12:</b> All Government of Canada contracts include a clause that states that the contractor must act in accordance with the Treasury Board Contracting Policy.</p>	<p><b>Response:</b> The Government supports this recommendation in principle, and it will be taken into consideration as regulations are developed to implement measures under the <i>Federal Accountability Act</i> and as part of TBS's Policy Suite Renewal Initiative. This initiative supports the Federal Accountability Action Plan and will result in streamlined "rules" governing federal public sector management. It will also make the Treasury Board policy instruments more targeted and accessible. By strengthening and streamlining</p>	<p><b>Ongoing as of October 2009:</b> According to further information provided by the government, "as part of the TBS's Policy Suite Renewal Initiative, the Policy on Contracting is being reviewed and will take into consideration the recommendations of the Committee."</p>

**REPORT # 2: CHAPTER 9, PENSION AND INSURANCE ADMINISTRATION – ROYAL CANADIAN MOUNTED POLICE OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted on December 10, 2007, presented to the House on December 10, 2007.

**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
	how government works, the renewed policy suite will help make government more effective and accountable.	
<p><b>Recommendation 13:</b> The Government of Canada investigate whether or not monies can be recovered from contractors or individuals who received inappropriate benefits.</p>	<p><b>Response:</b> The Government supports this recommendation and action has been taken to address it. The RCMP has reviewed the contracts in question, but given that these were binding contracts and that agreed-upon services were rendered, the RCMP has determined that pursuing the recovery of these monies is not warranted. As reported by the Office of the Auditor General, the RCMP has taken measures to strengthen its contracting control. Going forward, the RCMP will work with the TBS to ensure contracting policies and controls are in full compliance with Government standards.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions have been taken to address the recommendation.</p>
<p><b>Recommendation 14:</b> The Government of Canada require all contractors and any subsequent subcontractors to confirm that neither they nor any employees would be in violation of the post-employment rules as set out in the Treasury Board Contracting Policy if they were awarded a contract.</p>	<p><b>Response:</b> The Government supports this recommendation in principle, and it will be taken into consideration as regulations are developed to implement measures under the <i>Federal Accountability Act</i> and as part of TBS's Policy Suite Renewal Initiative. This initiative supports the Federal Accountability Action Plan and will result in streamlined "rules" governing federal public sector management. It will also make the Treasury Board policy instruments more targeted and accessible. By strengthening and streamlining how government works, the renewed policy suite will help make government more effective and accountable.</p>	<p><b>Ongoing as of October 2009:</b> According to further information provided by the government, "as part of TBS's Policy Suite Renewal Initiative, the Policy on Contracting is being reviewed and will take into consideration the recommendations of the Committee."</p>

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**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 15:</b> The Government of Canada permanently bar from future contracts a contractor who has been found to have engaged in misconduct while carrying out his or her duties, or who has colluded with a public servant in committing an act of misconduct.</p>	<p><b>Response:</b> The Government supports this recommendation in principle, and it will be taken into consideration as regulations are developed to implement measures under the <i>Federal Accountability Act</i> and as part of TBS's Policy Suite Renewal Initiative. This initiative supports the Federal Accountability Action Plan and will result in streamlined "rules" governing federal public sector management. It will also make the Treasury Board policy instruments more targeted and accessible. By strengthening and streamlining how government works, the renewed policy suite will help make government more effective and accountable.</p>	<p><b>Status quo:</b> According to further information provided by the government, "under the <i>Federal Accountability Act</i>, the Office of the Procurement Ombudsman was created to review procurement practices across government, and to review complaints regarding contract administration. While section 750(3) of the <i>Criminal Code</i> already permits sanctions against contractors in instances of misconduct and non-compliance, the establishment of a Procurement Ombudsman has strengthened the oversight of procurement and contracting in government."</p>
<p><b>Recommendation 16:</b> The Government of Canada permanently bar from having contracting authority public servants who have been found to have engaged in misconduct in the performance of their duties or who have colluded with contractors in committing an act of misconduct.</p>	<p><b>Response:</b> The Government supports this recommendation in principle, and it will be taken into consideration as part of TBS's Policy Suite Renewal Initiative. This initiative supports the Federal Accountability Action Plan and will result in streamlined "rules" governing federal public sector management. It will also make the Treasury Board policy instruments more targeted and accessible. By strengthening and streamlining how government works, the renewed policy suite will help make government more effective and accountable.</p>	<p>It is not clear how this addresses the recommendations.</p>

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Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 17:</b> The TBS ensure that departments comply with the departmental reporting Guidelines so as to make sure that the Departmental Performance Reports contain balanced reporting.</p>	<p><b>Response:</b> The Government agrees that Departmental Performance Reports should contain balanced reporting. While Ministers are ultimately accountable for their own reports, the TBS provides guidance on the preparation of Departmental Performance Reports and assesses their quality. The TBS's guidance for the preparation of Departmental Performance Reports is based on generally accepted public reporting principles. These principles call for reports to include credible and balanced information. By means of the Management Accountability Framework assessment process, the TBS reviews Departmental Performance Reports against the reporting principles set out in the TBS guidelines and provides feedback to departments in order to continually improve reporting to Parliament.</p> <p>The TBS's efforts to support departments and agencies in the production of balanced reports also include the sharing of good practices. The TBS recently published a good practices handbook that draws on the Management Accountability Framework assessments and provides practical examples to departments and agencies on how to improve their Departmental Performance Reports.</p> <p>Finally, as the Management, Resources and Results Structure Policy is implemented to support improved decision-making by</p>	<p><b>Status quo:</b> The government response asserts that while the Secretariat reviews performance reports, ministers are accountable for their own reports.</p>

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Committee Recommendation	Government Response	Assessment
	Parliament and central agencies and to provide departments with the flexibility and discretion they need to design and manage their programs in a manner that best achieves results for Canadians, TBS expects departments and agencies to increase their capacity to produce credible and balanced performance information.	
<p><b>Recommendation 18:</b> The Royal Canadian Mounted Police initiate a Code of Conduct investigation into the allegation that the minutes of the 15 March 2005 Insurance Committee meeting were altered.</p>	<p><b>Response:</b> The Government supports this recommendation and action has been taken to address it. The RCMP has concluded a Code of Conduct investigation into this matter. The investigation determined that there is no evidence that the minutes were altered.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions have been taken to address the recommendation.</p>
<p><b>Recommendation 19:</b> The Government of Canada ask the Ontario Provincial Police to complete the investigation into the insurance plan, which should include a forensic audit, so as to fully examine the irregularities in the outsourcing of the administration of the insurance plan.</p>	<p><b>Response:</b> The OPP, in its March 2008 report, determined that the OPS investigation of the RCMP pension plan was adequate. Further, the OPP found that there were no deliberate or intentional acts by any RCMP or investigation team member to derail or jeopardize the investigation, and that there was no evidence that information was deliberately withheld from the investigation or that outside influences were a major stumbling block. However, the OPP has recommended that an additional investigation be undertaken to determine if criminal misconduct was involved in the outsourcing of the RCMP insurance plan. This recommendation has been accepted by the RCMP Commissioner who has asked the OPP to conduct an investigation with respect to the administration of the insurance plan as identified in the report.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions have been taken to address the recommendation.</p>

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Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 20:</b> The Royal Canadian Mounted Police provide the Committee a status report by 31 March 2008 on the efforts to clarify the authorities in the administration of the RCMP's insurance plans.</p>	<p><b>Response:</b> The Government supports this recommendation and provides the following status report: In September 2007, the RCMP received Treasury Board authority to administer the RCMP Life and Disability Insurance Plans, which includes without limiting the generality of the foregoing, the authority to charge insurance plan administration costs to the RCMP appropriations and to deduct and remit member premiums. The Treasury Board also delegated to the RCMP Commissioner, on an interim basis, the policy holder authority to execute the policies with Great-West Life. Effective 1 April 2009, Treasury Board will become the policyholder for the plans.</p>	<p><b>Recommendation addressed:</b> The government response provides the requested status report.</p>
<p><b>Recommendation 21:</b> The Royal Canadian Mounted Police open the contract to administer the RCMP insurance plans to competition when the current contract ends.</p>	<p><b>Response:</b> The Government supports this recommendation and action has been taken to address it. The RCMP is commencing a procurement process in accordance with the Government's regulations for a new third party administrative contract to commence in 2010. In the interim, a new competitive contract has been entered into to administer the RCMP insurance plans when the current contract ends on 31 March 2008.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions have been taken to address the recommendation.</p>

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**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 22:</b> The <i>Public Service Labour Relations Act</i> and Treasury Board policies be amended to provide that a public servant dismissed for misconduct will: a) have his or her security clearance revoked; and b) be disentitled to a reference or recommendation for other employment within the public service.</p>	<p><b>Response:</b> This recommendation will be carefully considered in those cases where misconduct is on the grounds of security, as in these types of cases, the existing Government Security Policy (GSP) allows for the revocation of an individual's security clearance and/or reliability status. This matter will be revisited as part of a review of the GSP. The GSP and the Guidelines for Discipline are being reviewed as a part of the TBS's Policy Suite Renewal Initiative. Additionally, Deputy Ministers on the National Security Committee (NSC) have directed that a full review of all security screening regimes be conducted. As a result, a review/study led by Privy Council Office, TBS, and Public Works and Government was commenced in January 2008. This review involves participation by the RCMP. The review's findings will be presented to the Deputy Minister NSC later this year. With regard to disentitlement of a reference, there is currently no vested right to a reference or recommendation for any employee who has left the public service, including those who have been dismissed. Consideration will be given to this recommendation in the TBS Guidelines for Discipline.</p> <p>However, amendments to the <i>Public Service Labour Relations Act</i> are not necessary to achieve the objectives of this recommendation.</p>	<p><b>Ongoing as of October 2009:</b> According to further information provided by the government, "the Policy on Government Security came into effect on July 1, 2009 and replaced the Government Security Policy of 2002. Work is underway to develop new security standards, including a standard that would address individual security screening."</p>



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Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 23:</b> The TBS initiate a review of its policies on dismissing a public servant with cause so as to clearly allow for the immediate dismissal of any public servant who has engaged in misconduct.</p>	<p><b>Response:</b> This recommendation will be carefully considered as part of a review of the Guidelines for Discipline. The Treasury Board Guidelines for Discipline outline that dismissal of a public servant with cause may be imposed after a series of acts of misconduct or for a single act of serious. These Guidelines are in keeping with the long-established principles of progressive discipline and discipline being corrective in nature. There are certain steps that must be taken, in light of due process, when considering dismissal of an employee and they are to be taken as expeditiously as possible. Consideration will be given to clarifying the wording in the TBS Guidelines for Discipline to highlight these principles by June 2008. The Guidelines also provide that in certain cases of suspected misconduct when the presence of the employee at work cannot be tolerated or could undermine or impede the investigation, the employee may be suspended without pay.</p>	<p><b>Ongoing as of Oct. 2009:</b> According to further information provided by the government, “the Guideline for Discipline will be reviewed as part of a wider review of all people management policies starting in 2009/10 in support of the broader Policy Suite Renewal. Through this review, consideration will be given to clarifying the wording in the guideline with respect to dismissal.”</p>
<p><b>Recommendation 24:</b> In order to speed up the process for dismissing a public servant for misconduct, the <i>Public Service Labour Relations Act</i> should be amended to provide that any grievance of the dismissal must be referred directly to adjudication within a prescribed time period.</p>	<p><b>Response:</b> The Government supports the principle that grievances related to dismissal should be expedited and provisions are already in place to address it. Therefore, no amendments to the <i>Public Service Labour Relations Act</i> are required. The process for dismissing a public servant for misconduct is a separate process that precedes the grievance process. While the grievance process is</p>	<p><b>Status quo:</b> The government response asserts that the current process is sufficient and no further action is needed. However, in the case under consideration, the Committee was told that even though individuals were removed from their positions, they remained on</p>

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	<p>ongoing, the employee remains dismissed. The grievance procedure is a long-standing negotiated right included in core public administration collective agreements, which cannot be unilaterally changed without agreement from the various bargaining agents. Collective agreements and the Public Service Labour Relations Board Regulations allow that in cases of termination of employment, grievances go directly to the final level within the department, thereby bypassing the first two steps in the grievance process. This internal level of the grievance process is an important measure that allows management an opportunity to reconsider its initial decision before going to a third party adjudicator. A grievance at the final level must be responded to within 30 days. The former employee may refer the grievance to adjudication within 40 days of receiving the final level reply. The Public Service Labour Relations Board's practice has been to give priority to grievances regarding termination of employment and to schedule hearings for these grievances as quickly as possible.</p>	<p>the payroll because it was necessary to respect due process.</p>
<p><b>Recommendation 25:</b> The Government of Canada amend section 43(8) of the <i>Royal Canadian Mounted Police Act</i> to compel the Appropriate Officer to take action upon learning of any contravention</p>	<p><b>Response:</b> The Government submits that provisions are in place to address this recommendation. Further amendments to the RCMP Act on this matter are not required at this time. Both the RCMP Act and the Code of Conduct (which is set out in the RCMP</p>	<p><b>Status quo:</b> The government asserts that provisions are currently in place to address the recommendation. Although, in the case under consideration, the Committee is unaware of any</p>

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Committee Recommendation	Government Response	Assessment
<p>of the Royal Canadian Mounted Police Code of Conduct within one year or else be subject to sanctions.</p>	<p>regulations, 1988) confer a number of duties and obligations on RCMP members in dealing with alleged contraventions of the Code. These include requirements to promptly report any contravention of the Code of Conduct by any other member and to not knowingly neglect or give insufficient attention to any duty the member is required to perform.</p> <p>In addition, when an Appropriate Officer or member in command of a detachment becomes aware of possible contraventions of the Code of Conduct, he or she is required to carry out, or cause to be carried out, an investigation to determine whether or not there has been a contravention. In addition, when an Appropriate Officer becomes aware of an alleged contravention of the Code of Conduct and determines that informal disciplinary action is not appropriate, the Appropriate Officer is required to initiate a hearing into the matter. The RCMP Act further provides that no hearing can be initiated after one year from the time the contravention and the identity of the member became known to the Appropriate Officer. Therefore, failure to comply with the above requirements could constitute neglect of duty and a breach of the Code of, and the Appropriate Officer could be subject to sanction.</p>	<p>appropriate officers who were subject to sanction for failing to take action within one year, which suggests that current procedures may not be adequate.</p>

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**Government Response:** Presented to the House on April 7, 2008.

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<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 26:</b> The Government of Canada strengthen the legislative authority of the Commission for Public Complaints Against the RCMP to enable it to conduct self-initiated reviews, as well as to guarantee it the full access to documents and persons that is included in the powers of subpoena.</p>	<p><b>Response:</b> This recommendation will be carefully considered as part of the Government’s ongoing efforts to make the RCMP a stronger, more accountable and modern organization. The Government is consulting on this and other legislative recommendations made by the Task Force on Governance and Cultural Change in the RCMP, and will give them full and proper consideration before further action on major reforms is decided upon.</p>	<p><b>Ongoing as September 2009:</b> According to further information provided by the government, “the RCMP continues to have positive, ongoing discussions with Public Safety Canada with respect to the development of a legislative proposal aimed at enhancing RCMP external complaints and review.”</p>
<p><b>Recommendation 27:</b> The Royal Canadian Mounted Police provide the Public Accounts Committee with an action plan by 31 May 2008 on how to implement the Information Commissioner’s recommendations.</p>	<p><b>Response:</b> The Government supports this recommendation. The RCMP will provide an action plan addressing the March 2006 recommendations of the Information Commissioner of Canada by 31 May 2008.</p>	<p><b>Recommendation addressed:</b> The requested report was provided to the Committee in June 2008.</p>
<p><b>Recommendation 28:</b> The Royal Canadian Mounted Police provide the additional resources needed by the Access to Information Branch to allow it to fulfill its mandate.</p>	<p><b>Response:</b> The Government supports this recommendation and action is ongoing to address it. The RCMP is taking steps to provide additional resources to its Access to Information Branch. The RCMP is preparing a business case seeking permanent funding for fiscal year 2008–2009 which will provide adequate resources to ensure timely and efficient processing of access to information requests. Since March 2007, the RCMP Access to Information Branch was successful in staffing 16 of its 18 vacancies and has improved its compliance rate in meeting Access to Information requests from 29% last year to 69% as of January 2008.</p>	<p><b>Recommendation addressed:</b> The government response indicates that actions are underway to address the recommendation.</p>

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**Government Response:** Presented to the House on April 7, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 29:</b> The House of Commons denounce the behaviour of all senior Royal Canadian Mounted Police employees who tarnished the credibility of the force through negligence, partiality, or dishonesty: namely, Dominic Crupi, Jim Ewanovich, Paul Gauvin, and Barbara George.</p>	<p>No government response.</p>	<p><b>Recommendation not addressed:</b> The recommendation is directed to the House of Commons, not the RCMP. The House took no action.</p>

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**Government Response:** Presented to the House on April 7, 2008.

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Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 30:</b> The Government of Canada amend the <i>Royal Canadian Mounted Police Act</i> to provide independent authority to the RCMP Ethics Advisor to enable him or her to conduct inquiries into whether allegations of ethical or criminal wrongdoing against RCMP members have been properly investigated. The Ethics Advisor should publish an annual report and have the authority to initiate Code of Conduct investigations and to recommend that outside police forces conduct a criminal investigation when warranted.</p>	<p><b>Response:</b> This recommendation will be carefully considered as part of the Government’s ongoing efforts to make the RCMP a stronger, more accountable and modern organization. The Government is consulting on this and other legislative recommendations made by the Task Force on Governance and Cultural Change in the RCMP, and will give them full and proper consideration before further action on major reforms is decided upon.</p>	<p><b>Ongoing as of Sept. 2009:</b> According to further information provided by the government, “The RCMP is examining the structure and mandate of the Office of the Ethics Advisor to determine the most effective placement of the Office in an RCMP governance Structure.”</p>
<p><b>Recommendation 31:</b> The Government of Canada establish a Police Accountability Board that will provide third-party oversight of the Royal Canadian Mounted Police. The Commissioner of the RCMP would continue to report to the Minister, but would also report to the Board, which, in turn, would report to the Minister and publish a public annual report on the performance of the RCMP, which would be tabled in Parliament.</p>	<p><b>Response:</b> This recommendation will be carefully considered as part of the Government’s ongoing efforts to make the RCMP a stronger, more accountable and modern organization. The Government is consulting on this and other legislative recommendations made by the Task Force on Governance and Cultural Change in the RCMP, and will give them full and proper consideration before further action on major reforms is decided upon.</p>	<p><b>Ongoing as of Sept. 2009:</b> According to further information provided by the government, “To improve the RCMP’s internal management and accountability systems, the RCMP, Public Safety Canada and other government central agencies are developing governance solutions that will provide the RCMP with the internal mechanisms to foster confidence and trust in the RCMP for Canadians, including employees.”</p>

**REPORT # 3: PURSUANT TO THE MOTION OF THE COMMITTEE OF 22 NOVEMBER 2007  
CONSIDERATION OF BARBARA GEORGE'S PREVIOUS TESTIMONY**

Adopted February 7, 2008, presented to the House on February 12, 2008.

**Government Response:** None.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation:</b> The House of Commons find Deputy Commissioner Barbara George in contempt of Parliament for providing false and misleading testimony to the House of Commons Standing Committee on Public Accounts on 21 February 2007; and that the House of Commons take no further action as this finding of contempt is, in and of itself, a very serious sanction.</p>	<p>No response requested.</p>	<p><b>Recommendation addressed:</b> The House adopted a motion finding Deputy Commissioner Barbara George in contempt on April 10, 2008.</p>

**REPORT # 4: CHAPTERS 1 AND 2, THE EXPENDITURE MANAGEMENT SYSTEM AT THE GOVERNMENT CENTRE AND THE EXPENDITURE MANAGEMENT SYSTEM IN DEPARTMENTS OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 12, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 1:</b> The TBS provide the Public Accounts Committee with a detailed plan of the Expenditure Management System when it is available.</p>	<p><b>Response (to recommendations 1 and 2):</b> The recommendation is accepted and the requested update and implementation plan are presented as follows.</p>	<p><b>Recommendation addressed:</b> The government response provides information about the Expenditure Management System.</p>

**REPORT # 4: CHAPTERS 1 AND 2, THE EXPENDITURE MANAGEMENT SYSTEM AT THE GOVERNMENT CENTRE AND THE EXPENDITURE MANAGEMENT SYSTEM IN DEPARTMENTS OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 12, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

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Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 2:</b> The TBS provide to the Public Accounts Committee a detailed implementation plan of the new Expenditure Management System when it receives Cabinet approval; and that the Secretariat provide the Committee a status report on the implementation of the new Expenditure Management System by the end of the next budget cycle, 31 March 2009.</p>	<p>The Government of Canada's new Expenditure Management System (EMS) is squarely aimed at improving management excellence and fiscal credibility. To achieve this, the new EMS has been built on three key pillars:</p> <ul style="list-style-type: none"> <li>• <b>Managing for Results:</b> benchmarking and evaluating programs and demonstrating results for Canadians;</li> <li>• <b>Up-front Discipline:</b> providing critical information for Cabinet decision-making by ensuring that all new proposals for government spending have clear measures of success and demonstrate how they relate to or complement existing programs; and</li> <li>• <b>Ongoing Assessment:</b> reviewing all direct program spending on an ongoing basis to ensure that all programs are efficient, effective and aligned with the priorities of Canadians and with federal responsibilities.</li> </ul> <p><b>Managing for Results</b></p> <p>The Government's new EMS includes a focus on achieving results for Canadians in a transparent and accountable manner. In this regard, a key pillar of the Government's new EMS is results-based management (RBM) – an integrated approach to planning, implementation, performance measurement and reporting that is based on the use of financial</p>	<p>The government also provided further information to the Committee about the status of the EMS, as organized into three pillars.</p> <p><b>Managing for Results</b></p> <p>According to the information provided, the Policy on Management Resources and Results Structure (MRRS) was updated and approved by the Treasury Board in December 2008. Implementation of this policy will be through a five step process. Departments have implemented the first three steps: Program Activity Architecture, performance measurement frameworks, and using performance information in decision making. They still have to make progress in using MRRS information in expenditure management processes, and the Secretariat will develop further phases of the Expenditure Management Information System after the system has gone through several iterations of the Estimates Cycle.</p>



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Adopted by the Committee on February 12, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment
	<p>and non-financial information and that aims to achieve outcomes that are aligned with priorities, while managing resources effectively.</p> <p>The implementation and improvement of RBM practices are being supported by implementation of the Treasury Board Management, Resources and Results Structure (MRRS) Policy, by implementation of the new Expenditure Management Information System (EMIS), by renewal of the Treasury Board Evaluation Policy and by strengthening reporting to Parliament.</p> <p><i>Implementing the Management, Resources and Results Policy (MRRS Policy)</i></p> <p>Accurate, timely, relevant, and reliable financial and non-financial information, on programs objectives and results, is a fundamental building block supporting all phases of the RBM life-cycle, from planning, to implementation, performance measurement and reporting. As such, implementation of the MRRS is critical to an effective EMS.</p> <p>The 2005 MRRS Policy supports the development of a common, government-wide approach to the collection, management, and reporting of financial information and non-financial information on program objectives, performance and results.</p> <p>Implementation of the MRRS Policy is based on five key steps:</p>	<p>On April 1 2009, the Treasury Board introduced the new Policy on Evaluation which will require the evaluation of all direct program spending over a five year cycle.</p> <p><b>Upfront Discipline</b> The Secretariat has developed review guidelines for TBS analysts that will strengthen the Secretariat's challenge function.</p> <p><b>Ongoing Assessment</b> The Strategic Review process requires organizations to systematically assess 100% of their direct program spending to ensure that programs are aligned with government priorities, achieving intended results, and being efficiently organized. The first two rounds of Strategic Reviews were completed in 2007 and 2008, resulting in reallocations or savings of \$386 million and \$586 million respectively per year.</p>

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	<ol style="list-style-type: none"> <li>1. Articulation of Program Activity Architectures (PAAs). As of June 2007, all departments had developed articulated structures for their PAAs. Program Activity Architectures set out departmental program activities in a logical fashion and link them to the strategic outcome(s) to which they contribute, resulting in a fully, structured inventory of government programs.</li> <li>2. Identification and definition of Performance Measurement Frameworks (PMFs) by departments in support of their PAA. As of December 2007, most federal departments had drafted PMFs for all programs in their PAA, which represents a major step forward in the development of objective program performance information for use in decision-making. The TBS is currently reviewing departmental PMFs to ensure consistent quality in accordance with MRRS standards and guidelines.</li> <li>3. Systematic creation, capture and use of MRRS information by departments. As of December 2007, departments began collecting and using MRRS information as part of overall program management, which includes supporting decisions related to allocation and re-allocation of resources.</li> <li>4. Design of an information management system. In order to ensure that the appropriate tools are in</li> </ol>	

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	<p>place to manage and make use of this large volume of data, an information management system is required. As summarized below and detailed in the response to recommendation 8, TBS is implementing the new Expenditure Management Information System (EMIS), which is a critical component of an integrated expenditure management system. When mature, the system will be used to provide a centralized database of financial and non-financial program performance information as articulated in PAAs and PMFs. The new EMIS, managed by TBS and accessible by departments, will assist TBS and other federal departments in decision-making associated with allocation and reallocation of resources.</p> <p>5. Full use of MRRS information in expenditure management processes by departments and Central Agencies.</p> <p>An objective is to ensure that, in the future, both financial and non-financial performance information can be fully integrated within the EMS. This would permit the use of non-financial performance information by program managers in their decision making, increasing the capacity to interpret results information accurately, and the use of results information in allocation and reallocation decisions. Some aspects of integration are already underway. For example, PAAs provided the framework upon which departments and agencies were required to assess the performance of all of their programs during the first round of Strategic Reviews.</p>	

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	<p><i>Implementing the new Expenditure Management Information System (EMIS)</i></p> <p>Development of the new EMIS supports managing for results by operationalizing the MRRS Policy. When fully developed, this information system will be an integrated and secure budget office system that supports both TBS and departments in their expenditure management roles. Development of the new EMIS is also an effort to integrate several disparate and, in some cases, aging legacy systems to ensure the Government continues to meet its obligations with regard to the preparation and tabling of the Main Estimates and Supplementary Estimates.</p> <p>As detailed in the response to recommendation 8, the EMIS renewal project is well underway. Phase A, the development of a model that provides a common approach, definitions and a structure for data and business processes, along with a high-level implementation plan, is complete. Phase B, replacing core budget office functionality with a unified, integrated and secure system is nearing completion. Going forward, a planned phase C would develop the functionality to manage priorities by linking them to results and planned budgets through monitoring based on PAAs. Phase D, the planned “actuals” phase, would develop the functionality to monitor</p>	

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	<p>actual against planned expenditures.</p> <p><i>Renewing the Evaluation Policy</i></p> <p>In the Government of Canada, evaluation is the systematic collection and analysis of evidence on the outcomes of policies and programs to make judgments about their relevance, performance and alternative ways to deliver programs or to achieve the same results. Evaluation is the primary source of neutral and systematic information on the ongoing relevance and performance of policies and programs, alternative ways of achieving expected results, and program design improvements. Evaluation helps the Government of Canada to design and deliver programs and services that are accountable, focused on results, and that meet the needs of Canadians.</p> <p>The TBS is in the process of renewing the Treasury Board Policy on Evaluation to help ensure that the renewed EMS is effectively supported by neutral, credible, timely and evidence-based information on the relevance and performance of government policies and programs.</p> <p><i>Strengthening Reporting to Parliament</i></p> <p>An effective Parliamentary reporting regime is important to ensuring that the EMS is transparent and accountable, and to ensuring Parliamentarians have the information required to ensure Government is managing for results. The Government currently provides many reports to Parliament related to expenditure management, including the Main Estimates, Reports on Plans and Priorities (RPPs), Departmental Performance Reports (DPRs), Supplementary Estimates,</p>	

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	<p>the RPP Overview for Parliamentarians, Canada's Performance and the Public Accounts.</p> <p>In support of EMS renewal, improvements are being made to both the content and form of departmental reports to Parliament. On content, improvements in the evaluation function along with implementation of the MRRS policy will help ensure that departmental reports are based on valid, neutral and credible performance information. In August 2007, the <i>Performance Reporting: Good Practices Handbook</i> was published to assist departments and agencies in the production of balanced reports. In addition, assessments of departmental reporting through the Management Accountability Framework (MAF) process will help ensure that generally accepted reporting principles are followed.</p> <p>In terms of form, Program Activity Architectures provide a consistent architecture for all reports. In addition, "layered" reporting that draws distinctions between whole-of-government and departmental level information, coupled with web-based navigational tools, help users better understand the achievements of individual programs as well as the aggregate performance of the government as a whole.</p> <p>Building on these efforts, concise 2008–2009 RPPs were piloted for four departments and agencies – the TBS, Indian and Northern Affairs Canada, Parks Canada and the Atlantic Opportunities Agency –</p>	

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	<p>using a design that is easier to read and contains links to more detailed information. Work is also underway to pilot concise 2007–2008 DPRs that will be tabled in fall 2008.</p> <p>Progress has also been made to strengthen reporting using the whole-of-government framework, which maps the contributions of departments, agencies and Crown corporations that receive appropriations to a set of high-level Government of Canada outcome areas, and which has been applied to help Parliamentarians navigate through the more than 90 RPPs and DPRs. In March 2008, for example, the Planning and Performance Gateway website was launched to provide this information in electronic form. In addition, <i>Canada's Performance</i>, tabled in November 2007, included a whole-of-government view of actual spending for the Government of Canada for the first time. In February 2008, Part I of the Main Estimates 2008–2009 displayed programs according to the whole-of-government framework. Going forward, Canada's Performance Report for 2008–2009 will include, for the first time, a comparison of planned and actual spending government wide.</p> <p><b>Up-front Discipline</b></p> <p>Central agencies are working to ensure the information content of Cabinet documents is strengthened to provide the information and analysis necessary to support decision making.</p>	

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	<p>In July 2007, TBS published a revised <i>Guide to Preparing Treasury Board Submissions</i>. The new guide incorporates many improvements to enhance the quality of information and strengthen the linkages between policy, program and spending information by requiring that MRRS information be included. The Guide addresses Treasury Board requirements for specific information on risk and on similarities or linkages with other government programs in submissions. It sets the new TBS requirement for a separate breakdown of program evaluation costs, with sign-off by departmental heads of evaluation on the adequacy and source of funding for the “evaluation” resources, as well as the requirement for accrual accounting information. Finally, it provides mandatory costing templates and instructs that they be completed in accordance with the TBS <i>Guide to Costing</i>. The <i>Guide to Preparing Treasury Board Submissions</i> continues to emphasize the role of the Senior Financial Officer/Chief Financial Officer where submissions have financial implications.</p> <p>Further to these developments, on 28 March 2008, the new TBS <i>Guide to Costing</i> was published. The guide is one of several tools that the Office of the Comptroller General (OCG) has developed to advance stewardship, accountability, and value for money across the Government of Canada. The use of well-prepared, timely cost information contributes to accountability and transparency as well as good</p>	



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	<p>decision-making and intelligent risk taking. The guide is for use by financial officers when called upon to perform costing, give costing advice, or attest to the accuracy and relevance of cost information. Further, the guide will inform the development of reliable costing information in Treasury Board submissions and Memoranda to Cabinet.</p> <p><b>Ongoing Assessment</b></p> <p>The third pillar, reviewing all direct program spending, is supported by the Strategic Review process, which was launched in Spring 2007 further to Budget 2006 and 2007 commitments. Strategic Reviews support the achievement of the two overarching EMS objectives:</p> <ul style="list-style-type: none"> <li>• Management Excellence – Strategic Reviews support effective management the government’s resources to achieve results and drive excellence in program performance and services to Canadians.</li> <li>• Fiscal Credibility – Strategic Reviews assist in ensuring that overall spending growth is controlled, consistent with the Government of Canada’s commitment to keep the rate of spending growth, on average, below the rate of growth of the economy.</li> </ul> <p>As part of the Strategic Review process, organizations are required to review their direct</p>	

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	<p>program spending, including minor statutory programs, quasi-statutory spending and the operating costs of major statutory programs every four years to assess how and whether these programs are aligned with priorities and core federal roles, whether they provide value for money, whether they are still relevant in meeting the needs of Canadians, and whether they are achieving intended results.</p> <p>Strategic Reviews are based on PAAs and draw on multiple lines of objective evidence, including evaluations, audits, special studies, organizational assessments, Management Accountability Framework assessments, Auditor General Reports and follow-ups, and benchmarks based on performance in other jurisdictions (including international) or in the private sector, as available.</p> <p>Through the first round of Strategic Reviews, organizations identified annual savings reaching \$386 million per year by 2010–2011, which were directed to fund new initiatives in those organizations and other Government priorities in Budget 2008.</p> <p>In March 2008, the second round of Strategic Reviews was launched. Sixteen organizations were directed to undertake a comprehensive assessment of their direct program spending and to provide options for reallocation and reinvestment. The results of these reviews will be presented to Cabinet as an input into Budget 2009 planning.</p>	

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	<p>In addition, drawing on the recent report by the Prime Minister's Advisory Committee on the Public Service, the six Public service human resource organizations are undertaking a horizontal review to ensure efficiency, effectiveness and value for money in the delivery of all of their programs to strengthen the management of human resources in the Public Service.</p> <p>Further details on implementation of the new EMS will be provided by TBS officials in a status report by 31 March 2009.</p>	

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<p><b>Recommendation 3:</b> The TBS provide the Public Accounts Committee with an action plan detailing how it will implement all of the recommendations made in Chapter 1, Expenditure Management System at the Government Centre and Chapter 2, Expenditure Management System in Departments from the November 2006 Auditor General's report by 30 June 2008.</p>	<p><b>Response:</b></p> <p>The recommendation is accepted, with reference to the Government's action plan for implementation of the new EMS, as detailed in the responses to recommendations 1 and 2.</p> <p>This action plan outlined in the response to recommendations 1 and 2 addresses the majority of the Auditor General's (AG) concerns:</p> <ul style="list-style-type: none"> <li>• the need for ongoing review of programs (AG recommendation 1.27 and 2.63) is being addressed by the implementation of Strategic Reviews;</li> <li>• the implementation of Strategic Reviews, in conjunction with the renewal of the Evaluation Policy, will provide the means to continually assess the value and effectiveness of existing programs and, as a result, to identify alignment issues in existing programs (AG recommendation 2.50);</li> <li>• the access, collection and use of financial and non-financial information by Central Agencies (AG recommendations 1.34 and 1.52) are being improved through the implementation of the Management, Resources and Results Structure (MRRS) Policy, by the recent publication of the revised <i>Guide to Preparing Treasury Board Submissions</i> and the revised <i>Guide to Costing</i>,</li> </ul>	<p><b>Recommendation addressed:</b></p> <p>The Government Response specifies a number of actions to be taken by the Secretariat in response to the Auditor General's recommendations.</p>

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	<p>and by implementation of the EMIS as detailed in the responses to recommendations 8 and 9; and</p> <ul style="list-style-type: none"> <li>the availability of improved information in Cabinet documents will ensure that more effective funding decisions, including those for long-term programs, are made (AG recommendation 1.64).</li> </ul> <p>As detailed in the Government Response and monitoring update to the 2006 Auditor General report, existing features of the EMS or continual improvements to it are aimed at addressing the remaining AG concerns.</p> <p>Tracking of financial and non-financial conditions attached to spending decisions by Treasury Board (recommendation 1.69) is currently undertaken by TBS and will be improved by implementation of the EMIS, as detailed in the response to recommendation 9. In addition, the Treasury Board submission process allows for alignment risks to be assessed (AG recommendation 2.46), an ability which is strengthened by the new <i>Guide to Preparing Treasury Board Submissions</i>. Should the funding profile require modification due to extenuating circumstances, departments have at their disposal mechanisms such as reprofiling. If significant alignment issues resulting from information gaps during initial requests or unforeseen events persist, these will surface through exercises such as evaluations and Strategic Reviews.</p>	

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	<p>On the consolidation of spending items (AG recommendation 2.88), progress has been made as part of continual improvements to expenditure reporting. As explained in the response to recommendations 11 and 12, the Government has created two new central Votes (an Operating Budget Carry Forward Vote and a Paylist Requirements Vote) that will reduce and even eliminate the use of Supplementary Estimates by some departments.</p>	

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	<p>On ensuring that departments respect the Parliamentary control framework (AG recommendation 2.88), TBS is clear in its guidance to departments that Treasury Board approval does not mean authority to spend, before Parliament has given spending authority. As a further incentive to departments to respect the Parliamentary control framework, sections 31(3) and 33 (3) of the <i>Financial Administration Act</i> are monitored by TBS using the Management Accountability Framework as explained in the response to recommendation 10. In addition, starting in the 2008–2009 fiscal year, the Government reintroduced the practice of a spring Supplementary Estimates to provide opportunities to reduce the risk of departments spending in advance of Parliamentary approval by providing program funds on a more timely basis.</p>	
<p><b>Recommendation 4:</b> The TBS work with the Privy Council Office and the Department of Finance to clarify their respective roles in the Expenditure Management System; and provide the Public Accounts Committee with information on these clarified roles and explain how these clarified roles will improve the</p>	<p><b>Response:</b> The recommendation is accepted and the requested information is provided as follows.</p> <p>The three pillars of the renewed Expenditure Management System – Managing for Results, Up-front Discipline, and Ongoing Assessment (Strategic Reviews) – provide an improved framework for greater clarity of the roles and responsibilities of the Central Agencies. Through a more rigorous, results-based approach to the management of all direct program spending, the renewed EMS entrenches a culture of sound management to deliver programs</p>	<p><b>Recommendation partially addressed:</b> The government response specifies the roles of central agencies.</p> <p>However, it is not clear how the response addresses the concerns of the OAG with respect to the clarity of roles within the (EMS).</p>

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<p>effectiveness of the Expenditure Management System by 30 June 2008.</p>	<p>that achieve results for Canadians.</p> <p>The roles and responsibilities of Central Agencies are tailored to assist the Government in achieving management excellence and fiscal credibility. Expenditure management requires ongoing collaboration between Central Agencies to, for example, review new spending proposals during the Memorandum to Cabinet process, and assess existing expenditures through the Strategic Review process. At the same time, the respective roles of the Central Agencies in the renewed EMS are clear.</p> <p>The <b>Department of Finance</b> assists the Government and the Minister of Finance in developing fiscal and other economic policies that support Canada's economic and social goals. The Department manages the fiscal framework, oversees the preparation of the federal budget, and provides advice to the Government on overall federal spending priorities as well as specific areas of responsibility such economic and fiscal policy, taxation policy, borrowing, cash and debt management, federal transfer payments to the provinces and territories and financial sector policy. The Department also provides advice to the Minister of Finance on new policy proposals presented in MCs as well as reallocation proposals developed in the context of Strategic Reviews.</p> <p>The <b>Privy Council Office (PCO)</b> focuses on overall</p>	



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	<p>governmental and Prime-Ministerial priorities and on the integrity and functioning of the system, including the alignment of new spending proposals with government priorities. PCO sets the standards for the information to be included in the Memoranda to Cabinet, including those for financial information. PCO advises the Prime Minister, Cabinet and policy committees of Cabinet on policy issues. PCO also participates in Budget preparation by providing advice to the Prime Minister on Budget decisions. In addition, PCO monitors the Strategic Review process for the Prime Minister and ensures the completion of the appropriate follow-up work to help resolve policy issues raised by the Reviews.</p> <p>The <b>Treasury Board Secretariat</b> focuses on making recommendations and providing advice to the Treasury Board on policies, directives, regulations, and program expenditure proposals with respect to the management of the government's resources, including oversight of the financial management functions in departments and agencies. The Secretariat is also responsible for the comptrollership function of government, including the provision of advice and direction on the integration and use of financial and non-financial performance information, a sound approach to risk management, appropriate control systems and a shared set of values and ethics. The Secretariat ensures that costing information and elements of program design included</p>	

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	<p>in Memoranda to Cabinet are realistic. At the detailed policy development stage, the Secretariat advises the Treasury Board on the costing, design and performance of programs, and on the management of resources within specified constraints. The Secretariat also undertakes government-wide expenditure and performance analysis such as Strategic Reviews, which informs Budget planning, and oversight of estimates and the supply process.</p> <p>On the reporting side, the Secretariat assists the Treasury Board in exercising its statutory responsibility for accounting for expenditures to Parliament as part of the reporting cycle, which includes timely and accurate publication of the Main Estimates, the Reports on Plans and Priorities and Departmental Performance Reports.</p>	

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<p><b>Recommendation 5:</b> The TBS work with new governments to ensure that the Office of the Auditor General has access to the documents it needs to fully conduct its audits as is stated in the <i>Auditor General Act</i>.</p>	<p><b>Response:</b> The recommendation is accepted.</p> <p>The TBS supports access to documents by the Office of the Auditor General (OAG), to which it is entitled pursuant to the <i>Auditor General Act</i>, in order to carry out its work. A new Order in Council was put in place just prior to the tabling of the November 2006 Report of the Auditor General of Canada. The Order in Council clarifies the Auditor General's access to Cabinet documents. The TBS has taken joint steps with the OAG and PCO, to ensure that the OAG has access to needed documents. The Secretary of the Treasury Board, jointly with the Auditor General, sent out a communiqué on 7 August 2007 to all Deputy Ministers and Heads of Agencies reminding them of their obligations under the <i>Auditor General Act</i> to provide timely access to records and personnel.</p>	<p><b>Recommendation addressed:</b></p> <p>The government response indicates that a new Order in Council was adopted that clarifies the Auditor General's access to documents.</p>
<p><b>Recommendation 6:</b></p> <ul style="list-style-type: none"> <li>Component # 1: The TBS provide the Public Accounts Committee with an action plan to hire and train the evaluators necessary to ensure the new Expenditure Management System functions as planned by 30 June 2008.</li> </ul>	<p><b>Response:</b> The recommendation is accepted and a clarification on roles and responsibilities is provided.</p> <p>While TBS provides policy direction in evaluation and monitors its implementation, deputy heads are responsible for management of the evaluation function in their organizations, including the hiring of evaluators in conjunction with their overall organizational human resources strategy.</p> <p>Nonetheless, TBS is working with departments and agencies to help increase the capacity of the evaluation function in the federal Public Service.</p> <p>In 2006 and 2007, the Public Service evaluation</p>	<p><b>Recommendation addressed:</b></p> <p>The government response specifies actions taken to address the recommendation.</p>

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	<p>community completed two community-wide staffing initiatives resulting in the hiring of an additional qualified 115 evaluators. In 2008–2009, TBS will be leading an evaluation community-wide Post-secondary Recruitment campaign across Canada, with the objective of creating a qualified pool of candidates at the junior evaluator level for hiring by departments and agencies. Because of the positive experience with the community-wide recruitment initiatives to date, it is expected that the evaluation community will be conducting one or more of them each year to ensure that capacity is maintained.</p> <p>In an effort to build future capacity, TBS is in discussions with Canadian universities to broaden and make more accessible education in evaluation and to develop post-graduate certificate programs in evaluation, which would include the implementation of internship programs to ensure that students gain practical experience.</p> <p>In order to increase the evaluation capacity through improved effectiveness, TBS is closely monitoring the quality of departmental and agency evaluation to identify opportunities for improvement and shared best practices.</p>	
<ul style="list-style-type: none"> <li>Component # 2: The TBS reinforce the importance of evaluation by adding program evaluation as a</li> </ul>	<p><b>Response:</b> The recommendation is accepted.</p> <p>The TBS is reinforcing the importance of evaluation by embedding evaluation into the Expenditure</p>	<p><b>Recommendation addressed:</b></p> <p>The government response indicates that evaluation is now part of the Expenditure</p>

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<p>key requirement in the Expenditure Management System.</p>	<p>Management System in a number of ways.</p> <p>As noted in the response to recommendations 1 and 2, at the time of the preparation of this response, the TBS is in the process of renewing the Treasury Board Policy on Evaluation to help ensure that the renewed EMS is effectively supported by neutral, credible, timely and evidence-based information on the relevance and performance of government policies and programs.</p> <p>Evaluations are a key requirement to substantiate program performance as part of the renewed EMS' Strategic Review process. Strategic Reviews require departments, every four years, to comprehensively assess all of their programs to ensure value for money, effectiveness, efficiency and alignment with government roles and priorities, and present these findings as in input to Budget planning (see response to recommendations 1 and 2). Program assessments undertaken as part of the Strategic Review exercise must provide solid evidence on performance, and as such, evaluations are a key component of the renewed EMS.</p> <p>Evaluation information is also increasingly being used and required in decision-making. For example, the revised Treasury Board submission guide makes the use of evaluation and performance information a clear requirement.</p> <p>Lastly, it is worth noting that the quality of evaluation</p>	<p>Management System.</p>

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	and performance management practices in departments and agencies are assessed and monitored through the Management Accountability Framework, thereby ensuring that these are considered as a key component of sound management.	

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<p><b>Recommendation 7:</b> The TBS work with the Privy Council Office to allow the funding profile of new programs to be altered at the Treasury Board submission phase to better reflect the needs of these programs.</p>	<p><b>Response:</b> The concerns raised by this recommendation are being met.</p> <p>Fiscal credibility and the effective stewardship of taxpayers' dollars require careful control and scrutiny of overall spending. The current approach to establishing the funding profile of new programs has been designed to ensure proper control and accountability for all spending.</p> <p>Ministers begin by bringing new spending proposals to the appropriate policy committee of Cabinet. Consideration of the proposal at this stage includes consideration of a full range of options for achieving the objectives of the proposal, including alternative funding profiles. At this stage, the Committee typically gives its approval in principal to a new spending proposal, subject to the proposal receiving funding in the Budget. Final decisions on the funding levels for these new spending proposals are taken in the annual Budget process and reflect consideration of the Government's priorities and the overall level of funding available to be allocated to new spending proposals.</p> <p>Following the announcement of a new spending proposal in a Budget, departments are required to seek Treasury Board approval of the detailed elements of the new program, including its implementation and ongoing management within the funding profiles set out in the Budget. At this stage, TBS works with departments to address funding profile issues through reprofiling where warranted,</p>	<p><b>Status quo:</b> The government response indicates that the current practice of re-profiling funds should the need arises in the program's lifespan is adequate.</p>

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	<p>and seeks the concurrence of the Department of Finance.</p> <p>That being said, reprofiling does not allow for increases in funding at the Treasury Board submission stage. Should funding profiles originally approved by Cabinet be deemed insufficient to fulfill program needs, departments would be required to return to Cabinet with a revised proposal. In the event that policy approval is obtained, the proposal would be considered for inclusion in the Budget based on considerations of overall government priorities and the fiscal situation. To better ensure that funding profiles meet program needs, the renewed EMS aims to strengthen the information basis at the front-end of the decision-making process for new spending proposals. As well, as detailed in the response to recommendations 1 and 2, the Comptroller General has introduced a new <i>Guide to Costing</i> which will assist Ministers in preparing their cost estimates for new spending proposals.</p>	
<p><b>Recommendation 8:</b> The TBS provide the Public Accounts Committee with an update on the implementation of the Expenditure Management Information System by 30 June 2008.</p>	<p><b>Response:</b> The recommendation is accepted and the requested information is provided as follows.</p> <p>Since 2006, the Expenditure Management Information System (EMIS) has been redesigned and is being implemented in phases. The first phase, Phase A, was the Budget Office Systems Renewal (BOSR) project, for which a new business case was approved by the Treasury Board in October 2006.</p> <p>The main purpose of BOSR is to replace and</p>	<p><b>Recommendation addressed:</b> The government response provides information about Phase A of EMIS. According to further information provided by the government, Phase B was concluded on March 31, 2009. The Secretariat is now working to automate the Annual Reference</p>



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	<p>integrate several disparate and, for the most part, aging legacy systems to ensure the Government can continue to meet its obligations with regard to the preparation and tabling of Main Estimates and Supplementary Estimates while ensuring it meets the evolving needs of departments and Parliamentarians. The legacy systems were those supporting the Expenditure Status Report, the Annual Reference Level Update on line, the Main Estimates online, the Supplementary Estimates System, the Governor General Special Warrants System, the Allotment Control System, the Condition Tracking System and the Program Activity Architecture online system.</p> <p>A significant project milestone was achieved in December 2007, when the new EMIS was launched for the preparation of the 2008–2009 Main Estimates. Starting on the planned launched date of 30 November 2007, over 120 departments and agencies, along with their TBS program and expenditure management analysts were provided access to the system in stages. By 13 December 2007, all government organizations had access to the system and were able to begin work on their Main Estimates.</p> <p>The second phase of the EMIS project, Phase B, was aimed at improving the functionality of EMIS for the production of Estimates and related fiscal information. A number of Phase B tasks are still being completed. These include the conversion of historical data and delivering the full range of</p>	<p>Level Update and Supplementary Estimates worksheets, improving login and transaction processing times, and other functions.</p>

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	<p>operational and client- or publication-ready reports, as well as the functionality to support the production of Treasury Board précis and decision letters, and pressures or reserve allocation monitoring and functions. These elements were originally expected to be completed by March 2008, but were temporarily overtaken by the requirements to produce an early Supplementary Estimates (A) in the Spring of 2008 and to have tools ready should the need for Special Warrants arise. The revised target date for completion of remaining Phase B tasks is Summer 2008.</p> <p>Looking beyond Phase B, the 2008–2009 fiscal year will see further refinement of core EMIS functionality and integration of the new system with other business processes. To ensure continuity, some elements of the legacy systems and their related business processes will be maintained on a parallel basis in 2008–2009 to validate results from the new system. The new system will also be used to support business processes for tracking Treasury Board conditions and other controls, including allotment controls.</p> <p>The long-term planning for EMIS also anticipates further phases to integrate non-financial performance information and actual spending, with the planning information for the fiscal framework and Estimates.</p>	
<b>Recommendation 9:</b>	<b>Response:</b> The recommendation is rejected for the reasons below. TBS works with departments on an	<b>Recommendation rejected:</b> The government maintains that

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<ul style="list-style-type: none"> <li>Component # 1: The TBS ensure that it has the capacity to monitor departments' use of special purpose allotments and compliance with non-financial conditions and improve this capacity if necessary.</li> </ul>	<p>ongoing basis to ensure that all conditions imposed following consideration of Treasury Board submissions are met. This includes special purpose allotments, which are reported in the <i>Public Accounts of Canada</i>. Responsibility to comply with Treasury Board conditions, however, rests with individual Ministers, who have been previously instructed by Treasury Board to adhere to these conditions.</p> <p>The new Expenditure Management Information System is designed to provide tools to improve recording and tracking of both financial and non-financial conditions applied to Cabinet and Treasury Board decisions. Implementation of these tools has begun and the full range of related changes in business processes will be phased in.</p>	<p>responsibility for compliance with Treasury Board conditions rests with individual ministers. In addition, special purpose allotments are reported in the Public Accounts.</p>
<ul style="list-style-type: none"> <li>Component # 2: The TBS monitor departments' use of special purpose allotments and compliance with non-financial conditions using the Management Accountability Framework beginning with the next round of assessments.</li> </ul>	<p><b>Response:</b> Management Accountability Framework (MAF) indicators are not intended to assess departments' use of special purpose allotments and compliance with non-financial conditions, nor are they an effective tool to do so. The MAF is used by the Treasury Board as both a tool of assessment of organizational management performance and as the accountability framework for the management of departments by Deputy Heads. The MAF is designed to provide Treasury Board Ministers with a broad picture of a department's general state of management capacity, not a detailed analysis of its use of specific fiscal tools.</p>	<p><b>Recommendation rejected:</b> The government response says that the MAF is used to assess management performance, not departmental compliance with Treasury Board policies.</p>

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<p><b>Recommendation 10:</b> The TBS use the Management Accountability Framework to determine the amount of cash management that happens in departments and report the results of this tracking publicly beginning with the next round of assessments.</p>	<p><b>Response:</b> The recommendation is rejected for the following reasons.</p> <p>Two basic fundamentals are required in order for departments to spend money – authority, and funding. Cash management allows organizations to spend against a previously-approved authority when funding has not yet been released through appropriations. Departments need the flexibility to manage cash consistent with prudent risk management to effectively deliver programs in a timely and efficient manner. At the same time, departments must manage their cash within the reference levels approved by Parliament should Parliament reduce the amount of funds requested in Estimates.</p> <p>The <i>Financial Administration Act</i> stipulates two requirements:</p> <p>Under Section 31(3):</p> <ul style="list-style-type: none"> <li>• the Deputy Head or other person charged with the administration of a service for which a division is required to be prepared pursuant to subsection (1) shall ensure by an adequate system of internal control and audit that the allotments provided in that division are not exceeded; and</li> </ul> <p>Under Section 33(3):</p> <ul style="list-style-type: none"> <li>• no requisition shall be made pursuant to subsection (1) for a payment that:</li> </ul>	<p><b>Recommendation rejected:</b> The government response indicates that MAF assessments review departmental audit reports and financial management concerns, not internal departmental management. The <i>Financial Administration Act</i> details how departments must manage their funds.</p>

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	<ul style="list-style-type: none"> <li>▪ would not be a lawful charge against the appropriation,</li> <li>▪ would result in an expenditure in excess of the appropriation, or</li> <li>▪ would reduce the balance available in the appropriation so that it would not be sufficient to meet commitments charged against it.</li> </ul> <p>Both of these sections are monitored and reported on by TBS via the Management Accountability Framework (MAF) process, which involves the review of departmental internal audit reports related to financial management issues, and the examination of Public Accounts to determine which, if any, departments have exceeded their appropriations.</p> <p>The MAF is designed to provide Treasury Board Ministers with a broad picture of a department's general state of management capacity, not a detailed analysis of its use of specific fiscal tools.</p>	
<p><b>Recommendation 11:</b> The TBS present departmental operating budget carry-forwards to the House of Commons in a separate Supplementary Estimate and thus have these carry-forwards be subject to a separate vote.</p>	<p><b>Response:</b> The recommendation is rejected for the following reasons.</p> <ul style="list-style-type: none"> <li>• In the 2007–2008 Supplementary Estimates (A), TBS received Parliamentary approval for the creation of a new central Vote for the Operating Budget Carry Forward to enable the Government to better manage and account for the disbursement of funds. The authority to carry forward funds from one fiscal year to the next had routinely been requested through individual</li> </ul>	<p><b>Recommendation rejected:</b> Instead, the Government proposes an alternative—operating carry-forwards are now presented in a separate central Treasury Board vote.</p>

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	<p>departmental Supplementary Estimates. The central Operating Budget Carry Forward Vote now consolidates routine departmental transactions for operating budget carry forwards into one Vote which is reported in Main Estimates, thereby reducing the number of line items in Supplementary Estimates and, in many cases, eliminating the requirement for Supplementary Estimates for many small organizations. Going forward, operating budget requirements will be consolidated into a single submission for approval by Treasury Board Ministers and these approved amounts will be allocated directly to departments, usually in September of each year (as opposed to December as was done previously through Supplementary Estimates). These allocations will be transparent in Estimates and will also be reported as a separate table in the Supplementary Estimates for information purposes only – i.e., showing how the aggregate carry forward amount has been allocated across departments and agencies.</p> <ul style="list-style-type: none"> <li>• Consolidating approval of operating carry forwards into a single Vote and displaying this information in a single table will provide the greater transparency endorsed by the Committee. Considering the additional administrative burden and cost that would be associated with printing a separate Supplementary Estimate for this</li> </ul>	

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	<p>purpose, the current reforms to improve transparency of the approval process, which account for and display operating budget carry forward items within Supplementary Estimates, are deemed sufficient.</p>	
<p><b>Recommendation 12:</b> The TBS improve the transparency and clarity of Supplementary Estimates documents by including an explanation of why the items a department is seeking approval for need to be funded through the Supplementary Estimates rather than the Main Estimates.</p>	<p><b>Response:</b> The recommendation is being met now.</p> <p>As outlined in Supplementary Estimates (A) and (B) for 2007–2008, the purpose of the Supplementary Estimates is to present to Parliament information on the Government of Canada’s spending requirements which were either not sufficiently developed in time for inclusion in the Main Estimates, or which have subsequently been refined to account for developments in particular programs and services. Supplementary Estimates also provide updated information on changes to expenditure forecasts of major statutory items. In addition, they are used to seek parliamentary approval for such items as: transfers of money between Votes; debt deletion; loan guarantees; new or increased grants; and changes to Vote wording.</p> <p>Each year, usually in February, the government sets out its overall plan to meet its priorities in the Budget. Generally, Budget initiatives are developed in secrecy and represent a statement of the government’s intent. Prudent and responsible implementation of these initiatives often requires extensive program design – including a process of consultation and negotiation with stakeholders, policy</p>	<p><b>Status quo:</b> The government Response indicates that the Secretariat is currently working with departments and agencies to improve transparency in Supplementary Estimates.</p>

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	<p>approval by Cabinet and approval of the details of the program design and implementation plan by Treasury Board.</p> <p>In accordance with House of Commons Standing Orders, Main Estimates must be tabled on or before 1 March and the process of compiling these Main Estimates begins the preceding October. Therefore, it is not always possible to include in the Main Estimates the appropriations required in support of Budget initiatives that have been announced a few weeks earlier. In fact, it is not uncommon for the process of program design outlined above, including consultation with private industry, other levels of government and even internationally to take upwards of a calendar year or longer for complex initiatives. Therefore, Supplementary Estimates serve a very useful role in enabling the government to bring forward initiatives for Parliament's approval once the detailed program design and implementation plan have been finalized, rather than including these in Main Estimates before they are fully developed and ready for Parliament's approval, or delaying initiatives for Parliament's approval so that they line up with the next Main Estimates cycle.</p> <p>Progressive improvements in the transparency of the Supplementary Estimates are aimed at the overarching objective of enhancing accountability to Parliament through improved financial and</p>	



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	<p>performance information.</p> <p>Over the last few years a number of changes have been made to the format of the Supplementary Estimates to improve their transparency. In particular, the TBS has worked with departments and agencies to improve the presentation of individual departmental requirements by requiring better information to describe the nature of transactions, as well as the clear identification of instances where funds are available within a department's existing spending authority to offset new requirements.</p> <p>In addition, a number of new summary tables have been added to facilitate the review of the Estimates by Parliamentary committees, researchers, and Canadians. These new tables include: an overview of the major items being requested in Supplementary Estimates; a Standard Object of Expenditure summary; a summary of horizontal initiatives; a summary of \$1 items included in the Supplementary Estimates; a summary of transfers between organizations; and changes reflected in these Supplementary Estimates since the tabling of Main Estimates.</p> <p>Further to these efforts, in May 2007, Treasury Board approved the creation of two new central Votes: a departmental Operating Budget Carry Forward Vote (detailed in the response to recommendation 11); and a Paylist Requirements Vote. These Votes were</p>	

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	<p>approved by Parliament through Supplementary Estimates (A), 2007–2008 and the enabling <i>Appropriation Act No. 3, 2007–2008</i>. Paylist requirements are legal obligations of the employer for employee benefit items, such as severance pay and parental benefits. The approval by Parliament of a central Vote for paylist items helps support transparency by more clearly showing legal obligations of the employer as well as preserving the central Vote used for government contingencies, Vote 5, for true contingencies.</p>	

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<p><b>Recommendation 13:</b> The Government appoint a Blue Ribbon Panel to examine the financial information systems that generate management information with the goal of improving the spending decisions of the Government.</p>	<p><b>Response:</b> The recommendation is rejected, but an alternative is offered with the following rationale.</p> <p>As detailed throughout this Response, the Government has made significant progress in implementing the new EMS. In so doing, the Government has or is moving to address the Committee’s concerns. For example, the new EMS provides tools to assess new spending against existing spending. In addition, the review of existing program efficiency, effectiveness, performance, value for money and alignment with Government priorities has been implemented through Strategic Reviews and will be strengthened through renewal of the Evaluation policy.</p> <p>The Government acknowledges the complexity of the issues at hand and agrees that fundamentally, the effectiveness of the EMS relies on the support of a rigorous information management system. When fully implemented, the Expenditure Management Information System (EMIS) will be the financial and non-financial information management system that supports the spending decisions of Government.</p> <p>As such, it is proposed that there would be greater value in focusing on the EMIS specifically. To this end, the Government proposes that, consistent with good Information Management / Information Technology practices, the TBS engage external advisors over the next two years to provide strategic</p>	<p><b>Recommendation rejected:</b> The government response indicates that the Secretariat is proposing to meet with external advisors on the implementation of EMIS.</p> <p>According to further information provided by the government, the Secretariat “contracted independent consultants to provide strategic advice to the EMIS project in the areas of project management, change management, functional design and technical architecture and implementation. However, due to budgetary limitations, the external advisors did not evaluate the development and implementation of EMIS.”</p>

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	<p>advice on EMIS. In addition to evaluating the development and implementation of EMIS, the advisors would also play a proactive role in giving technical advice on system design going forward. This would provide an opportunity to scrutinize not only financial information as requested by the Committee, but also an opportunity to examine non-financial information, which is fundamental to managing to results. The advisors would be experts in planning and implementation of large information technology initiatives related to large financial information systems to support expenditure management.</p>	

**REPORT # 5: CHAPTER 11, PROTECTION OF PUBLIC ASSETS – OFFICE OF THE CORRECTIONAL INVESTIGATOR OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

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<p><b>Recommendation 1:</b> The government provide the Public Accounts Committee with an explanation by 30 June 2008 as to why it did not seek reimbursement from Ronald Stewart for unearned salary and the cash-out of</p>	<p><b>Response:</b> The Government pursued this question with rigour. The Comptroller General co-chaired with the current Correctional Investigator an advisory committee to review the matter.</p> <p>After a review of the available information, the conclusion reached was that the work involved to attempt to establish the amount identified by the Auditor General for unearned salary and the cash-</p>	<p><b>Recommendation addressed:</b> The government response explains that further action would be very costly and potentially unproductive.</p>

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<p>annual leave from 1990–1991 to 1997–1998, as identified by the Office of the Auditor General.</p>	<p>out of annual leave from 1990–1991 to 1997–1998 as a “debt to the Crown” would be very costly and potentially unproductive and the chances of recovering any debt were limited. Accordingly, the Government pursued a settlement that reflected taxpayers’ and the public’s best interests in this matter. The pre-tax value of this settlement exceeds \$112,000.</p>	
<p><b>Recommendation 2:</b> The Office of the Correctional Investigator and Public Safety and Emergency Preparedness Canada provide detailed action plans to the Public Accounts Committee by 30 June 2008 on how they intend to implement the Auditor General’s recommendations.</p>	<p><b>Response:</b> All recommendations in the Auditor General’s report have now either been fully implemented or are in the process of being implemented. The following specific actions have been taken:</p> <p><b>Personal use of a Government Vehicle</b> - T4 slips for the benefit of the personal use of a government vehicle by the former Correctional Investigator were recalculated using the 90% personal use rate indicated in the Auditor General’s report, and these have been issued to Mr. Stewart.</p> <p><b>Human Resources Practices</b> - Public Safety Canada has taken the necessary steps to ensure that all human resources and staffing actions comply with Treasury Board, Canada Public Service Agency and Public Service Commission policies, directives and practices and with the Memorandum of Understanding between Public Safety Canada and the Office of the Correctional Investigator.</p> <p>In October 2006, Public Safety Canada issued a directive to all human resources staff clarifying the</p>	<p><b>Recommendation addressed:</b> The government response outlines a number of actions that have been taken. It must be assumed that no further actions were planned as no timelines are provided.</p>

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	<p>roles and responsibilities when providing human resources services to the three review agencies within the Public Safety portfolio. The directive states that if a human resources advisor becomes aware of any activity or action which does not appear to be in conformity with established policies and/or best practices, the human resources advisor must bring the matter to the immediate attention of the Director General of Human Resources who will then take the necessary steps to resolve or clarify the matter.</p> <p><b>Comptrollership and Management</b> - The Office of the Correctional Investigator worked with the Office of the Comptroller General to secure the services of a qualified Senior Financial Officer. An interim Senior Financial Officer was recruited immediately after the audit and a permanent Senior Financial Officer has now been appointed.</p> <p><i>A Manager's Guide for Delegated Financial Signing Authority</i>, developed by Public Safety Canada following the release of the Auditor General's report, is now in use at the Office of the Correctional Investigator and the other small agencies in the Public Safety portfolio. This guide includes an acknowledgement form whereby the delegated manager acknowledges the importance of exercising authority under the <i>Financial Administration Act</i> and undertakes to seek advice before exercising their authority, when in doubt. Direction has been provided to all Public Safety Canada accounting staff to re-enforce their responsibilities related to exercising Section 33 and 34 authorities under the</p>	

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	<p><i>Financial Administration Act</i> and ensure no one exercises those authorities for a transaction from which they have personally benefited. In addition, all staff with delegated human resources and financial authority have received training related to their responsibilities</p> <p><i>Memoranda of Understanding</i> have been established between the Office of the Correctional Investigator and Public Safety Canada and between Public Safety Canada and the other small agencies in its portfolio. These documents clearly define each organization's roles, responsibilities and accountabilities.</p> <p>The Privy Council Office has put into place a number of measures to inform heads of organizations about their accountabilities: Prior to appointment, all Governor in Council appointees are required to certify in writing that they will comply with the ethical and political activities guidelines which constitute terms and conditions of their appointment.</p> <p>Following their appointment, heads of organizations are sent a detailed welcome letter from the Privy Council Office which reminds them of their obligations under the guidelines and the <i>Conflict of Interest Act</i> and provides them with website links to and copies of all relevant guidance documents such as <i>A Guide Book for Heads of Agencies</i> and the <i>Terms and Conditions of Employment for Full-time Governor in Council Appointees</i>. These guidance documents include references to all of the source documents, policies and rules which are summarized</p>	

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<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
	<p>therein.</p> <p>Revised one-on-one orientation sessions on the responsibilities and accountabilities of heads of agencies are now in place. Orientation courses are given at the Canada School of Public Service for heads of organizations focusing on financial literacy, basic roles and accountabilities, values and ethics and understanding the federal government.</p> <p>The TBS has been monitoring the effectiveness of small agencies through its latest Management Accountability Framework exercise.</p> <p>A new management control framework in the key areas of human resource management and financial management has been put into place by the current Correctional Investigator, with support from the TBS and Public Safety Canada. Financial management and accountability policies, human resources management procedures, and performance measurement and reporting regimes have all been improved.</p> <p>Within the office of Correctional Investigator, a new expenditure control system has been developed and implemented, and new practices for approval of leave and expense claims are in place.</p>	



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<p><b>Recommendation 3:</b> The Chief Financial Officer Model include clear roles and responsibilities for the TBS to monitor and ensure that chief financial officers understand and fulfill their duties.</p>	<p><b>Response:</b> The Government supports this recommendation. The new financial management policy suite will outline the roles and responsibilities of the Comptroller General to monitor and ensure that Chief Financial Officers understand and fulfill their duties.</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, “a new Policy on Financial Management Governance which clarifies roles, responsibilities and accountabilities of Deputy Heads and CFOs came into effect on April 1<sup>st</sup> 2009.”</p>
<p><b>Recommendation 4:</b> The TBS publish on its website by 30 June 2008 a list of all the senior financial officers in the federal government, and keep this list up to date.</p>	<p><b>Response:</b> The Government supports this recommendation. TBS will publish on its website by 30 June 2008, a list of senior financial officers for all departments as defined in the <i>Financial Administration Act</i>. The list will be updated on a regular basis.</p>	<p><b>Recommendation addressed:</b> A list of senior financial officers is now on the Secretariat’s website.</p>
<p><b>Recommendation 5:</b> The TBS conduct regular Management Accountability Framework assessments of all small organizations and clearly establish the frequency of these assessments on its website.</p>	<p><b>Response:</b> The Management Accountability Framework (MAF) Directorate of the TBS is in the final year of establishing a three-year rotational cycle for the assessment of small agencies. By the end of 2008–2009, all small agencies will have been assessed once. By the end of 2011–2012, all small agencies will have been assessed for a second time.</p> <p>The list of all departments and agencies to be assessed in Round VI will be posted on the TBS website in September.</p> <p>The Management Accountability Framework is a high-level tool that is used to define the conditions that need to be in place to ensure the government is well-managed and to promote management excellence. The government uses MAF assessments</p>	<p><b>Recommendation addressed:</b> The government response indicates the frequency of MAF assessments for small organizations.</p>

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	to identify management strengths and weaknesses in individual departments and agencies so that departments and agencies can improve their own organizational performance.	
<p><b>Recommendation 6:</b> The Office of the Comptroller General ensure that all small independent organizations are subject to internal audit on such a regular basis as to prevent serious management problems from occurring, that these audits be conducted at least every five years, and that the TBS publish a schedule for these audits, including the names of the organizations to be audited, in its report on plans and priorities, beginning with the report for 2009–2010.</p>	<p><b>Response:</b> The Government supports the principles underpinning the recommendation. However, the approach being taken by the Office of the Comptroller General is risk based and thematic, as opposed to cyclical, such that each audit examines a specific topic (e.g., contracting) across sample organizations. This is a cost-effective approach to making use of limited audit resources.</p> <p>The Office of the Comptroller General’s <i>Government-wide Horizontal Internal Audit Plan</i>, a copy of which has been provided to the Chair of the Public Accounts Committee, has identified an ambitious schedule of audit topics across small departments and agencies for 2007–2008 through 2009–2010. This plan will be updated annually to ensure appropriate risk-based audit coverage across the population of 44 organizations designated by the <i>Policy on Internal Audit</i> as small departments and agencies. Phased implementation of the <i>Policy</i> will see its fundamentals in place by April 2009.</p> <p>The Office of the Comptroller General will continue to assess the extent of total internal audit coverage of small departments and agencies and will report relevant information in the most current annual Internal Audit Plan.</p>	<p><b>Recommendation partially rejected:</b> The Office of the Comptroller General is taking a risk based and thematic approach to horizontal audits, as opposed to a cyclical audit of each organization.</p>

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<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 7:</b> The Privy Council Office ensure that all Governor-in-Council appointees to head small organizations are adequately fulfilling their management responsibilities before recommending their reappointment.</p>	<p><b>Response:</b> The Government supports the principle underlying this recommendation. Most Governor-in-Council appointments are for fixed terms so there is no entitlement to re-appointment. It is the purview of the responsible Minister to determine whether or not an incumbent should be recommended for re-appointment. This assessment is based on the overall performance of the incumbent, which includes management responsibilities. In the case of those appointees who are entitled to receive performance pay, their performance reviews can be a source of useful information to the Minister in making this determination.</p>	<p><b>Status quo:</b> The government response asserts that current actions address the recommendation.</p>
<p><b>Recommendation 8:</b> The Privy Council Office cease the practice of providing quasi-judicial Governor-in-Council appointees management pay, beginning in 2008–2009.</p>	<p><b>Response:</b> The Government supports this recommendation. In order to preserve their independence from government, quasi-judicial Governor-in-Council appointees no longer receive any management pay or performance pay.</p> <p>The former Correctional Investigator, Ron Stewart, was advised in October 2000 that due to the quasi-judicial nature of his position, he would no longer be eligible to receive performance pay but that his management responsibilities would continue to be recognised until such time as a new compensation system was put into place for all quasi-judicial positions. Mr. Stewart received ‘management pay’ for the fiscal years 1999–2000 to 2002–2003.</p> <p>In 2002, a new classification and remuneration structure was put into place for all quasi-judicial positions. Under this structure, quasi-judicial</p>	<p><b>Recommendation addressed:</b> The government response asserts that the issue has already been addressed.</p>

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	<p>appointees receive salaries at slightly higher ranges than those payable to Governor-in-Council appointees in non-quasi judicial positions. The slightly higher salary ranges set for quasi-judicial appointees are meant to compensate for the fact that they are not eligible to receive performance or management pay.</p>	
<p><b>Recommendation 9:</b> The Privy Council Office provide the Public Accounts Committee a report by 30 June 2008 on actions taken to ensure that all full-time Governor-in-Council appointees are appropriately advised and trained.</p>	<p><b>Response:</b> Over the years since 2002, the Privy Council Office put in place a number of initiatives to ensure new Governor-in-Council appointees received a proper orientation to the public service. These initiatives included: offering one-on-one orientation sessions for new Governor-in-Council appointees who are heads of agencies on key responsibilities and accountabilities; establishing an orientation course for directors and chairs of Crown corporations; and, providing ‘welcome’ letters to new appointees with basic information concerning entitlements and responsibilities.</p> <p>Revised one-on-one orientation sessions on responsibilities and accountabilities of heads of agencies are now in place.</p> <p>In 2005, the Canada School of Public Service also put in place a revised set of orientation courses for heads of agencies on financial literacy, basic roles and accountabilities, values and ethics and exposure to the federal government. In the most recent fiscal year, the Canada School of Public Service held five orientation sessions for heads of agencies.</p> <p>In 2008, the Privy Council Office established a series</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, the PCO had completed the process of revising these programs.</p> <p>Additionally, the government noted that, “We have given further consideration to the issue of mandatory training. The principles of adult learning generally state that learning is most successful for adults and professionals when they have an opportunity to assess their own needs, select training and development opportunities on their own, and when they are internally motivated. Furthermore, based on the satisfactory rate of participation in the new on-on-one orientation sessions for heads of agencies and chief executive officers of Crown corporations, mandatory training has not been</p>

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	<p>of Learning Advisory Committees composed of members of the various Governor-in-Council appointee communities, to provide advice and guidance on orientation and learning programs and to act as a sounding board for the Canada School of Public Service on course curriculum.</p> <p>During the process of revamping its orientation and training programs for heads of organizations, the Privy Council Office will examine the best means to ensure that these Governor-in-Council appointees are appropriately advised and trained, including mandatory training.</p>	<p>endorsed by PCO 's Learning Advisory Committees, which are comprised of members of our GIC appointee populations.”</p>
<p><b>Recommendation 10:</b> The Privy Council Office require full-time Governor-in-Council appointees that head an organization to sign a statement that they have read, understood, and accept their responsibilities as outlined in the <i>Guide Book for Heads of Agencies</i>, and any other relevant guidance documents.</p>	<p><b>Response:</b> In March 2007, the Prime Minister issued new ethical and political activities guidelines for public office holders. As well, the <i>Conflict of Interest Act</i> came into force in July 2007.</p> <p>As a means of informing public office holders of the standards of conduct expected of them, each notice of vacancy published on the Governor-in-Council appointments website (and in the <i>Canada Gazette</i>) advises interested candidates and prospective appointees that Governor-in-Council appointees are subject to the ethical and political activities guidelines for public office holders as well as the <i>Conflict of Interest Act</i>. Prior to appointment all appointees are required to certify in writing that they will comply with the ethical and political activities guidelines which constitute terms and conditions of their appointment.</p> <p>Following their appointment, heads of agencies are sent a detailed welcome letter which reminds them of their obligations under the guidelines and the <i>Conflict</i></p>	<p><b>Recommendation rejected:</b> According to further information provided by the government, “When the Government filed its response to the Committee’s 5<sup>th</sup> Report in July 2008 we had just implemented a number of new measures designed to better inform heads of organizations about their responsibilities. These included the “welcome letters” sent to all new full-time GIC appointees and the on-on-one briefing sessions tailored for subject to the Conflict of Interest Act and to the ethical and political guidelines for public office holders and are required to certify in writing that they will comply with them. We have now had over a year to</p>

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	<p><i>of Interest Act</i> and provides them with website links to all relevant guidance documents such as <i>A Guide Book for Heads of Agencies</i> and the <i>Terms and Conditions of Employment for Full-time Governor in Council Appointees</i>. Copies of these guidance documents and session descriptions of the one-on-one orientation program noted above are also included in the welcome package.</p> <p>A document such as <i>A Guide Book for Heads of Agencies</i> is designed to provide a brief overview of a range of topics concerning operations, structures and responsibilities in the federal government in order to assist heads of agencies in their understanding of the role they play as chief executive officer of the agency. The responsibility which a chief executive officer bears for the conduct of the work of the agency and the effective functioning of the organization cannot be entirely captured in guidance documents. As outlined above, the Privy Council Office has already put into place a number of new measures to inform heads of agencies about their responsibilities as chief executive officer of the organization. Guidance documents such as <i>A Guide Book for Heads of Agencies</i> and <i>Terms and Conditions of Employment for Full-time Governor in Council Appointees</i> are currently under revision. Once these documents are revised, the Privy Council Office will consider whether to require heads of agencies to sign a declaration that they read, understood and accepted their responsibilities as set out in all relevant guidance documents.</p>	<p>assess the effectiveness of the above-mentioned measures and have determined that they are sufficient to ensure that deputy heads understand their accountabilities. Therefore, Privy Council Office will not require agencies to sign any additional declarations concerning the guidance documents.”</p>

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Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 11:</b> The Office of the Correctional Investigator and Public Safety and Emergency Preparedness Canada examine whether sanctions should apply to those who knew about the inappropriate practices of the former Correctional Investigator but did not take sufficient actions to stop them.</p>	<p><b>Response:</b> In arriving at a conclusion as to whether sanctions of employees were warranted, the current Correctional Investigator took a number of steps to ensure due process and weigh the evidence carefully. On 29 November 2006, an advisory committee was established with senior representation from the relevant government agencies and departments. This committee was personally co-chaired by the Comptroller General of Canada and the current Correctional Investigator. Public Safety Canada also examined the circumstances surrounding these events to determine if sanctions should be considered with respect to its employees.</p> <p>The current Correctional Investigator and Public Safety Canada both concluded that while mistakes were made and government policies were not followed, those mistakes were made without intent to circumvent laws or regulations governing the public service. The available evidence did not support imposition of sanctions on any employees. Furthermore, management and staff in the Office of the Correctional Investigator did not benefit from the former Correctional Investigator's actions; staff in Public Safety Canada had no basis on which to judge the validity of the annual requests of the former Correctional Investigator to cash out leave; all supporting documentation related to travel, hospitality and computer purchases was complete and appeared to Public Safety Canada staff to properly support legitimate business transactions.</p>	<p><b>Recommendation addressed:</b> The response indicates that actions have already been taken.</p>

**REPORT # 6: DEPARTMENTAL ANSWERS TO QUESTIONS ABOUT GOVERNMENT RESPONSES (39<sup>TH</sup> PARLIAMENT)**

Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>No recommendations.</b></p>	<p><b>Response:</b> The Government appreciates the efforts of the Standing Committee on Public Accounts to strengthen the Government's accountability to Parliament, and to enhance the Committee's contributions to public policy and administration, which are highly valued by the Government. The Government fully supports the Committee in fulfilling its important mandate.</p> <p>To this end, the Government will continue to work with the Committee and respond to its reports and requests for information in a manner that appropriately respects the respective roles of Cabinet, ministers and public servants within our system of responsible government. The reports of parliamentary committees play an important role in our democracy, are taken seriously by this Government, and are supported by a robust set of Standing Orders setting out the process for the issuance of reports and the requirements for Government Responses.</p> <p>Within this process, it is important to recognize that Government Responses are tabled in Parliament by the responsible Minister or Ministers and represent the collective position taken by the Government as a whole and as such are approved by Cabinet through its collective decision-making process. While public servants are often able to assist the Committee's evaluation of a Government Response by providing relevant information of a technical or factual nature, the Government believes it would not be appropriate</p>	<p><b>No recommendations were made.</b></p>



to ask these officials to address perceived inadequacies with the positions taken in the Response. Rather, such requests are properly addressed to Ministers. The Government very much appreciates the recent correspondence from the Chair of the Committee indicating that future “follow-up” requests from the Committee will be directed to Ministers, and thanks the Committee for addressing its concerns on this point. The Government reaffirms its commitment to making officials available to provide explanatory and factual information to the Committee where needed, and notes that scheduled appearances before the Committee offer an excellent venue for this to occur in a manner that is most responsive to the specific concerns and questions of Committee members.

On a related note, the Government respectfully suggests that when formulating follow-up requests to Ministers, the Committee consider the degree to which a request may involve issues that fall outside of the original Government Response; with the result that the Government may determine that it is necessary to reengage the cabinet decision-making process. If requested information does go beyond the scope of the original response, the Government would suggest that the Committee adopt a new recommendation, which may be reported to the House along with a request for a Government Response.

The recently introduced *Federal Accountability Act* contains many measures aimed at increasing the information available to Parliament for holding the Government to account. The Government looks forward to continuing to work with the Standing Committee toward our shared goal of providing accountable government for all Canadians.

**REPORT # 7: CHAPTER 3, LARGE INFORMATION TECHNOLOGY PROJECTS OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 1:</b> The TBS provide a detailed action plan with specific target dates to the Public Accounts Committee by 30 September 2008 for the implementation of the Auditor General's recommendations on large information technology projects.</p>	<p><b>Response:</b> The Government agrees and is pleased to provide the detailed action plan in the response that follows.</p> <p>There are 7 key deliverables to achieve the commitments made in Chapter 3 of the November 2006 Auditor General Report:</p> <ul style="list-style-type: none"> <li>• Enhanced requirements for business cases including what must be considered in a business case and when they have to be updated will be completed by September 2008. This will be reflected in a business case standard that will be complete by September 2008.</li> <li>• Formalized requirements for scheduled standard independent reviews of large, complex projects were piloted in the spring of 2008. Requirements will be finalized and an implementation plan will be completed by September 2008.</li> <li>• Mandatory requirements for reporting the status of large projects have been defined and are now being piloted by key projects that are underway. Completion is scheduled for September 2008.</li> <li>• Mandatory requirements for other key project documents (i.e., Project Charter, Project Management Plan, Project Close-Out Reports, etc.) are being developed with the participation of departments. Completion is planned for October 2008.</li> </ul>	<p><b>Recommendation addressed:</b> The government response indicates a number of steps to be taken to address the Auditor General's recommendations.</p> <p>The government provided further information about the status of these actions.</p> <p>According to this information, the Secretariat provided guidance to departments in December 2008 for business cases, including a supporting template.</p> <p>In October 2008, the requirements and implementation plan for the Independent Review Program were finalized and completed. Guidance and methodology for the conduct of independent reviews was provided to departments in November 2009.</p> <p>For the Executive Dashboard program, a guide and template was made available to departments in February 2009.</p> <p>A new Project Charter guide and</p>

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	<ul style="list-style-type: none"> <li>• The above mandatory requirements will be formally implemented as policy requirements via a directive that will be published by December 2008. Many departments are participating in the development of these deliverables and have started complying with some of the proposals without waiting for formal implementation.</li> <li>• Development of the supporting guidance and tools (known as the Enhanced Management Framework) to help departments and agencies understand and comply with these expectations is underway and will be on-going.</li> <li>• Development programs to increase the number of project managers and the skills of existing government project managers are in the planning stage. These will be on-going.</li> </ul>	<p>template were made available to departments in December 2008.</p> <p>The Secretariat decided to publish guidance rather than mandatory instruments.</p> <p>A government-wide working group will be meeting in Fall 2009 to commence work on activities related to the creation of an effective training, mentoring and development program.</p>
<p><b>Recommendation 2:</b> The TBS ensure that all information technology projects have a detailed, complete, accurate, and up-to-date business case prior to being submitted to the Treasury Board for approval.</p>	<p><b>Response:</b> The Government agrees.</p> <p>Sound business cases are fundamental for departmental decision makers as well as Treasury Board ministers. All IT-enabled investment projects are subject to business cases, not just those requiring Treasury Board approval.</p> <p>As noted in the response to Recommendation 1 above, business cases will have to comply with an enhanced business case standard that is being developed. The standard is based on research of best practices in both the private and public sectors.</p>	<p><b>Recommendation partially addressed:</b> According to additional information provided by the government, the Secretariat has provided departments with guidance and tools for business cases. However, the Secretariat is issuing guidance rather than mandatory instruments, as accountability for investment proposals and project oversight rests with deputy heads.</p>

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<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
	It will also be mandatory to update business cases at key points during the project. The number and scheduling of the updates will depend on the risk and complexity of the project.	

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<p><b>Recommendation 3:</b> The TBS require all new information technology project submissions to include an options analysis of the possibility of breaking large projects into smaller, more manageable projects.</p>	<p><b>Response:</b> The Government agrees.</p> <p>Previous experience with independent reviews has shown that they provide valuable insights into the projects. Based on this experience, the government is implementing a formalized independent review program for large complex projects. These reviews will include challenging the department on the size of the project, their capacity to manage the project and to implement the changes resulting from the project. Departments will be required to share their reviews and their responses with TBS (TBS) officials when seeking project authorities from the Treasury Board.</p>	<p><b>Recommendation partially addressed:</b> According to additional information provided by the government, the Secretariat provided departments with guidance and methodology for the conduct of independent reviews in February 2009. These reviews include challenging the department on the size of the project and assessing the capacity to manage the project. As noted above, these reviews will not be mandatory.</p>
<p><b>Recommendation 4:</b></p> <ul style="list-style-type: none"> <li>Component # 1: The TBS conduct an evaluation of the development and implementation of the Expenditure Management Information System, including the deficiencies in the business case identified by the Office of the Auditor General.</li> </ul>	<p><b>Response:</b> The Government agrees.</p> <p>In the last two years, the Expenditure Management Information System (EMIS) has undergone significant changes in technical design and project management and governance. This new systems development effort began with a re-planning phase and resulted in the Budget Office Systems Renewal (BOSR) project.</p> <p>In setting out the current BOSR project plan, the TBS took steps to avoid the major problem situations encountered in previous development efforts: project governance and management, risk management, change management and capacity building. As a result of these efforts, an updated EMIS system was delivered in December 2007, on time and under budget, and was used by TBS and other federal organizations to prepare the 2008–2009 Main Estimates.</p>	<p><b>Ongoing as of October 2009:</b> According to further information provided by the government, a draft close out report for BOSR was prepared by an independent consultant in March 2009, and Secretariat staff is in the process of finalizing this report this calendar year. No commitment is made to share this report with the Committee.</p>

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	<p>Although refinement and enhancement of the new EMIS will continue through its first full year of implementation in the 2008–2009 Budget and Estimates cycle, the BOSR project phase formally ended in March 2008. Consistent with normal project management discipline, the TBS will undertake a structured “closing out” of BOSR by gathering lessons learned with stakeholders and documenting project performance metrics and baselines of expected outcomes.</p>	
<ul style="list-style-type: none"> <li>Component # 2: and provide a report to the Public Accounts Committee on how it will apply lessons learned to the Enhanced Management Framework by 31 December 2008.</li> </ul>	<p>The results of this review will inform a post implementation review of BOSR, as well as the consideration of future development phases of EMIS. TBS also undertakes to provide this close-out report to the Public Accounts Committee by 31 December 2008.</p> <p>As this relates to the Enhanced Management Framework, harvesting the lessons learned from projects is essential for the on-going improvement to the guidance and tools provided to departments and agencies. Project Close-Out is a standard part of the project management discipline and the requirement for Project Close-Out reports will be made mandatory for large projects and it will be also mandatory to file these reports with the TBS. These reports and the on-going engagement of the project management community will contribute to the continued evolution of the guidance and support provided to departments and agencies.</p>	

**REPORT # 7: CHAPTER 3, LARGE INFORMATION TECHNOLOGY PROJECTS OF THE NOVEMBER 2006 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 5:</b> Public Works and Government Services Canada conduct a cost-benefit analysis of the continued use of the Secure Channel and provide it to the Public Accounts Committee by 31 December 2008.</p>	<p><b>Response:</b> The Government agrees in principle and recognizes the importance of a cost-benefit analysis for the Secure Channel.</p> <p>The Secure Channel is the government’s common information technology infrastructure which includes a variety of security services. It provides Canadians and businesses with secure, responsive and private access to all federal government online programs and services.</p> <p>At the time of the OAG audit, a new business case proposing a financial sustainability model was in development. The current Secure Channel contract approved in December 2006 is based on that business case which, upon contract approval, was finalized and formally submitted to TBS in March 2007. Technology and security threats have changed since the initial implementation. TBS and Public Works and Government Services Canada (PWGSC) are therefore reviewing the March 2007 business case in light of the evolving security and privacy requirements of the Government of Canada. In particular, there is a need to introduce a wider range of security levels that are better adapted to individual departments’ programs and services and continues to protect Canadians.</p> <p>Should a continued common security service solution still be required in January 2010, the Government of Canada will develop a business case that includes an analysis of costs and benefits and a confirmation of the Government’s commitment to use these services. This new business case would be presented to the Standing Committee on Public Accounts by 31 December 2008.</p>	<p><b>Recommendation addressed:</b> The Government provided the Committee with a <i>Secure Channel/Epass Evolution Analysis</i> in July 2009. This Analysis recommends that the Epass feature of Secure Channel be phased out over two years as the main users of Epass—Canada Revenue Agency and Human Resources and Skills Development Canada—do not find Epass to be cost effective.</p>

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Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 6:</b> Should the Secure Channel be continued, Public Works and Government Services Canada provide meaningful results-based information in its annual departmental performance report on the Secure Channel, including information on how many transactions it processes, the number of departments using it, its percent capacity use and per transaction cost.</p>	<p><b>Response:</b> The Government agrees that this information is important and agrees to provide it to the Committee.</p> <p>It should be noted that PWGSC provides the government-wide infrastructure for the Secure Channel while specific program transactions enabled by the Secure Channel are the responsibility of the individual departments with TBS having the lead on government-wide policy and performance measurement.</p> <p>The purpose of the Departmental Performance Report (DPR) is to report against the Report on Plans and Priorities (RPP). The RPP outlines the program activities and related performance indicators as approved by the Treasury Board. The TBS is currently working on streamlining DPRs and RPPs with a view to reducing the amount of general operational data in order to improve the clarity and focus of these reports. Therefore PWGSC will provide the following information in a separate report to the Public Accounts Committee in October 2008:</p> <ul style="list-style-type: none"> <li>• number of government organizations using Secure Channel network services;</li> <li>• number of ePass issued to businesses and Canadian individuals;</li> <li>• number of secure channel transactions for each program government organizations make available online using the Secure Channel ePass service, number of programs which use ePass,</li> </ul>	<p><b>Recommendation addressed:</b> In March 2009, the government provided the Committee with the requested performance information on the Secure Channel.</p>



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Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
	<p>number of secure channel ePass transactions processed and per transaction cost; and</p> <ul style="list-style-type: none"> <li>• Secure Channel percent capacity use by Secure Channel service.</li> </ul> <p>Note also, that in keeping with TBS practice, we will also link the above information report to the upcoming PWGSC DPR which will be posted on the TBS website following the tabling of this Government Response in the House of Commons.</p> <p>The information report will be updated annually and linked to future PWGSC DPRs as long as a common security service solution continues to exist.</p>	

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Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 7:</b> In its guidance to departments on the preparation of reports to Parliament, the TBS direct departments and agencies to provide financial and performance information on information technology projects expected to cost over \$10 million, including original and current estimated total costs, costs incurred to date, the expected completion date, and the intended outcomes of the project.</p>	<p><b>Response:</b> The Government agrees in principle but suggests further analysis be conducted by the TBS to determine whether another threshold or perhaps other criteria, such as risk and complexity, might be more effective in ensuring that Parliamentarians have insights into the projects that might concern them.</p> <p>Reports on Plans and Priorities are future planning documents that provide information on planned spending and expected results. Departmental Performance Reports provide performance information on actual spending and actual results achieved using the RPP as a baseline. Together these two documents form Part III of the Estimates. Improving the quality of these reports is important and TBS is constantly working to address concerns raised by Parliamentarians.</p> <p>One of the concerns raised by Parliamentarians on a number of occasions is that RPPs and DPRs have become too long, too bureaucratic and difficult to read. With this in mind, TBS has been working to streamline the content of RPPs and DPRs, while helping departments produce reports that assist parliamentarians in their consideration of Main Estimates and Supply.</p> <p>The Government agrees that Parliamentarians should have the information they need to do their jobs. Departments are already required to report on their Major Crown Projects (MCP), which are usually projects that exceed \$100M but there are occasions</p>	<p><b>Recommendation partially addressed:</b> According to additional information provided by the government, the TBS determined that a threshold of \$10 million would not effectively provide a relevant view of the projects of actual concern to parliamentarians with respect to risk and complexity. Instead, the government will adopt a risk-based approach using departmental project approval authorities as a threshold for reporting.</p>

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Committee Recommendation	Government Response	Assessment
	where lower-value projects have been designated as MCPs. The Government proposes to undertake analysis to identify the impact of a \$10M threshold for reporting or whether another threshold, or perhaps other criteria should be proposed. It is proposed that the results of this analysis and an implementation plan be provided to the Standing Committee on Public Accounts by 31 December 2008.	

**REPORT # 8: DEPARTMENTAL PERFORMANCE REPORT**

Adopted by the Committee on February 14, 2008, presented to the House on February 25, 2008.

**Government Response:** None.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation:</b> That in the interest of accountability, the Auditor General of Canada be requested to select two departmental performance reports at random each year and audit them in accordance with the criteria set out in chapter one of the May 2003 report of the Auditor General and report same to Parliament.</p>	<p>No response from the government.</p>	<p><b>Recommendation rejected:</b> The Auditor General declined to conduct the requested audits due to resource constraints.</p>

**REPORT # 9: CHAPTER 5, PASSPORT SERVICES – PASSPORT CANADA OF FEBRUARY 2007  
REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 28, 2008, presented to the House on March 5, 2008.

**Government Response:** Presented to the House on June 6, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 1:</b> Passport Canada continue to provide detailed information in its Annual Report on progress in rectifying the weaknesses identified by the Office of the Auditor General in its initial audit in 2005 and the follow-up audit in 2007.</p>	<p><b>Response:</b> Passport Canada will continue to provide detailed information in its Annual Report on progress in rectifying the weaknesses identified by the Office of the Auditor General in its initial audit in 2005 and the follow-up audit in 2007.</p> <p>The Auditor General commented in its 2007 follow up audit that Passport Canada should provide more detail in its <i>Action Plan</i> by including target dates and reasons for any variance with previous plans. Passport Canada followed this recommendation in its 2006–2007 Annual Report.</p> <p>The Government of Canada is pleased that the Public Account Committee has acknowledged the work accomplished to report in detail the actions taken to address the Auditor General’s 2005 findings. Passport Canada will continue with these efforts by providing detailed information in its 2007–2008 Annual Report through an updated <i>Action Plan</i>.</p>	<p><b>Recommendation addressed:</b> Passport Canada’s 2007–2008 Annual Report provides detailed information on progress in implementing the OAG’s recommendations.</p>
<p><b>Recommendation 2:</b> Passport Canada provide the Public Accounts Committee with evidence that it has conducted a detailed risk assessment of passport examination and security functions by 31 October 2008.</p>	<p><b>Response:</b> Passport Canada is committed to the security and integrity of the Canadian passport program, including the processes behind passport issuance as well as the security features of the document itself. As part of our focus on security, the Agency has invested in the development and implementation of a range of new security projects. These initiatives will result in the use of facial recognition tools as part of the</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, a general risk assessment was conducted in 2007 and a more focused risk assessment was conducted in 2008 to examine the risks in the security of the entitlement and issuance process. The assessment identified a</p>

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**Government Response:** Presented to the House on June 6, 2008.

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	<p>approval process for applications (to be introduced this fiscal year) as well as the development of the Security and Intelligence Case Management System, also to be introduced this fiscal year. In addition, Budget 2008 committed the Government of Canada to introducing an e-passport by 2011. All of these projects will result in a stronger passport program and product.</p> <p>In line with these initiatives, Passport Canada has also been working to better identify the security risks associated with the entitlement process. In addressing these concerns Passport Canada’s initial step (completed in 2007) was to map out the detailed steps involved in the walk in and mail in environments in which passports are processed. The next step, to be undertaken this fiscal year, is a more detailed analysis of the security risks arising at the various production stages. We expect to be able to report on this stage of our work by October 2008. Once the security risk analysis is completed, appropriate mitigation measures will be identified and implemented.</p>	<p>number of existing mitigation strategies and identified opportunities to enhance controls.</p>
<p><b>Recommendation 3:</b> Passport Canada provide the Public Accounts Committee by 30 September 2008 a strategic plan, which includes sufficient advertising, of how it, including its local offices, will</p>	<p><b>Response:</b> In order to be prepared for the possibility of extreme fluctuations in demand, Passport Canada has put a contingency plan in place. The plan includes a series of risk mitigation initiatives that will be implemented when and if needed. Passport Canada updates its volume forecasts three times per year and monitors intake daily in order to flag any</p>	<p><b>Recommendation addressed:</b> The government response outlines a number of actions taken.</p>

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<p>manage the anticipated surge in passport applications associated with the land and sea based requirements of the United States' Western Hemisphere Travel Initiative.</p>	<p>potential volume issues requiring immediate action. To date, few measures have been required in order to maintain service standards across all service channels.</p> <p>Passport Canada has taken a number of steps in reaction to the first phase of WHTI, implemented in January 2007, and in anticipation of the final phase in June 2009. To expedite the passport issuing process, it has implemented a series of initiatives to modernize its services and increase its capacity to respond to demand in a timely manner and better serve Canadians. An ongoing staffing campaign has enabled it to hire more than 1,250 new employees. Through weekend blitzes and overtime, and the addition of evening shifts in certain locations, Passport Canada employees have worked to accelerate the processing of applications and thereby reduce the inventory of applications that had formed in 2006–2007.</p> <p>To improve accessibility, operating hours were extended in several offices, call centre capacity was increased and 63 mobile passport clinics were held in smaller centres. Passport Canada will continue to conduct mobile passport clinics outside major metropolitan areas to better meet the needs of Canadians in these regions. Partnerships with Service Canada were vastly expanded through 66 new service sites. Passport Canada is exploring ways to enhance points of service and the types of service</p>	

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	<p>offered through this partnership. Several offices were also expanded to allow for larger waiting and processing rooms. To accommodate new personnel and house increasing capacity, central mail-in operations were moved to larger facilities.</p> <p>Passport Canada is also pursuing with process streamlining, technology modernization, and policy improvements that are designed to simplify the application process for Canadians while improving the efficiency and efficacy of its operations. The most significant of these is the implementation of the simplified passport renewal process and the modification to the guarantor policy in 2007. Through public communications, the Agency is working to smooth demand by encouraging Canadians to apply for passports during the quieter summer months and to benefit from its simplified renewal process.</p> <p>With these new measures in place, Passport Canada was able to meet all of its service standards over the winter 2007–2008 busy season, despite a significant increase in volume. The Agency has built the capacity to respond to a demand of up to 5.8 million passports annually, in excess of forecasted volumes.</p>	

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**Government Response:** Presented to the House on June 6, 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<b>Recommendation 4:</b> Passport Canada provide the Public Accounts Committee a plan by 30 September 2008 of how it intends to improve the processing time for mail-in passport applications.	<b>Response:</b> As above.	<b>Recommendation addressed:</b> The government response outlines a number of actions taken.



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**Government Response:** Presented to the House on June 6, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 5:</b> TBS report on the progress of the National Routing Initiative in its departmental performance report, beginning with the 2007–2008 report.</p>	<p><b>Response:</b> The original National Routing System project continues with some government departments (Canada Revenue Agency and Statistics Canada) and some provinces maintaining linkages to exchange vital statistics information. Service Canada is also working to establish electronic linkages for verification of vital events data. Treasury Board has taken the lead on work to bring together the various approaches to develop a whole of government approach on behalf of the Government of Canada. However, this project is still in its preliminary stages and resources have not yet been allocated. Until the project is approved and funded, it is not a departmental priority that will be identified in Treasury Board Report on Plans and Priorities for 2007–2008 and therefore would not appear in its Departmental Performance Report. Should this become a TBS approved funded project, TBS would be pleased to add it to its DPR via a virtual link.</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, the National Routing Initiative was not approved or funded and will therefore not appear in future Departmental Performance Reports.</p>
<p><b>Recommendation 6:</b> Passport Canada provide the Public Accounts Committee with the results of its study of the adequacy of its current funding arrangement by 30 September 2008, including examining any efficiencies that can be obtained.</p>	<p><b>Response:</b> Passport Canada completed a review of funding options in 2006–2007. This report is no longer relevant given the Government of Canada decision to move to a ten-year electronic passport by 2011. At the request of the Treasury Board Ministers, Passport Canada is conducting a complete review of its organization including its governance structure, service model, the</p>	<p><b>Ongoing as of July 2009:</b> According to further information provided by the government, “As the Operational Review is still underway, its outcome will be shared with the Public Accounts Committee after it has been reviewed and approved by ministers. The Operational</p>

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	legislative and funding authorities that are required to equip the agency to respond better to future challenges. The outcome of the Operational Review will be shared with the Committee after it has been reviewed and approved by ministers.	Review will likely not be finalized until fall 2010.”

**REPORT # 10: CHAPTER 7, MANAGEMENT OF FORENSIC LABORATORY SERVICES – ROYAL CANADIAN MOUNTED POLICE OF THE MAY 2007 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 28, 2008, presented to the House on March 5, 2008.

**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment
<p><b>Recommendation 1:</b> The Royal Canadian Mounted Police provide a status report to the Public Accounts Committee by 30 September 2008 on the implementation of the Forensic Laboratory Services Action Plan.</p>	<p><b>Response:</b> The Forensic Laboratory Services (FLS) Action Plan consisted of over forty unique action items, of which over one-half have been concluded and the remaining are ongoing, with actions being taken to complete them. The following provides a summary of actions taken and results achieved in addressing the four areas identified by the Auditor General as needing attention, namely, the timeliness of service, quality of laboratory results, client consultation and performance reporting.</p> <p><b>Timeliness of Service</b></p> <p>The Priority Rating of Operational Files (PROOF) system was introduced nationally on 28 January 2008, and replaced the practice of processing cases on a first-</p>	<p><b>Recommendation addressed:</b> The government response details the status of the implementation of the FLS Action plan.</p>

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	<p>in, first-out basis. PROOF prioritizes casework based on the seriousness of the case and the urgency of the request based on a set of objective criteria which have been developed in consultation with FLS clients.</p> <p>In conjunction with funding to be received from Treasury Board, \$27.2M over 4 years, for Bill C-13 (An Act to Amend the Criminal Code, the DNA Identification Act and the National Defence Act) and Bill C-18 (An Act to Amend Certain Acts in Relation to DNA Identification), the RCMP has allocated \$5M in additional funds to FLS to enhance its Biology Services to meet current capacity challenges. Work began in spring 2007 with anticipated completion in spring 2009. Three areas are being addressed: increased staffing in Biology Services at the existing Vancouver and Ottawa laboratories; capacity expansion by establishing evidence recovery and analytical functions at the Edmonton site to complement the reporting capacity already in place; performance management and reporting functions are being strengthened to provide FLS management with better information to support service delivery. In May 2008, a Biology Systems Review by an independent contractor will assist in improving workflow within Biology Services.</p> <p>Performance management has been strengthened by the implementation of individual and unit performance metrics at all sites and the establishment of Operation Managers whose function is to ensure compliance with the performance metrics and to coordinate casework activities among laboratory sites. Laboratory performance standards and staff availability guidelines have been established to enable weekly target capacity</p>	

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	<p>determinations in Biology. When compared to actual outputs, this information allows a more reliable prioritization of client requests and sound management decision-making.</p> <p><b>Quality of Laboratory Results</b></p> <p>FLS reviewed its quality assurance program and has taken the following actions to better identify and resolve quality issues: a standard and expanded “quality issue” definition has been established and published to provide clearer guidance to all employees; the procedures for identifying, investigating, resolving and communicating information regarding quality incidents have been standardized and published and are being used to inform senior management; a quality incidents-specific data base has been evaluated and purchased for documentation and communication of quality incidents; a senior National Quality Assurance Manager has been selected and has assumed his position in Ottawa.</p> <p>FLS commissioned and has received the results of a peer review of Biology automated protocols, quality assurance system and workflows. The review report indicated that the science utilized by FLS was sound and that validation studies conducted were complete.</p> <p><b>Client Consultation</b></p> <p>Regional Client Consultation Committees (RCCC) were established in British Columbia, Alberta, Saskatchewan, Manitoba and Atlantic Canada to allow clients to participate in FLS decision-making processes. Members represent municipal police services, RCMP Criminal Operations Branches, Provincial Crown Counsel,</p>	

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	<p>Provincial Justice Departments, FLS managers and other stakeholders with special interest in the forensic laboratory operations. RCCCs have agreed that two meetings per year (spring and fall) are appropriate. Meetings were held twice in 2007 and once in the spring of 2008. The results of the consultations and performance information are provided to the RCCCs in reports following the meetings.</p> <p>Future consultations with the RCCC will include an evaluation and prioritization of forensic laboratory services to determine best fit with client needs. Client input will be used in internal reviews to allocate resources to the highest priority services.</p> <p>Formal client engagement continues through established groups such as the Canadian Association of Chiefs of Police National Police Services Committee, provincial chiefs of police associations, and the Heads of Prosecution. Other stakeholders (e.g., Assistant Deputy Ministers responsible for Justice; provincial Justice Departments) are consulted when appropriate. FLS discusses issues raised, matters of concern and appropriate actions and communicates its response to the groups or individuals raising the concerns.</p> <p>FLS continues to establish Crime Scene Liaison Officers (CSLO) positions, whose primary function is to ensure effective communication between front line policing and justice, and the forensic services. They provide dedicated support and specialized expertise in the coordination and management of client interaction with</p>	

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	<p>downstream forensic services. CSLOs will also apply PROOF, assist with exhibit selection and submission and facilitate the reduction and/or removal of obstacles to effective service delivery. CSLOs are strategically located in large urban centres where the volume of casework is high and necessity for tactical interaction with clients is frequent. At present, CSLO positions have been staffed in Winnipeg and Halifax and others are being created in Vancouver, Calgary, Edmonton and Regina. Client feedback on this CSLO undertaking has been very positive.</p> <p><b>Performance Reporting</b></p> <p>Performance information on the RCMP FLS, including service request processing times against set turnaround times, has been included in the 2006–2007 Departmental Performance Report. Performance information will continue to be included in all future departmental reports.</p> <p>The RCMP has also undertaken to report to the Office of the Auditor General on progress made and results achieved on the implementation of the FLS Action Plan bi-annually. To date, two reports have been produced in November 2007 and May 2008 (App. 1).</p>	

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<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 2:</b> The Royal Canadian Mounted Police’s Departmental Performance Reports contain the necessary information to inform parliamentarians of the performance of the Forensic Laboratory Services (FLS), beginning with the 2007–2008 Departmental Performance Report.</p>	<p><b>Response:</b> FLS performance information was included in the 2006–2007 RCMP Departmental Performance Reports and will be included in future Reports.</p> <p>The RCMP DPR currently provides information on the number of services requests received and completed, as well as the average turnaround times work performed by the FLS. Significant improvements have been made when comparing metrics from Q4 FY 2006–2007 to Q4 FY 2007–2008. Despite a 42% increase in service requests received, there was a 35% increase in the number of service requests completed and a reduction in turnaround times for murders (13%) and sexual assaults (3%). The RCMP will hire an additional 81 FTE’s before 2009, with 21 of these already in place and 36 new Biology Services scientists currently in training. Significant increases in capacity and reductions in turnaround times are expected by the fall of 2008.</p>	<p><b>Recommendation addressed:</b> Performance information for the FLS was included in the RCMP’s 2007-08 Departmental Performance Report (p. 32).</p>
<p><b>Recommendation 3:</b> The Royal Canadian Mounted Police define “turnaround time” as the amount of time taken to process a request from when it is received by the client until the request is reported back to the client.</p>	<p><b>Response:</b> The RCMP FLS historical and current definition of “turnaround time” has been, and is, the amount of time taken to process a request from when it is received from the client until the request is reported back to the client. This definition has been recommended by the Auditor General and has been approved by FLS clients. It should be noted that FLS has no control over the interval of time between which a client receives physical evidence and when that evidence is submitted to the lab.</p>	<p><b>Recommendation addressed:</b> The government response provides a definition of “turnaround time.”</p>

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**Government Response:** Presented to the House on July 16, 2008.

Committee Recommendation	Government Response	Assessment									
<p><b>Recommendation 4:</b> The Royal Canadian Mounted Police validate the turnaround times for each stream in the Priority Rating of Operation Files (PROOF) and provide the Public Accounts Committee with the final validated target turnaround times by 30 September 2008.</p>	<p><b>Response:</b> The RCMP has validated appropriate turnaround times with clients. The following times have been established as a consensus based on consultation with clients through the five Regional Client Consultation Committees.</p> <table border="1" data-bbox="661 565 1402 987"> <thead> <tr> <th data-bbox="661 565 877 641"><b>Casework Stream</b></th> <th data-bbox="877 565 1150 641"><b>Category Priority Cases</b></th> <th data-bbox="1150 565 1402 641"><b>Category Routine Cases</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="661 657 877 695">Murder</td> <td data-bbox="877 657 1150 695">A1 – 25 days</td> <td data-bbox="1150 657 1402 695">A2 – 75 days</td> </tr> <tr> <td data-bbox="661 698 877 800">Sexual Assault Crimes Against Persons Crimes Against Property</td> <td data-bbox="877 698 1150 800">B1 – 25 days  C1 – 60 days  D1 – 105 days</td> <td data-bbox="1150 698 1402 800">B2 – 90 days  C2 – 195 days  D2 – 245 days</td> </tr> </tbody> </table> <p>All Biology Services case turnaround metrics, i.e., actual performance will be reported against the PROOF diary dates as shown in the table above. Turnaround times will be continuously monitored to ensure that they meet client needs and are consistent with current capacity. The RCMP has made a commitment to review the consensus based turnaround times with the Regional Client Consultation Committees in the fall of 2008. Performance reports will be provided externally to stakeholders on a semi-annual basis.</p>	<b>Casework Stream</b>	<b>Category Priority Cases</b>	<b>Category Routine Cases</b>	Murder	A1 – 25 days	A2 – 75 days	Sexual Assault Crimes Against Persons Crimes Against Property	B1 – 25 days  C1 – 60 days  D1 – 105 days	B2 – 90 days  C2 – 195 days  D2 – 245 days	<p><b>Recommendation addressed:</b> The government response indicates that PROOF turnaround times have been validated.</p>
<b>Casework Stream</b>	<b>Category Priority Cases</b>	<b>Category Routine Cases</b>									
Murder	A1 – 25 days	A2 – 75 days									
Sexual Assault Crimes Against Persons Crimes Against Property	B1 – 25 days  C1 – 60 days  D1 – 105 days	B2 – 90 days  C2 – 195 days  D2 – 245 days									



**REPORT # 10: CHAPTER 7, MANAGEMENT OF FORENSIC LABORATORY SERVICES – ROYAL CANADIAN MOUNTED POLICE OF THE MAY 2007 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on February 28, 2008, presented to the House on March 5, 2008.

**Government Response:** Presented to the House on July 16, 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 5:</b> The Royal Canadian Mounted Police provide detailed updates on the Forensic Laboratory Services' actual service request processing times against their target turnaround times in its Departmental Performance Report, beginning with the 2007–2008 Report.</p>	<p><b>Response:</b> FLS performance information including service request processing times against set turnaround times was included in the 2006–2007 RCMP Departmental Performance Report and will be included in future Reports.</p> <p>The RCMP DPR currently provides information on the number of services requests received and completed, as well as the average turnaround times work performed by the FLS. Significant improvements have been made when comparing metrics from Q4 FY 2006–2007 to Q4 FY 2007–2008. Despite a 42% increase in service requests received, there was a 35% increase in the number of service requests completed and a reduction in turnaround times for murders (13%) and sexual assaults (3%). The RCMP will hire an additional 81 FTE's before 2009, with 21 of these already in place and 36 new Biology Services scientists currently in training. Significant increases in capacity and reductions in turnaround times are expected by the fall of 2008.</p>	<p><b>Recommendation addressed:</b> The RCMP's 2007-2008 Departmental Performance Report includes the requested performance information.</p>

**REPORT # 11: THE PUBLIC ACCOUNTS OF CANADA 2007**

Adopted by the Committee on February 28, 2008, presented to the House on March 5, 2008.

**Government Response:** Presented to the House on July 16, 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 1:</b> The Office of the Comptroller General work with those departments who have not yet completed their departmental audit readiness assessments so as to ensure that these assessments are completed by 30 September 2008.</p>	<p><b>Response:</b> The Government agrees with the recommendation and is preparing the largest twenty-two departments to be able to undergo a controls reliant audit. These departments, plus organizations already receiving audit opinions on their financial statements represent roughly 95% of total government spending.</p> <p>At present, audit readiness assessments have been completed for the twenty-two large departments and action plans are being finalized. The work required to be prepared for an audit varies by department. Target dates for audit are posted on the Office of the Comptroller General's website, and can be found at <a href="http://www.tbs-sct.gc.ca/fin/afsi-iefv/afsi-iefv_e.asp">www.tbs-sct.gc.ca/fin/afsi-iefv/afsi-iefv_e.asp</a>.</p>	<p><b>Recommendation addressed:</b> The government Response indicates that all readiness assessments have been completed.</p>
<p><b>Recommendation 2:</b></p> <ul style="list-style-type: none"> <li>• Component #1: The Canada Revenue Agency modify its tax revenue estimation methodology by 30 September 2008.</li> <li>• Component # 2: If this cannot be done by this date, the Canada Revenue Agency should explain to the Public Accounts Committee the reasons for the inability to meet this deadline and provide the Committee with a date by which this modification will be done.</li> </ul>	<p><b>Response:</b> The Government agrees with the recommendation. The financial statements of the Government of Canada are prepared on an accrual basis of accounting, which requires substantial use of estimation. Some of the most significant estimates are in the area of tax revenues. Responsibility for developing the methodology used for estimating the tax revenues is a collaborative effort between the Canada Revenue Agency, The Department of Finance and the Office of the Comptroller General. The Government continually looks to improve its estimates in these areas and has made changes to its methodology for estimating tax revenues in three of the past four years. For the fiscal year 2007–2008, additional improvements are being discussed with the Office of the Auditor General to address the concerns raised related to tax revenues.</p>	<p><b>Recommendation addressed:</b> According to further information provided by the government, “In the area of personal and corporate tax revenues, the CRA and the government of Canada implemented three changes to the estimations methodology of the public accounts for the fiscal year ending March 31, 2008. These changes addressed some of the recurring variances between actual and estimated individual and corporate tax revenues. As a result of these changes, the net variance has declined considerably from the previous year.”</p>

**REPORT # 12: CHAPTER 4, MILITARY HEALTH CARE—NATIONAL DEFENCE OF THE OCTOBER 2007 REPORT OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on 17 April 2008, presented to the House on 28 April 2008.

**Government Response:** None – Parliament was dissolved before a response could be presented.

**REPORT # 13: CHAPTER 4, MANAGING THE COAST GUARD FLEET AND MARINE NAVIGATIONAL SERVICES – FISHERIES AND OCEANS CANADA OF THE FEBRUARY 2007 OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on 17 April 2008, presented to the House on 28 April 2008.

**Government Response:** Presented to the House on 20 August 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 1:</b> The Canadian Coast Guard continue preparing business plans and progress reports and making them publicly available, including an appendix cross-referencing the plan's commitments with the Office of the Auditor General's findings.</p>	<p><b>Response:</b> The Canadian Coast Guard is committed to continuing to prepare business plans and progress reports. The first cycle of the new planning, monitoring and reporting process has recently been completed with the completion of the Coast Guard's Year End Report for 2007–2008. The Business Plan for 2008–2011 has also been finalized. It includes, as suggested by the Committee, an appendix cross-referencing the plan's commitments with the Auditor General's 2000 and 2002 findings. The Business Plan, including the recommended appendix and progress reports will continue to be shared with this Committee on an on-going basis and will be made available to the public on the Coast Guard's internet site.</p>	<p><b>Recommendation addressed:</b> The Coast Guard's 2008–2011 Business Plan and the 2007–2008 Year End Report are available on its website.</p>
<p><b>Recommendation 2:</b> The Office of the Auditor General conduct a follow-up audit of the Canadian Coast Guard by 2012 at the latest.</p>	<p><b>Response:</b> The Government of Canada will fully cooperate in any follow-up audit that may be undertaken by the Auditor General (AG). The Government of Canada anticipates that it will take three to four years to fully address issues that have been raised by the Auditor General in the 2007 follow-up audit. The Coast Guard's Business Plans, as well as Mid-year and Year End Progress Reports, will continue to be shared with AG as well as Committee.</p>	<p><b>Recommendation addressed:</b> The Auditor General agreed to conduct a follow-up audit before 2012.</p>

**REPORT # 13: CHAPTER 4, MANAGING THE COAST GUARD FLEET AND MARINE NAVIGATIONAL SERVICES – FISHERIES AND OCEANS CANADA OF THE FEBRUARY 2007 OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on 17 April 2008, presented to the House on 28 April 2008.

**Government Response:** Presented to the House on 20 August 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 3:</b> The Canadian Coast Guard provide the Public Accounts Committee with the results of its maintenance review when complete.</p>	<p><b>Response:</b> The Auditor General’s 2007 Status Report identified a number of weaknesses in the Coast Guard’s approach to vessel maintenance, but the Auditor General had not undertaken an in-depth analysis of maintenance activities. As a result, there was no assessment of the underlying factors that led to the observations nor were there specific recommendations on corrective action that should be undertaken. To address these issues, the Coast Guard undertook an internal vessel maintenance management review. The approach and the terms of reference for the study were discussed with the Office of the Auditor General prior to proceeding.</p> <p>The scope and objectives of the Vessel Maintenance Management Review were to:</p> <ul style="list-style-type: none"> <li>• provide an assessment and validation of the Coast Guard’s life cycle management strategy for its ships, including supporting systems, procedures and operations;</li> <li>• provide recommendations on means to facilitate the transition to and implementation of a corporate-wide, integrated life cycle management system;</li> <li>• Provide a practical evaluation of the Coast Guard’s organizational, structural and cultural capacity to achieve transition; and,</li> <li>• survey Coast Guard employees and obtain a “snap shot” of current and required practices and make recommendations on vessel maintenance.</li> </ul> <p>The findings and recommendations of the internal</p>	<p><b>Recommendation addressed:</b> The Committee received the requested report in August 2008.</p>

**REPORT # 13: CHAPTER 4, MANAGING THE COAST GUARD FLEET AND MARINE NAVIGATIONAL SERVICES – FISHERIES AND OCEANS CANADA OF THE FEBRUARY 2007 OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on 17 April 2008, presented to the House on 28 April 2008.

**Government Response:** Presented to the House on 20 August 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
	<p>Vessel Maintenance Management Review were presented to the Coast Guard Management Board to: provide an in-depth assessment of the underlying factors that contributed to the Auditor General’s findings; identify best practices; assess internal capacity to do maintenance work; and, to provide a recommendation on a way forward. This report is an internal document and constitutes advice presented to the Coast Guard Management Board and, as such, does not represent government policy.</p> <p>Overall, the findings of the review relate to accountability and direction, maintenance planning and prioritization; management and control of policies, procedures, directives and other documentation related to vessel maintenance; safety management certification and national maintenance information management and maintenance standards; as well as human resources issues related to technical and marine engineering capacity in shore based positions and overall composition of skill sets for shore-based engineers and technical staff.</p> <p>In 2008–2009, Coast Guard will begin to address, within its existing reference levels, key recommendations of the Vessel Maintenance Management Review with an initial focus on clarifying roles, responsibilities and accountability, creating an accessible bank of all current maintenance policies and procedures, assessing options for increasing the number of marine engineers, both on vessels and on-shore, and beginning to develop a program management framework for maintenance activities.</p>	

**REPORT # 13: CHAPTER 4, MANAGING THE COAST GUARD FLEET AND MARINE NAVIGATIONAL SERVICES – FISHERIES AND OCEANS CANADA OF THE FEBRUARY 2007 OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on 17 April 2008, presented to the House on 28 April 2008.

**Government Response:** Presented to the House on 20 August 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
	<p>Specific commitments are included in the 2008–2011 Business Plan. Other recommendations will be considered as part of the business planning process in the context of existing resources.</p> <p>A copy of the report and action plan has been provided to the Committee.</p>	

**REPORT # 13: CHAPTER 4, MANAGING THE COAST GUARD FLEET AND MARINE NAVIGATIONAL SERVICES – FISHERIES AND OCEANS CANADA OF THE FEBRUARY 2007 OF THE AUDITOR GENERAL OF CANADA**

Adopted by the Committee on 17 April 2008, presented to the House on 28 April 2008.

**Government Response:** Presented to the House on 20 August 2008.

<b>Committee Recommendation</b>	<b>Government Response</b>	<b>Assessment</b>
<p><b>Recommendation 4:</b> The Privy Council Office study whether the Canadian Coast Guard should become a stand-alone organization and provide the results of this study to the Public Accounts Committee by 31 December 2008.</p>	<p><b>Response:</b> As noted by the Committee, the Coast Guard has undergone significant organizational changes over the past number of years. In addition, the Coast Guard, through its robust response to the Auditor General's 2007 recommendation and to the Committee with respect to recommendations 1 and 3, has committed to a course of action that will strengthen its performance and accountability. As a result, the Government does not consider this to be an appropriate time to study the possibility of making the Coast Guard a stand-alone organization as this may shift the organization's efforts away from the crucial work it is undertaking on operational priorities.</p> <p>In 2004, the Standing Committee on Fisheries and Oceans released a report recommending changes to the Coast Guard's organizational structure. In 2005, the Government created the Coast Guard as a Special Operating Agency (SOA) within the Department of Fisheries and Oceans. The SOA status has provided the Coast Guard more flexibility to be more business-like and to deliver services more effectively to its clients while having greater control of its financial resources. By making the Coast Guard an SOA, the government acknowledged its important role and distinct organizational needs. At the same time, it recognized the key role the Coast Guard plays in support of the Department of Fisheries and Oceans mandate. This includes support of science as well conservation and protection activities. These important roles within the Department should continue.</p>	<p><b>Recommendation rejected:</b> The government does not believe that it would be an appropriate time to conduct the requested study.</p>





## MINUTES OF PROCEEDINGS

A copy of the relevant Minutes of Proceedings (40<sup>th</sup> Parliament, 3<sup>rd</sup> Session: [Meeting No. 2](#); 40<sup>th</sup> Parliament, 2<sup>nd</sup> Session : [Meeting No. 43](#); is tabled.

Respectfully submitted,

Hon. Shawn Murphy, MP  
Chair

