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Chair

The Honourable Diane Marleau

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● (0900)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): Welcome. There are a lot of witnesses here today, so we're going to move quickly into presentations. We're asking you to limit your time to five minutes.

We'll start with Madam Fraser.

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

We thank you for inviting us to discuss the audit of the Canada Firearms Centre. I am accompanied today by Peter Kasurak, senior principal of the public safety team, who was responsible for this audit.

Let me take this opportunity to provide members with an overview of our findings. This audit was a follow-up to our 2002 audit of the cost of the Canadian firearms program. We were unable to complete our 2002 audit because the financial information available was unreliable and did not fairly represent the net costs of the program. This year we are able to report that the centre has made good progress in addressing our findings with one exception that I will discuss later.

The Canada Firearms Centre has adequate financial reports, and it has developed a reasonable method of apportioning costs between licensing and registration activities.

[Translation]

The Firearms Program has been substantially reorganized since our 2002 audit. When the new management team took over in May 2003, not only did they have to establish all of the functions of a separate agency, they also had to deal with existing problems. The new team has handled a large volume of licence applications, firearm registrations and transfers. It has dealt with operational issues such as spreading out the timing of licence renewals, consolidating the application processing site, and establishing the infrastructure necessary for a stand-alone department. The team has also improved contracting practices, and the number of contracts that have "red flags" indicating non-compliance with regulations has dropped significantly since 2001-02.

However, we have also found some problems that have yet to be addressed. The most important of these are as follows.

First, the program still lacks performance targets or a definition of how program activities will result in the desired outcomes for public

safety. Errors have been made in reports to Parliament overstating the degree to which service standards have been met.

Second, the quality of the information in the Registry still has significant inaccuracies in part due to information carried over from the Restricted Weapon Registration System as well as the 2002 decision to allow applicants to describe their own weapons without verification. We also found the system of volunteer verifiers to be generally weak.

Lastly, there are continuing concerns with the new Canadian Firearms Information System, CFIS II. These concerns start with the basis for the initial decision to build the system, the lack of a detailed requirement, and the subsequent delays and cost overruns. We report that the system has tripled in cost to about \$90 million to date, including about \$30 million in avoidable delay costs. At the time of the audit, the system had not been tested or declared operational.

I would encourage the Committee to press for correction of these problems, no matter what form the Firearms Program may take in the future.

● (0905)

[English]

However, the most important finding from my perspective and the object of our additional report is how the costs of CFIS II were accounted for and how they were then reported to Parliament. In fiscal 2002-03 the Department of Justice did not record liabilities of \$39 million incurred in the development of CFIS II, as they should have.

This error had two effects. The first was that Parliament was not told that the program had actually exceeded the limit stated by the then Minister of Justice in the House. Secondly, it also meant that the new Firearms Centre management team had to deal with an unexpected \$39 million expense in 2003-04. During 2003-04 the centre, which was now a separate department, realized that it was likely to exceed the amounts appropriated by Parliament because of the prior year's accounting error and because of additional unexpected increases in the cost of CFIS II.

Although the centre initially recommended additional funds be requested from Parliament through supplementary estimates, senior officials of the Treasury Board Secretariat and Public Safety and Emergency Preparedness Canada sought an accounting presentation that would avoid reporting certain costs against that year's appropriation. Acting on their advice and a legal opinion obtained by Public Safety, the centre incorrectly decided that the CFIS II liabilities at March 31, 2004, of \$21.8 million did not need to be recorded against the centre's voted appropriation. Again, the result was that Parliament was not informed that the centre had in fact exceeded its appropriation and, as we more commonly say, blown its vote.

Our report analyzes each argument made by officials to justify their decision not to report these costs against the centre's vote and concludes that officials erred and the government accounting policy was not followed. In particular, the argument that the Treasury Board had not approved the contract and that therefore the liability did not have to be recorded in the year in which it occurred is troubling. I am very concerned about any possible adoption of an accounting policy that would allow the government to move the recording of expenditures from one year to the next based only on the timing of their approval by the Treasury Board. This is not in accordance with recognized accounting principles, nor with current policy.

[Translation]

These accounting errors meant that Parliament was not properly informed of the true costs of CFIS II on a timely basis. We also note that not seeking proper authority for supplementary funds where there was a reasonable likelihood that an appropriation will be exceeded could be interpreted as a breach of the Standing Orders of the House of Commons. Failure to fully account to Parliament for expenditures against a vote could also be viewed as an infringement on the privileges of the House of Commons.

[English]

Obviously, only the House itself can determine whether such a breach has occurred.

Madam Chair, that concludes my opening statement. We'd be pleased to take committee questions.

The Chair: Thank you.

We'll go now to Mr. Baker. I believe you are the former commissioner for the Canada Firearms Centre.

You have five minutes, please.

[Translation]

Mr. William Baker (Former Commissioner, Canada Firearms Centre, As an Individual): Thank you, Madam Chair. First of all, I would like to introduce three of my colleagues who are not at the table: Mr. Denis Bilodeau, Senior Advisor;

[English]

Beverley Holloway, chief operating officer; John Brunet, chief financial officer.

The Auditor General, in her recent report, has raised a number of recommendations and observations. We are, by and large, in agreement with the points that are raised, as indicated in the report.

I simply want to point out that I am personally extremely comfortable with the progress the Canada Firearms Centre has achieved in the last few years. If we look at the issues that were presented to the government in 2002 with the last report and look at the issues that are presented today, I can say with total confidence that we're providing parliamentarians with good information and accurate financial records. We have also managed to bring the budget down considerably for the Canada Firearms Centre over the last number of years.

I simply look forward to taking the questions of committee members.

Merci.

The Chair: Thank you.

Now I'll ask Monsieur Charles-Antoine St-Jean, Comptroller General of Canada.

[Translation]

Mr. Charles-Antoine St-Jean (Comptroller General of Canada, Treasury Board of Canada Secretariat): Thank you, Madam Chair.

[English]

I do not have any statement to make at this point in time. I'd just like to introduce a colleague of mine who will be at the table with me. John Morgan is the assistant comptroller general for financial management, and we are here to answer your questions.

The Chair: Thank you.

Mr. John Sims.

• (0910)

Mr. John Sims (Deputy Minister and Deputy Attorney General, Department of Justice): Thank you, Madam Chair.

I have no opening statement either. I too would like to introduce Mr. Wayne Ganim who was the chief financial officer of the Department of Justice at the relevant time.

Thank you.

The Chair: Thank you.

And from Public Works, we have Mr. Ian Bennett.

Mr. Ian Bennett (Acting Assistant Deputy Minister, Acquisitions Branch, Department of Public Works and Government Services): Thank you, Madam Chair.

May I introduce two of my colleagues who are with me: George Butts, director general, and Scott Leslie, a senior director who has been actively involved with this file in working with the Canada Firearms Centre.

I do have a short opening address, Madam Chair, and I want to thank you for this opportunity to discuss federal contracting services in relation to chapter 4 of the Auditor General's report.

[Translation]

To deliver the best value procurement services, Public Works and Government Services Canada works as a strategy partner with our customer departments. We help them throughout the procurement process from defining requirements and procurement approaches; managing the bidding process; and supporting them in ensuring accountability throughout the contract.

[English]

Public Works and Government Services Canada has supported the Canada Firearms Centre since its inception, through the provision of contracting services, including those related to information technology. The department has awarded two principal contracts, both awarded competitively, to support the Canadian Firearms Information System, referred to as CFIS I and CFIS II. These contracts are highlighted in the Auditor General's chapter 4 report.

Managing the two CFIS contracts in an uncertain operating and legislative environment has proven to be a significant challenge. Numerous changes to both contracts have been required over the years to accommodate these realities. We do acknowledge, however, that lessons learned from CFIS I experiences could have been better applied to CFIS II procurement, which has proven to be a particular challenge. Many of the assumptions upon which it was to be based have had to be adjusted as the environment, particularly the firearms legislation, has evolved.

With the assistance of third party analysis, Public Works and Government Services Canada, the Canada Firearms Centre, and the CFIS II contractor have recently agreed to halt work to ensure that no further expenses are incurred while we are assessing the situation. The Auditor General cited cases that dated from 1997 to 2004, where the Firearms Centre retained a number of contractors for years, using the Public Works and Government Services database, referred to as Informatics Professional Services, a tool that allows federal departments to search for consultants based on skills and experience. The Auditor General reports that in many cases, searches of the IPS data base would yield only the name of the incumbent contract. Public Works and Government Services concurs that these contacts should not have been justified as competitive, and we note that we ceased this practice in 2004.

The Auditor General recommends that Public Works and Government Services reviews how client departments use our contracting tools, and that it be able to provide assurance that these are not being used to circumvent contracting policies and procedures. We take this recommendation very seriously and are taking appropriate corrective measures to address the issues highlighted in the chapter. Such measures include training of users on accountabilities, policies, and processes; increased monitoring and reporting of usage; and where appropriate, Madam Chair, restricting the use of these tools. As of December last year, Public Works and Government Services Canada has improved, rebranded, and expanded the professional services online database to allow better monitoring of usage.

In conclusion, we recognize that we must continue to find ways to improve our services to organizations, while continuing to exercise a vigorous check and balance in the role of protecting the interests of Canadians. Public Works and Government Services Canada is in the

midst of transforming the way we do business, seeking innovative ways to deliver services smarter, faster, and at reduced costs, all the while ensuring that the Government of Canada improves how it does business. We are committed to fair, open, transparent, competitive procurement strategies that meet the government's needs, while ensuring equal access to business that will pass the test of public scrutiny.

Thank you, Madam Chair. I look forward to the questions.

The Chair: Thank you very much.

We'll move to our first questioner, Ms. Yasmin Ratansi.

● (0915)

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, Madam Chair. Thank you all.

I think I saw the Auditor General and the Comptroller General just yesterday. I have some questions for you that will help me understand the system itself.

The auditor says that there was satisfactory progress made on the 2002 recommendation, on the financial reporting, and you need really an adequate management system to meet these operating challenges of the registry. Number one, with respect to CFIS II, was an RFP done? Was the procurement process within the parameters of government guidelines? Number two, was it a simple or a complex system? Did you do any benchmarks to see what others were doing? I've been through the public service in Ontario and I'm familiar with the CFIS system. We do silos reporting. Was it an all-encompassing system or really a one-way system? Was it able to pick up data from somewhere else? And number three, why is there still incorrect information in the system?

Ms. Sheila Fraser: I can perhaps start, Madam Chair, by clarify the satisfactory rating. When we did the audit in 2002, it was strictly on the financial reporting system and the costs of the firearm program, which were inadequate for us to be able to opine upon. When we came back this year, with the exception of the two accounting disagreements, which we note in the additional report, we are reporting that the financial accounting system is working well. We note as well a lot of improvement in other parts of the operation, which we audited for the first time in this audit.

CFIS II is the firearms registration system; it is not the accounting system. It's a different system, and in that there are, as we note, difficulties with the second system. It is behind schedule, over cost, and at the time of our audit, it had not been tested and was still not working.

Perhaps the government would like to respond to that.

The Chair: Perhaps Mr. Baker would like to respond to this.

Mr. William Baker: Thank you, Madam Chair.

There is one system that is central to the operation of the entire Canadian firearms program, and it's the database. It is not just for the registration of all of the firearms that are in the system and is not just the means by which police access the data; it is also the database that captures information on all two million plus licence-holders in the country. So it is all that together.

You referred to some issues with respect to the quality of the data in the system. I know that the matter to which the Auditor General is referring is with respect to the data on firearms themselves, the registration of firearms. The deadline for firearms to be registered under the Firearms Act was December 31, 2002. For a lot of reasons, including resistance on the part of some people and some concerns or doubts as to whether the requirement would actually continue to be there, many of these firearms were registered in the months preceding and after the deadline, and in fact, we received over a million firearms in the year following the deadline, in terms of registration.

The government's approach to the data in order to manage the volume was to take the information submitted by the firearms owner at face value and just do a very cursory review of the data to ensure that there was nothing obviously faulty. Clearly, there are some errors in the data. One thing we can report, and it is acknowledged in the Auditor General's report, based on verification of the data that we did in the last year or so, the criterion that is most critical is whether a firearm is restricted, prohibited, or non-restricted, because that dictates the use of the firearm and the type of licence the person must hold. As indicated in the report, the incidence of errors at that level is very, very small—less than 0.01%—but there still are clearly some errors in the database that are being fixed up as we go along.

Ms. Yasmin Ratansi: Are you going to be responding, or can I ask another question?

The Chair: You can ask another question, unless somebody else wants to say something.

• (0920)

Mr. Ian Bennett: Madam Chair, I can respond to the questions in terms of the procurement.

I want to assure the committee, Madam Chair, that the process was entirely competitive. It went through an RFP process. In fact, we had five responses to the bid. We had five compliant bids. It was a very competitive and open process.

The Chair: Ms. Ratansi.

Ms. Yasmin Ratansi: When I look at the system—and you were talking about the legislation, the resistance to it, etc.—was the contractor building in any contingency allowing for some permutation or combination in a complex system like this, where there has to be some leeway given?

That leads to my next question about when the system was in its delay and development mode, when that \$21.8 million was incurred. Was there any arrangement with the contractor when you started

doing the RFP bid? You've probably worked with the government systems so often that you know what goes on. Was it there?

I'm just trying to get a handle on it, so that when we go forward, our job as parliamentarians of ensuring there is efficiency is met and we look after taxpayers' dollars well. So give us an idea of what happened.

The Chair: Mr. Baker, and then Mr. Bennett, for just a minute each, because we're going to run over time.

Mr. William Baker: Very briefly, there are two systems. First of all, members should understand that there's one that's been in place since the outset of the program. We refer to that as CFIS I, the Canadian Firearms Information System I. It remains the operating system for the Canada Firearms Centre. The second system in question is referred to as CFIS II. It has been a system under development now for a number of years and, as indicated by Mr. Bennett, is currently under review.

The normal practice—though I won't get into details—is that when a major contract is let, there is certainly some provision for changes in volumes, or whatever, which is usually built right into the costing formula. The critical issue around the delays in implementation of the new system is that when that contract was let, it was based on a certain set of assumptions around the act that amended the Criminal Code and Firearms Act, Bill C-10A, which took a lot longer, as members will recall, to put in place. In fact the regulations were only made about a year and a half ago. So those delays prevented the contractor from delivering a system.

Now, of course, we're going through further changes in the program. That is one of the reasons, as well as contract-related issues, that the program is under review.

The Chair: Mr. Bennett, for a very short time, because we're already over time.

Mr. Ian Bennett: Madam Chair, we work very closely with program departments. Building on the comments of the Canada Firearms Centre, they were responding to changing requirements in terms of implementation and timeframes and the system. We work closely with them in terms of identifying what are the operational realities and how they affect the contract, and then try to structure the contract accordingly. So in this particular case, yes, we have structured the contract in terms of responding to evolving needs.

[Translation]

The Chair: Ms. Thibault, you have seven minutes.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Madam Chair. Ms. Fraser, gentlemen, thank you for being here this morning.

Ms. Fraser, my first questions are for you. On page 2 of this volume, in the section on observations and recommendations, you make some very important points. In particular, you say:

Secretariat accounting officials were asked to look for an accounting treatment that would, if possible, avoid having to record all the CFIS II costs.

That was subsequently done, obviously, although the decision wasn't the right one, but was it done with the approval of Treasury Board Secretariat officials?

Ms. Sheila Fraser: Yes, the Treasury Board Secretariat took part in the discussions. As we stated in the report, there were different opinions. We had a lot of trouble obtaining documentation. There were no documents on certain important decisions or certain important meetings, and our audit had to be limited to internal government correspondence. We observed that different people had different opinions on the accounting treatment, but, with the accounting in the financial statements, the Treasury Board Secretariat ultimately accepted the accounting treatment.

Ms. Louise Thibault: Ms. Fraser, you may answer my question first, then the Comptroller General will answer in turn. I won't describe his role, but the Office of the Comptroller General is part of the Treasury Board Secretariat. I have some concerns where a government entity such as the one that handles the Canadian Firearms Program can get authorization from certain Treasury Board officials to make a decision that, if I understand correctly, constitutes a circumvention. That shouldn't have happened. How can the Comptroller, who is part of the same entity, subsequently ensure that the decisions will stand? That's why I asked my question. However, since I only have seven minutes, I'll continue with you, Ms. Fraser, with your permission.

In 2002, if my memory serves me — if it doesn't you can correct me — at the time of your audit of the Canadian Firearms Program, you said that you had not obtained access to certain documents or to all documents, and you told me the same thing in answer to my previous question. In this instance, do you feel you had access to the documents your team and you needed?

• (0925)

Ms. Sheila Fraser: Yes. In 2002, the records and files were incomplete, and it was therefore impossible for us to complete our cost audit. This time, to our knowledge, we were able to obtain all the documentation, but we noted in the report that we expected there to be documentation on certain decisions and certain meetings, but there wasn't any.

Ms. Louise Thibault: On page 9 of the document I cited earlier, you say that the Office of the Auditor General did not audit the records of private sector contractors. We know that the private sector plays a major role in this regard. Is this something you don't do, or something you chose not to do? In my view, the private sector's mandate in relation to an audit is very important, since public funds are involved.

Ms. Sheila Fraser: Our mandate is limited to the federal government. We don't have a mandate to audit the records of a private sector contractor. We meant to state very clearly that our findings applied to federal government management and practices, not to the management of a private sector contractor.

Ms. Louise Thibault: So you're not saying that you can't examine the relationship between the government and a private business that has obtained a contract from a government body. For example, a contract is obtained and expenses are incurred in relation to major objectives, but you can't audit that because that's not part of your mandate.

Ms. Sheila Fraser: We don't audit the private sector.

Ms. Louise Thibault: Thank you very much.

Now I'd like to ask a question concerning computer system costs. Having read the previous documents, I know that was a major concern. I can't find any analysis on the subject. Did you audit that, and are you certain that the contracts granted for all matters pertaining to computer services were granted in accordance with the rules?

Ms. Sheila Fraser: As Mr. Bennett mentioned, we discovered problems concerning the awarding of contracts for computer services and contract employees. Some people repeatedly obtained contracts. They seemed to be using a system that had to be open and they always managed to retain the services of the same contractor over years. We said that the system wasn't really competitive and that we had to review it.

Ms. Louise Thibault: Now, do you think that costs are under control?

Ms. Sheila Fraser: I would hesitate to give an opinion on the future, Madam.

Ms. Louise Thibault: I was wondering whether, at the end of your review, you could say whether you had made such and such a recommendation and whether you were satisfied. I don't want to talk to you about the future, Ms. Fraser, I know that's not part of your mandate.

• (0930)

Ms. Sheila Fraser: We believe that management has vastly improved. We observed that a lot of efforts had been made to improve the process. However, we nevertheless noted a problem with regard to the second system: costs tripled and the system still isn't working. So there's a problem in that regard. As a general rule, however, we noted significant progress.

The Chair: Thank you.

[English]

Mr. Wallace.

Mr. Mike Wallace (Burlington, CPC): Thank you, Madam Chair, and thank you, everyone, for coming this morning and providing us with an opportunity to ask you some questions.

I have two questions for the Auditor General to start with.

It was indicated just this morning in your report...and I think Mr. Baker also commented on the legislative delays that have occurred in getting the system ready for whatever regulations ended up coming. In your report to us this morning, you talked about the costs tripling to about \$90 million, and you actually used the words "avoidable delay costs". Could you respond to me as to whether the legislation piece was part of those avoidable delay costs, and what other avoidable delay costs there were, or what avoidable delays there were?

Ms. Sheila Fraser: Madam Chair, the delay costs were essentially due to the delays in having a final legislative base for it. We raised the issue that there were similar problems in developing the first system. One would have hoped that lessons would have been learned from that, and that before this development of the second system there would have perhaps been more certainty around it. About \$30 million of the \$90 million were delay costs.

Mr. Mike Wallace: I'm not a gun owner and will never be one. In terms of this new legislation that came in 1995 on the long gun registry, we had a system, I'm assuming, to deal with pistols and stuff that were registered. Was this system built on top of that, or was it a completely new approach?

[Translation]

Mr. William Baker: Thank you, Madam Chair.

[English]

The previous regime is commonly referred to as the FAC, the firearms acquisition certificate system. That system had been in place for many years. It operated off a different system, the restricted weapons registration system, the RWRS.

The passage of the Firearms Act required the putting together of an entirely different system platform to support the new requirements of the Firearms Act, which of course moved from several hundred thousand handguns to what is now today over 7 million firearms of all types, plus universal licensing of everybody. Essentially the old system handled people coming in the door for the first time. There would be a check on their background and then it was issued. With the Firearms Act, everyone who wishes to acquire or use a firearm has to have a valid licence, which expires roughly every five years. It's a new system dealing with considerably greater volumes of transactions.

Mr. Mike Wallace: You amalgamated the previous information into this new system. Is that correct?

Mr. William Baker: As people's firearms acquisition certificates expired, they had to acquire a firearms licence under the new act. As they acquired a licence, the data was migrated. The old data is available for investigative purposes, but it was not integrated with the new data.

Mr. Mike Wallace: I have another question for the auditor. You have strong language around the part of the accounting procedures that you felt were inappropriate. You call them accounting errors. My question is this. I may make an adding error. That's human error. Would you say that, the way the accounting of this was done, it was in a more deliberate manner, that is, that it was a conscious decision to do this and not just an error?

Ms. Sheila Fraser: Thank you, Madam Chair.

We use the term "error" because the treatment was wrong, in our opinion. But there was a conscious decision not to record the \$21.8 million, the second error. We do not see any documentation around the first error of the \$39 million, which has been recognized, by the way, by government as an error.

So yes, for the second accounting error there was a conscious decision not to record those amounts.

• (0935)

Mr. Mike Wallace: I think you're very clear on the accounting side. As somebody new here and new to the system, I was really taken aback by the verification aspects of the program we have.

Mr. Baker, I would like your comments. Do you think it's adequate that we have no performance standards, that verifiers can verify their own weapons?

In this book on page 115, the auditor goes through it quite heavily. I'd like to hear your comments on the verification aspects of the registry.

Mr. William Baker: Certainly, Madam Chair.

The system is by no means perfect to verify firearms, but I wouldn't qualify it as completely inadequate either. To understand how this works, if I may take a moment, first of all there's a central registry where all of the firearms registration information is contained. For any entry to make it into that registry—for instance, if you acquired a firearm and someone verified it for you and said it's "this type" of firearm—that information has to be communicated to the central registry. It is not taken at face value at all.

We have something called the firearms reference table, which is developed by the RCMP with the cooperation of the Firearms Centre and is a comprehensive listing of every make, model, and variation of firearm in the country. So when you come in and say, I've got a Cooney machine gun, there's no way in the world that this firearms reference table is going to say there is a Cooney machine gun. Well, we wouldn't let you keep a machine gun anyway, probably.

So there are checks in the system. Also, we do have expert verifiers at the registry who are able, particularly for obscure firearms, to make those distinctions.

We do rely on what is called a volunteer network of verifiers. This means when you acquire a firearm, you have to take it to an approved verifier on a voluntary basis—i.e., the person is not compensated—who will look at it and attest that this is the firearm you say it is.

Mr. Mike Wallace: You can do this over the phone, though, can't you?

Mr. William Baker: Some of it is done over the phone, but for the last while we've been attempting to do as many physical verifications as possible. We rely on a volunteer system. It isn't perfect, but it is affordable.

Mr. Mike Wallace: If I had a handgun or a restricted gun of some sort, I'm assuming I cannot verify that over the phone.

Mr. William Baker: No. Bear in mind too that the vast majority of verifications are done by gun dealers and gunsmiths in this country. There isn't one who isn't a verifier, because it's their business. When that person calls the Firearms Centre to say they wish to register this particular handgun to Mr. Wallace, first of all they want to ensure that you've got the proper licence to be able to possess a handgun, and that is verified, and we do an address check and so on. Then they would describe the firearm, and we would ensure that it matches the firearm on the table.

I agree with the Auditor General. It's not perfect. Ideally, you would want to have absolutely perfect information on every firearm registered in the system. It is by no means perfect, but the system isn't as faulty as one might think.

The Chair: Thank you very much.

Madam Nash.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you, Madam Chair, and thank you to everyone who has come here this morning on this important issue.

Ms. Fraser, you have very publicly and very well documented the exploding costs of the Canadian firearms program. Now you've taken another thorough look at this. My question is, is your sense that appropriate measures now are being put in place to really get this system running properly? I know you say there are some ongoing problems. But do you feel that generally the systems are getting put in place to get this program operating well, or would you say that it's still a very troubled program with the possibility of the costs getting out of control again?

Ms. Sheila Fraser: Thank you, Madam Chair.

When we did the audit in 2002, the main issue we brought forward then was that Parliament hadn't been adequately informed about the increasing costs of the program. Our audit was really limited to that. Because of the difficulties we had with the financial records, we didn't look beyond that. In this audit we did a more comprehensive audit of the management practices. We noted in the early years of the program that there were many difficulties with the costs, of course, but also with contracting. We note in the report that with the arrival of the new management team, led by Mr. Baker in 2003, that we see significant progress in dealing with many of those issues. The financial reporting has improved and the contracting as well. We identified what we call red flags that could be indications of problems in contracting. Those have gone down significantly, as some of the tables in the report will note.

There are still ongoing challenges, but quite frankly, there are ongoing challenges in every department in government. We note the ones that are still problematic, but we do see considerable progress and considerable improvement.

• (0940)

Ms. Peggy Nash: It's a huge undertaking to get something like this up and running, because as was said earlier, it's a case of moving from a system of registering some guns to registering all guns and to licensing all gun owners, which is a huge undertaking. A lot of money has been spent, some of it well spent and some of it not so well spent, but there is a system that is up and running and that is generally improving and doing much better.

There has been discussion about the long gun registry and stopping that system of registering long guns. My question to you, Mr. Baker, is what would be the cost saving from that? I'm told it's relatively minor, two or three million dollars—but that could be way off. Do you have a sense of what it would save Canadians if we no longer registered long guns?

Mr. William Baker: I can't be precise on that, except that I can frame it for you. If you look at the budget for the year just completed, which was for a little over \$82 million for the entire Canada Firearms Centre, including all of the licensing, safety training, registration, and so on, something less than \$15 million of the \$82 million was for registration. That would be to register all firearms, including online police access to the database.

I don't think you could do it on a per-unit basis, because there's a fixed cost associated with having a registration system. There would certainly be savings associated with eliminating such a large volume of registrations, but I can't be precise as to what the exact savings would be vis-à-vis the total cost of \$15 million. I should point out that the Auditor General was able to confirm that the means by which we allocate costs between licensing and registration are reasonable.

Ms. Peggy Nash: All right. When you hear about a billion dollars in costs, the cost of registering long guns, for example, is actually quite small in comparison with the overall expenditures to date for this program.

Mr. William Baker: I think, in fairness, the firearms program and the registry have been used somewhat interchangeably to describe the program. We, the officials who work in the Firearms Centre, have a narrow definition of the registry as the component dealing with the registration of firearms. It is not the whole program. The vast majority of expenditure, over 75%, is for licensing of firearms owners, and then, of course, we're also involved in safety training, safe storage, and publicity around that. But as I said, when it comes to registration, we're looking at a total amount of less than \$15 million a year.

Ms. Peggy Nash: Do I have more time?

The Chair: Yes, you do.

Ms. Peggy Nash: The other issue that you raised, Ms. Fraser, was the quality of the data that's in the system. As I understand it from reading the documents, there was a rush to get things up and running and some of the data were compromised in an effort to get things moving.

I'm just trying to understand the system. Given that there is ongoing renewal of licenses and ongoing registration, will that data, over time, have more integrity just because licenses have to be renewed and registrations will be taking place on an ongoing basis?

Ms. Sheila Fraser: That is possible. I guess we could probably say yes.

There were two issues that we raised about quality of data. One was the actual description of the weapons that were in the database; the other one was the addresses, and we note in here the percentages of returned mail and suggest that the centre could use other address databases within government to validate addresses. So we're basically suggesting that they have other methods in place to verify and improve the quality of the information in the system.

● (0945)

The Chair: Okay, thank you.

Mr. Alghabra.

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Thank you, Madam Chair.

Good morning, everybody. Thank you for being here today.

Good morning, Madam Fraser. It's good to see you again.

The question I have for you is about your comments regarding the recording of the costs, the ones that were recorded in the following year, where the response of the government was that it had consulted the Comptroller General before making that decision to record the costs in the following year. How do you reconcile that? Government departments may go to the Comptroller General to seek advice or guidance, and the advice is given and followed. How do we find a check and balance to ensure that such decisions will comply with the rules and regulations?

Ms. Sheila Fraser: Excellent question, but I'm not quite sure how to respond to it. We would have expected the government to follow its own accounting policies.

In this case, we do not believe they did, and we believe there were \$21 million in costs that were not recorded in the correct year, and if they had been recorded in that year, the government would have had to go back for supplementary estimates and authority to spend that money.

We view this as a serious issue, otherwise we wouldn't have raised the issue in a report. I guess one of the checks and balances is that we do have reports like this—hopefully rare and far between—but perhaps the Comptroller General would want to address their view of the matter.

[Translation]

The Chair: Mr. St-Jean.

Mr. Charles-Antoine St-Jean: Thank you very much, Madam Chair. Thank you for this opportunity to answer that question.

Reference is being made here to events that took place in January, February and March 2004. As the Auditor General mentioned, this is a very serious matter, which I also take very seriously.

I began my job on June 1, 2004. A few weeks after I took up my position, I was made aware of the complex nature of this matter. I was told that there were different accounting and legal opinions on the subject.

The departments are responsible for the proper keeping of their books. Deputy ministers are responsible for preparing their financial statements and for what are called public accounts plates. Where there are problems of interpretation, they consult their colleagues at the Treasury Board Secretariat and Office of the Comptroller General.

When the question was brought to the attention of the Treasury Board Secretariat in early 2004, it was noted that supplementary parliamentary appropriations might be necessary. A number of differing opinions within the Office of the Comptroller General and Treasury Board Secretariat led us to consider the question from various standpoints.

The Canadian government and the public sector in general live in two worlds. There is the pure accounting world, that is to say the world of generally accepted accounting principles, or GAAP, and the world of parliamentary appropriations. While the former operates exclusively here in Canada on what is called an accrual basis, parliamentary appropriations must be recorded on a modified cash accounting basis. That has changed over the years, more significantly in 1991, to include what is being referred to here, that is to say the payables at year-end policy, which provides that certain expenses are recorded against parliamentary appropriations at March 31 of every fiscal year, where certain conditions are met.

In general, this type of situation does not cause a problem, but, in this case, problems of interpretation led various people to view the situation in different ways. They wondered whether this should be debited from parliamentary appropriations or recorded under the payables at year-end provision. The amount of \$21.8 million was entered in the Canadian government's accounts payable at March 31, 2004 for public accounts purposes. However, it was not debited from the centre's parliamentary appropriations at March 31, 2004.

As the Auditor General said, when there appeared to have been a technical error and so on for 2002-2003, that was the subject of a number of discussions and decisions in 2003-2004. The decision was therefore made to opt for this accounting treatment. Legal opinions were obtained, which led the government to think that it shouldn't be debited from parliamentary appropriations, but rather recorded for public accounts purposes. That, briefly, is the situation regarding that matter.

● (0950)

[English]

The Chair: One very short comment.

Mr. Omar Alghabra: I was going to ask Mr. Baker about how he sees the future of the Canada Firearms Centre with the recent changes that the government has made.

Mr. William Baker: In terms of the announcements that have recently been made by Minister Day on the Firearms Centre, those are matters completely of government discretion around policy and expenditure, which is the entitlement of governments to make. What I can say is that however the program evolves into the future, I'm confident that it is on a much more stable footing from a management control and accounting and parliamentary reporting perspective than it ever has been in the past. Whatever happens, I think parliamentarians can rest assured that they will be in a position to get good information about the program on a go-forward basis.

The Chair: Thank you.

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, and welcome to all.

I have three areas of concern and so obviously I'll have three questions. One question will go to Madam Fraser, another to Mr. Baker, and another to Charles-Antoine St-Jean.

My first area of concern is cost overruns. Madam Fraser, I'd ask you, if you would, to elaborate a little on this. We have an expenditure that is probably one of the most massive cost overruns in Canadian history. How do you run any business having expenses come up basically 500 times your calculations? It's just beyond belief. Can you give me a brief encapsulation of how any government could take a department like this and have it so out of control that we have massive overruns? What were the major contributing factors to the massive overruns?

Ms. Sheila Fraser: Thank you, Madam Chair.

This is really the issue that was raised in our 2002 report when we indicated that Parliament had initially been informed that the net cost of the program would be \$2 million and at that point the government estimated by 2005 the actual cost would be closer to \$1 billion. There were a number of factors raised then, and I'm sure Mr. Baker and others can probably elaborate even more. Obviously there was the cost of the computer system. There was an expectation that provinces would participate in the program. Many provinces dropped out, so the federal government had to assume those costs. There were a lot of outreach activities, given the very serious opposition to the program, so a lot of money was spent on advertising and encouraging people to register. There were waivers of fees. I'm sure there are others, but those are the more serious ones that come to mind.

I think we all have to recognize, as we said at the time, that our major concern was that Parliament hadn't been adequately informed, and in that audit we actually saw indications that government knew the costs were going to be higher than the \$2 million net at the time the program was put in place. That was our major concern at the time, but I think obviously we can all recognize that given the serious opposition to the program per se, it was very controversial, and there was a reluctance, I think, to share that kind of information.

• (0955)

Mr. Daryl Kramp: Thank you.

Before I get to my third question on basically the wilful attempt to deceive Parliament, which is really the crux of the value and the importance of this committee—that question will go to Mr. St-Jean—I would like to ask a question of Mr. Baker. It's basically about the effectiveness of our system.

With all due respect, sir, I heard you say that you are pleased with the results. My God, how can you be pleased with the results of a program that has basically been the next thing to being out of control? The Auditor General has stated that the volunteer verifying work is weak, CFIS II is still not declared an operational system, and there is a complete hole in the validity of all the data. On many

occasions misinformation or lack of information is totally worse even than no information.

Sir, I was a police officer many years ago and I can recall when we went to CPIC or NCIC or whatever to validate information. To have unreliable data is dangerous, absolutely dangerous. How can any police officer in this country walk up to a domestic residence for a domestic dispute and/or a business and/or any area where they would have to verify and confirm presence of firearms and/or judge the capacity of people who are using firearms not knowing that the information is consistent, accurate, and true? If they base their assumptions on that kind of information, they're in trouble. They have to blindly assume that on each occurrence, whether it's stopping someone on the side of the road for a traffic ticket and just jumping across to verify it, there's a weapon in the car, because quite obviously the system just is not reliable.

I could just give you one of, I suppose, millions of examples. Sir, I was a gun owner. I'm not an avid person who's going to run around... but I registered my guns. I registered them online as normal Canadians would do. I'm not registered. I have a copy, a printout that says my guns are registered, but I checked in to see where my guns are. I'm not registered, sir. I'm just one of millions of people. The information is not reliable.

So how can you in all good faith say you're pleased with the results of the gun registry? Can you give me a response?

Mr. William Baker: With pleasure. You raised several things here. First of all, in terms of your own particular situation, I'm sure the officials in the centre would be pleased to ascertain or make a determination as to whether something needs to be corrected.

Mr. Daryl Kramp: I'm not worried about my personal situation. This is just an example of one of the many hundreds or thousands of letters or pieces of misinformation that are in there.

Mr. William Baker: The second point you raised relates to the degree to which police can rely on the information in the registry. As I pointed out earlier and has been identified in the Auditor General's report, we acknowledge that the data in the registry is not perfect. I can say, though, that the police have now had four or five years of experience working with the registry information. I think they see it for what it is and they take the necessary precautions. I've met with many police chiefs and many police officers, for that matter, and they've all been crystal clear that they can't rely totally on the registry. They have to assume, as you point out with your experience, sir, that there could be a firearm in any residence, in any vehicle, and take the necessary precautions. I think they use the data for what it's worth, blemishes and all.

It's a question of public policy and a question best left for parliamentarians to determine whether that is worth the investment or not. When I said earlier that I was pleased with the work of the Canada Firearms Centre, I was commenting strictly on my mandate and the mandate of my management team, which was to put in place the management controls and procedures necessary to respond to the concerns that were identified by the Auditor General in 2002. On that front, I stand by my comment that I am pleased with the progress we've achieved, and I believe parliamentarians can have confidence today in the information they are receiving about the firearms program.

• (1000)

Mr. Daryl Kramp: Great.

The Chair: Thank you very much.

You've done your seven minutes.

Mr. Daryl Kramp: Can I get to my main question of concern?

The Chair: Get him the next time around.

Mr. Bonin is next. We're down to five minutes now, for question and answer.

[Translation]

Mr. Raymond Bonin (Nickel Belt, Lib.): Thank you, Madam Chair.

[English]

I suppose my question would go to Mr. Baker and probably Mr. St-Jean.

The Auditor General brought to our attention two conscious errors. I think those are the words that were used—conscious errors. One of them is, at least. What's a conscious error? If I go through a red light it's a conscious error, but it's illegal.

My first question is to Mr. Baker. In the agenda you are reported as the former commissioner. What do you do now?

Mr. William Baker: I'm still employed. I have recently been appointed the deputy commissioner and chief operating officer of the Canada Revenue Agency, which is the organization for which I worked up until three years ago, when I was asked to go to firearms.

Mr. Raymond Bonin: That brings me to my next comment. Previous commissioners are now deputy ministers. Is that how we thank conscious errors in this society and in this government—the people responsible for conscious errors get promoted? Who do I ask this question to, the controller? Are there no consequences to this kind of stuff?

[Translation]

Mr. Charles-Antoine St-Jean: Thank you for your question, sir.
[English]

When we ask whether this is an error or a decision, I think the Auditor General has been very clear on that point. I do support her views that 2002-03 seemed to be just honest errors in terms of accounting, in which period it should be recorded.

As the commissioner has also pointed out, all the costs have been reported as of the end of 2005, so it's just a question of the timing. It's a very important question, and I do not minimize that at all, but

was there a decision to record the \$21.8 million? Not in 2003-04. Later, yes indeed, a decision was made to do so.

At the time, the official who looked at the issues had multiple advice, so it's not just only one; we're providing multiple advice for different perspectives. Some were taking the perspective that this transaction should be recorded as per the generally accepted accounting principles when you do accounting on an accrual basis. Some—

Mr. Raymond Bonin: But the buck has to stop somewhere.

Mr. Charles-Antoine St-Jean: Sir, if I—

Mr. Raymond Bonin: If 25 of my supervisors tell me to do something illegal and I agree to do it, I do it; I'm responsible. It's one person who ends up doing what the advisers have said is wrong and to do it. The intent to mislead Parliament is serious, and we can't blame 10 advisers; we can't blame lawyers. If lawyers advise us to do something illegal or wrong, we shouldn't hire those lawyers.

I find there are no consequences to people who mislead Parliament. There are no consequences; they get promotions.

I would expect that when the comptroller, if it is to be a comptroller, finds these wrongdoings, the comptroller would advise Parliament to do something. There should be consequences. Have we got a new program in place to have consequences, or should we, as parliamentarians, start assessing what the consequences of these acts should be? I'm not very pleased to find out years later that I have been misled.

Mr. William Baker: The year in question is year two. The one year, I think everyone acknowledges, was an error in accounting in a large department, which is understandable—

Mr. Raymond Bonin: I accept that.

Mr. William Baker: The one in 2003-04 occurred under my watch when I was commissioner. There was certainly absolutely no intention to mislead Parliament at all.

As indicated in the Auditor General's report, there is a chronology of events around that so-called error in 2003-04. The Canada Firearms Centre had just been set up as a separate agency. We were building our financial, accounting, and systems capability. We were doing a review of all of the financial records, and actually our accounting experts identified that amounts should perhaps be booked in 2003-04. Naturally that was a big finding, because our allocation for the year did not contemplate that we would have to include something like that. We brought the matter to the attention of the central agencies as well as the Department of Public Safety and others that were involved, because at that point in the fiscal year it was important to get a resolution on this so we would know the way forward vis-à-vis Parliament—whether, for instance, supplementary estimates would be required or not.

A lot of discussions took place, including discussion of where they should have started, which was a look at the actual issue—the nature of the contract—to try to ascertain the amount of debts and liabilities. This, frankly, took us into very technical discussions involving lawyers and involving even more senior accountants about what is and is not a liability, what is and is not a debt.

Ultimately a decision was made, based on all that input, that this amount was best recorded as a contingent liability or an unrecorded liability, and not as a charge to the vote of the Canada Firearms Centre. As commissioner of firearms I can tell you, without any hesitation or any doubt, that based on the steps we had gone through, we were comfortable that we were doing the right thing. Two years later the Auditor General has had a chance to look at it, has raised concerns about it, and has characterized it as an error. The Comptroller General's office has acknowledged, and agrees now, that on balance it would have perhaps been better to do it the other way, but rest assured that two years ago, when those decisions were made, there was absolutely no intent to mislead Parliament. Had the conclusion been the other way, steps would have been taken to address the financial shortfall.

•(1005)

The Chair: Thank you.

Madame St-Hilaire.

[Translation]

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Thank you, Madam Chair. Good morning, Ms. Fraser. Good morning, gentlemen. Thank you for being here this morning.

I'll be brief. Mr. Baker, you said that, in your view, the program was still effective, even though errors, conscious or unconscious or whatever, were made. Ms. Fraser, throughout your two audits, did you ever doubt the program's effectiveness or relevance, since errors were made?

Ms. Sheila Fraser: Madam Chair, our role is to audit the management and administration of government programs. We don't do evaluations. We determine whether the departments or agencies have adopted measures to evaluate program effectiveness and efficiency. In this case, we indicated that there were not enough performance indicators to do that. But it's not our role to do that job. That's a policy matter, which is not our responsibility.

Ms. Caroline St-Hilaire: Are you thinking of auditing the program again?

Ms. Sheila Fraser: Perhaps, we'll see. That will depend on what the future holds for the program, where it will stand and whether we do a follow-up in a few years. Right now, we don't think it's necessary to do another one very soon.

Ms. Caroline St-Hilaire: Thank you.

I have heard — and most of my colleagues have no doubt heard this as well — hunters say that this program resulted in a lot of red tape. Did you verify that with hunters during your audit?

Ms. Sheila Fraser: No, we didn't examine that aspect.

Ms. Caroline St-Hilaire: I'd like to go back to Mr. St-Jean. A little earlier, you really lost me, consciously or unconsciously, when you tried to explain the history of accounting standards and

parliamentary appropriations. Beyond your explanation, it's the future that troubles me. We clearly understand that errors were made in the past, willingly or unwillingly, consciously or unconsciously. In future, what will ensure that your colleagues, or other individuals, won't make the same mistake?

•(1010)

Mr. Charles-Antoine St-Jean: Thank you, Madam Chair.

As I mentioned a little earlier, that's a very serious question. When I took up my position, I examined the situation and wondered what factors had led to these misunderstandings and different positions. I reached a general diagnosis of the situation using control elements that already existed within the federal government. A certain number of measures have already been taken to prevent any reoccurrence of this kind of situation, in which different perspectives are not brought to the Auditor General's attention at the appropriate time.

As I've previously indicated to my government colleagues and to the Auditor General, in this kind of situation, the Auditor General should be called immediately when a question arises concerning possible alternative accounting treatments. This is a practice that is regularly seen in the private sector, where there are different points of view. Outside auditors are then called in to clarify the situation and state their views. You may agree or disagree, but you at least know what the positions are at the appropriate time. This procedure was implemented this year for certain major transactions. We're making the protocol more formal in order to ask the Auditor General to provide us with advance audit opinions in the case of somewhat complex transactions and those for which different accounting treatments are possible.

We've also adopted a new audit policy that will lead to the creation of independent audit committees for each of the major departments. That will make it possible to review these transactions at the appropriate time. In general, this kind of protocol — and this is also seen in the private sector — means that the audit committee will ask the senior director of finance whether certain transactions could have been reported differently, what those transactions were, and why that was done. The audit committee will put the same questions to the auditor. The debate can take place at that point. We have two or three years to establish the audit committees. That will be a long-term effort, but it will be a major part of our strategy to prevent a repetition of this kind of situation.

In addition, we are reviewing all financial management policies in order to clarify roles and responsibilities so that, in future, when questions are put to the various officials of the central agencies, everyone knows what the various roles are and what the prevailing opinion is. As you know, the deputy ministers are responsible for administering their departments and for their financial statements. In future, the Comptroller General will have to inform the deputy minister formally whether he disagrees on the accounting treatment. Responsibility will always fall to the deputy minister. However, the Auditor General will be required to advise the deputy minister of his opinion formally, with a copy to the Treasury Board Secretariat.

In addition, for the first time this year, as of March 31, 2006, we asked that all departments and agencies present financial statements for each of their departments in their issues report, which you'll see in the fall. This is the first time this will be done. Financial statements won't be audited this year. We'll give the 23 largest departments until 2009 to get set up so that it is possible to have an auditor's opinion on the financial statements. Ultimately, I expect that the financial statements of the largest government organizations will be audited independently, which will make it possible to discuss these issues at the appropriate time.

Lastly, on March 31, 2006, I asked my colleague to establish a cut-off routine for receiving confirmation from all senior financial officers at the federal government as to whether, as of March 31, 2006, other transactions could be subject to alternative accounting treatment and to tell us what measures have been adopted. This information will be shared with the Auditor General in June and July, before the accounts are closed on March 31, 2006, once the information is received.

• (1015)

[English]

The Chair: Mr. Albrecht.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Thank you, Madam Chair.

And thanks to Ms. Fraser and all of the officials for being here today.

The one concern I have as a newly elected member of Parliament is that I think we as members are responsible for taxpayers' money being spent. The particularly troubling part for me is that knowing the scrutiny this registry was under by the public and by parliamentarians, it would seem to me that to use any creative accounting mechanisms to try to hide or not disclose the true cost was not a good move, at best.

If in a very high-profile case like this, when you would think one would be trying to be doubly safe, significant dollars were misplaced, how can we be sure that this isn't happening in many of our other departments as well? I don't know exactly who to address that question to—possibly Ms. Fraser.

Ms. Sheila Fraser: What I can tell you, Madam Chair, is that we do an audit. Our audit is of the summary financial statements of the government. We do not audit individual departments or agencies and we also do not audit appropriations. In some places there are audits of appropriations. We don't do that when we audit the summary financial statements. We look to see that the overall financial statements of the government are presented fairly. Obviously that involves what we call materiality or margin of error, which is large. It's \$1 billion. So if we are looking at particular departments and agencies, there is a possibility that there could be an error significant to that particular agency but that would not be significant to the financial statements as a whole.

Mr. Harold Albrecht: I have a second question then.

I think Mr. Baker mentioned that the cost of the long gun registry is roughly in the area of \$15 million. Is that the kind of savings we could expect?

Mr. William Baker: Madam Chair, if I just might be clear on that, the total amount spent in the fiscal year 2005-06, the year just completed, on registration of all firearms, the budgeted amount, was roughly \$15 million. Of course the final expenditures have not yet been reported to Parliament, and some part of that would be for long guns.

Mr. Harold Albrecht: To follow up on that, whatever the amount is, if it's \$5 million, it's taxpayers' money and it does not take into account the individual contribution of the gun owner who has to pay to register. It does not take into account the aggravation of paperwork and all of those factors. Given the lack of evidence that the long gun registry is effective in reducing crime, because many of these owners are duck hunters and farmers, really what evidence is there that this should be continued in terms of the benefit to the cost ratio?

Mr. William Baker: On the latter point, I think in terms of the evidence of the value of registration, this is something that ultimately has to be determined by government, and it's a question of what you get for the taxpayers' money. And I appreciate there are trade-offs and an opportunity cost associated with that. That is not a question I can answer.

In terms of the reporting—and I'll ask the experts on either side of me to correct me if I'm wrong—I'm not aware of any program in government where the costs reported to Parliament include compliance costs incurred by others. We try to ascertain that when regulations are put in place. It's part of the Treasury Board policy on that, but we do not report on it.

Mr. Harold Albrecht: I respect that and I understand that's not a factor in any of the programs. I'm simply pointing out that from a member of Parliament's perspective, we have to weigh all of those factors if we're trying to come up with a decision, and I have no evidence that public safety has been increased. And even if it is a relatively small amount of dollars in terms of the big picture—we could say, well, it's not much so let's just forget it—I'd say those small amounts add up to big amounts when you add them all up, and I've been given no evidence today to suggest that we should continue it, from a political perspective.

The Chair: No response, I guess?

Mr. William Baker: If I may, I have just two things. As public servants, we endeavour to provide parliamentarians evidence of what government is getting for the money. When it comes to registration, frankly, it hasn't been in place long enough to be very definitive about that. We can tell you the extent to which police use it. Others could challenge the extent that they rely on it. And they're two very different questions. Ultimately, it comes down to a judgment by government as to whether this is the best use of taxpayer money.

• (1020)

The Chair: Thank you.

Mr. Alhabra.

Mr. Omar Alhabra: Thank you, Madam Chair.

First I just want to comment that I don't want to be in a position in which I defend the error that happened, but I do want to remind my colleagues, especially those across, that they are in government now and they're going to be responsible for a lot of the upcoming audits. I just want to remind them about not being overly melodramatic and being careful with their comments. Sometimes I wonder if you guys are aware of that, but actually it's good for us on this side.

I'll get back to you, Mr. Baker. I know it's a government decision, but from what you've seen so far or what decisions have been made or what you know—I know it's been assigned now to be managed by the RCMP—what is the future of the system that's in place, the centre in Miramichi and the staff and the processes that have been implemented and the investment in all of this equipment and databases? What is the future?

Mr. William Baker: The announcement that took place a week and a half ago regarding the transfer of responsibility to the RCMP, first of all, was done under the provisions of the Public Service Rearrangement and Transfer of Duties Act. All it does in the short term is move the statutory responsibilities, the people, the assets, the facilities from the Canada Firearms Centre, which was a separate agency of government, to the RCMP, and the commissioner of the RCMP has been named the commissioner of firearms to give him the authority to manage that program.

In terms of what may happen later, that will depend of course on decisions made by government with respect to funding level structure, integration of the program into the RCMP, and of course the legislation. As we speak, the legislation is as we know it.

Mr. Omar Alhabra: Do I have time for another question?

The Chair: You have three more minutes.

Mr. Omar Alhabra: Madam Fraser, we've heard about the chronological order of why this error was made—different interpretations, different discussions. How widespread within different government departments are disagreements on a judgment call about a recording of cost?

Ms. Sheila Fraser: I'm afraid, Madam Chair, I can't really respond to that, because we came across this doing the audit of the Firearms Centre, so we were not advised of this earlier. There may be other situations like this going on in government of which we are not aware. I really am not in a position to be able to answer that question.

Mr. Omar Alhabra: Thank you.

The Chair: Mr. Kramp.

Mr. Daryl Kramp: Thank you.

Perhaps I can get back to my third question, Mr. Antoine St-Jean.

The fact remains that money was spent without parliamentary approval. Parliament was misled. Outside of Parliament that's fraud. It's totally misrepresenting expenditures. I have two concerns.

Number one, I'm really pleased to see the accounting methods and the levels of control that you have implemented now to ensure this doesn't happen again. You just went through a number of them in a previous question. If possible, I'd like this committee to have a written copy of the responses that you have taken to this file, so we would be able to have a further evaluation and hopefully be assured that will provide a solution so this doesn't happen again in the future. That would be the one point.

The second point, though, that I'd like to take on this is, who bears responsibility? Mr. Bonin made a very good question: where does the buck stop? We can recall dealing with public accounts before. Is this ministerial responsibility? Is it deputy ministerial responsibility, and which minister's responsibility? Does the responsibility come back on your shoulders? Wrong decisions were made. Improper, potentially illegal decisions were made. Who bears the cross for this?

• (1025)

Mr. Charles-Antoine St-Jean: Thank you very much, Mr. Member, for those two questions.

The action plan that has been referred to by the member, Madame St-Hilaire, is part of the response to the audit report—pages 22, 23, and the fifth one is also being put in place. So those are some of the actions taking place.

As for the second question, the accountability for statements of the department always rests with the deputy minister. That being said, the deputy minister sought advice from many parties and made the decision in the end not to recommend going for a supplementary estimate. But there were many differing pieces of advice dealing with this; there were some very technical issues in terms of, was it a liability, was it a debt, and what time should it be recorded? So I would just qualify that there was a difference of opinion in terms of how it should be recorded.

Where I am a bit chagrined with all of this is that it should have been brought to the attention of the Auditor General at the time the decision was made. I think that's been put in place for the future, so that any time there is a major difference of opinion on *matériel* that could have an impact on reporting to Parliament it should be brought to the attention of the Auditor General for her views on the matter. Again, maybe the deputy minister and minister will defer, but at least they will know at that time. I think that's the lesson learned from this.

Mr. Daryl Kramp: Okay. Thank you.

Madam Fraser, the one cost that has never been evident—at least I've never seen it, though many people have asked for it via access to information requests—is the actual compliance costs or enforcement costs, the thousand police officers that it takes to be able to be involved and to go out and do security checks, etc., and on and on and on. Many people have asked us to come up with the costing on this, because obviously it would then just add more and more costs to this boondoggle. Do you have any figures at all, and have you had any investigation that would reveal any of this? Would it double the cost of the registry? Is it half the cost of the registry, or a third? Do you have any broad quantification for me?

Ms. Sheila Fraser: Madam Chair, the federal government departments and agencies report the costs to Parliament they incur. Within accounting systems, you don't record costs that others incur. So it is normal practice and, I think, standard accepted practice. In fact the Firearms Centre is reporting the costs incurred by other departments, for example, the RCMP, as part of the costs. But costs incurred by organizations outside the federal government, be they provincial police forces or the RCMP on contract to provinces, are not included in those costs and would generally only be considered when there is an overall evaluation of the program.

Mr. Daryl Kramp: Has that been done?

Ms. Sheila Fraser: To my knowledge, that has not been done. I think there are some studies out there that purport to show what some of the costs are, but it would really take an evaluation to get that kind of information.

Mr. Daryl Kramp: Thank you.

[Translation]

The Chair: Ms. Thibault.

Ms. Louise Thibault: Although Mr. Baker has changed positions, I admit I was a bit flabbergasted to learn that you think things are going well now and look good for the future.

In her main report, on page 112 of Chapter 4, Ms. Fraser says that the issue of data quality needs to be assessed. Two examples are given in this regard. In the first, she says that approximately half of the some 1.2 million firearms registered in the RWSR still have not been entered in the Centre's new system. In the second, she says that the Centre has limited ways to follow up on revocations of firearm registration certificates.

I find this situation disturbing. However, from what you told us earlier — and correct me if I'm wrong — your level of satisfaction in this regard is very high. I don't share that feeling at all.

• (1030)

Mr. William Baker: Madam Chair, first I want to say that all my comments concerned the control and management systems, not the program's effectiveness, since, as I previously said, that assessment is a matter of the judgment of parliamentarians and the government.

The program definitely has some deficiencies. The Auditor General's report clearly sets them out. Even today, we have action plans designed to correct those problems and to continue improving program operation.

When I say I'm satisfied, I'm talking about the program, since the Auditor General's report appeared in 2002. I'm very pleased that significant efforts have been made to improve the quality of information provided to Parliament.

The Chair: Ms. Nash.

[English]

Ms. Peggy Nash: Thank you, Madam Chair.

Ms. Fraser, you described earlier some of the reasons for the huge cost overruns. They included opposition to the legislation, the provinces' deciding not to participate, and clearly some huge administrative problems with the program. From your report and from Mr. Baker and others, it sounds as if things have dramatically

improved, that although they are perhaps not 100% where they should be, things have improved significantly.

As someone who has supported the goal of gun control, I recognize that deaths from firearms are down 500 over the period between 1991 and 2003, and that suicides are down, and that domestic violence is down, but clearly people want to be assured that the program is running well and doing what it's intended to do.

My view is that it's like having a renovation done on your house. If the thing goes way over budget, you're not going to burn your house down afterwards because the costs were too high. Clearly you've got a system set up, and it now seems to be functioning better. People work hard for their money; they don't want their tax dollars squandered.

My question is along the lines of Mr. Albrecht's question. We're here as elected parliamentarians, and we're looking at going forward. How can we do the best job possible to make sure we don't have to wait, Ms. Fraser, for you do to an audit to identify the major problems that took place after the money has been spent? How do we in good conscience use our positions, especially here through the government operations committee, to make sure the systems are put in place to prevent these kinds of problems in the future?

Ms. Sheila Fraser: I would have to turn to the documents the government provides to parliamentarians as part of the accountability, and in particular the estimates process. In this process, each department and agency presents its report on plans and priorities for the coming year, and then at the end of that year presents a performance report. We've done a lot of work on assessing various performance reports and plans and priorities across government, and we've noted that while government has made progress, let's say in the last 10 years, there's still a lot of work to be done.

There are a couple of major challenges. The first is that in the world in which we work and operate, it is very rare that you see a departmental performance report that will really explain all of the challenges, difficulties, and problems they are facing. I think we can all understand why that may be.

Second, quite frankly, there isn't a lot of attention given by parliamentarians to those documents and the whole estimates process, and that's a fundamental function in our system. If departments and parliamentarians had more open, honest discussion about management problems they're facing and the realities of how they're working, I think parliamentarians would better understand those things and might be able to make better judgments about policy decisions.

The tools are there; they need to be improved and they need to be used.

• (1035)

Ms. Peggy Nash: On that, I'm told that the various committees actually spend astoundingly little time looking at the estimates and the performance reports. Do you have any guidelines, based on your skill as an auditor, on how much time, or what percentage of time, a committee should use in looking at the spending of the money going into achieving the programs that governments are wanting to bring forward?

Ms. Sheila Fraser: We haven't been quite so bold as to suggest to parliamentarians how they should spend their time, but we have produced a document—and we're updating it for this fall, which we'd be glad to give to the committee—on the review of estimates and the kinds of questions that parliamentarians might like to ask. I think we've suggested to other committees that some departments are so big and complex that to try to do all of the department is going to be very time-consuming, so perhaps they might instead take one program within that, and then you could get into the more substantive issues.

It would be nice, quite frankly, if committees had at least one hearing on estimates, and I suspect a lot of committees don't.

The Chair: Thank you.

Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chair.

I just wanted to pick up on the suggestion that Ms. Nash just made. She said that if you renovate a house, you don't at the end of the day tear down the house because there was a cost overrun. Being a contractor before I came here, I do know those things do happen, so I certainly don't want to suggest that we would tear down houses. But if we install a skylight at the bottom of a roof or in the valley of a roof and it keeps on leaking, at some point we take the measures necessary and remove that skylight if it's put into an inappropriate place. Or if we do something that's wrong, we do what needs to be done.

I am concerned about the effectiveness of the program. Obviously there have been suggestions that the information in the registry isn't entirely accurate and that there are some major issues with the return mail. I know that in our office, even though we had correct addresses at election time, we're now finding that out of 500 letters I sent out recently, 25 came back. It took a day and a half for my staff to figure out where those people were currently living.

I'm concerned that if we have a database that's always in flux and that becomes more and more inaccurate as it ages, these costs are going to continue to skyrocket. Is there any provision in place, or a measure that's going to be taken, to ensure there are estimates of what it's going to cost to try to keep this registry up to date? That would be my first question.

Mr. William Baker: Madam Chairman, in terms of the registry that we know today, with its assets and liabilities—and we've talked about some of the weaknesses and the measures that are currently in place—without doing fundamental change to that.... The Minister of Public Safety recently announced that for the current fiscal year, the

program could be operated for \$10 million less, bringing it down to roughly \$72 million or \$73 million a year. At that level of funding, I believe the program can be sustained in its current form, or as close as we can get to a steady state. Obviously if the government chose to make investments in one area or another, they would have to be funded.

Mr. Chris Warkentin: There's no intent, then, to follow up on these addresses?

Mr. William Baker: On the addresses, if I may speak to them, first of all, we do have our share of return mail comparable to what other organizations have. There is a requirement in the Firearms Act for people to advise us of an address change, but frankly, like every other federal statute, people are only going to do it if there's a reason to do it. In our case, the primary reason is that they get involved in a transaction—there's a licence that has to be renewed, or they're transferring a firearm or purchasing a firearm—and in the course of conducting that transaction we confirm the address.

The suggestion made by the Auditor General, I think, is a good one in terms of trying to tie into the address bases of other federal, and perhaps provincial, entities. That is something we've taken on board to look at how and when that can be done. It's obviously tied to decisions on the IT platform for the future.

• (1040)

Mr. Chris Warkentin: Yes, certainly, that'll be something to assess.

Of course, there are still millions of guns that are unregistered, including long guns. Maybe you'll just have to take my word for it, but I will assure you that in certain communities, especially rural communities, communities where we find farmers, and among senior citizens, or people who don't feel they're of an age when they want to go through the process, because it's a real rigmarole.... Is there anything budgeted currently, or has the program basically decided that any guns that aren't currently registered are just going to be left unregistered? I'm concerned that not only is the information in the registry not accurate, but also that it doesn't reflect the true nature of the gun ownership across the country.

Mr. William Baker: Clearly there are unregistered firearms in the country, as there are unlicensed drivers and people who are not paying tax, I'm sorry to say. We don't know the extent of that. There have been speculations as to what the quantum is. Honestly, I don't think anybody truly knows.

What we have done in the past is try to make it clear to anyone who hasn't registered a firearm that they can register the firearm. The deadline passed four years ago. The Firearms Centre still takes applications to register firearms, no questions asked, because at the end of the day what's important is that people are in the system, have their licences, and have fulfilled their requirements under the act. We try to support that.

I should also point out Minister Day's recent announcement with respect to an amnesty. To the extent that people's fear over being delinquent in registering a firearm may have stopped them from coming forward to do so, or to get their licence or whatever, that announcement may turn out to be a positive benefit in terms of increased compliance.

We are making the system receptive and trying to create conditions that people feel comfortable complying with, including making the system as efficient as possible. There are more online services. It's faster. It's free to register a firearm now; it's now free to renew your licence. All those things should contribute to improved responsiveness on the part of the public.

Mr. Chris Warkentin: Do I have just a—

The Chair: I think you've had your time.

We're going to go to Ms. Ratansi.

Ms. Yasmin Ratansi: Thank you.

I have a couple of questions, but I have one quick one: where, now, is the comptroller general who gave the advice to allocate the \$21.8 million as unreported liability?

Mr. Charles-Antoine St-Jean: At the time this advice was sought from the Department of Justice, the legal opinion came back advising that the amount was not to be charged—

Ms. Yasmin Ratansi: I just want to know where he is. I have a lot more questions.

Mr. Charles-Antoine St-Jean: In your question you asked about the comptroller general who recommended—

Ms. Yasmin Ratansi: Yes.

Mr. Charles-Antoine St-Jean: There is no comptroller general who recommended this treatment. We've got to be very clear. The advice was received from the Department of Justice as to how this transaction should be recorded. At the time, my predecessor, maybe the deputy, maybe the Auditor General...

Ms. Sheila Fraser: Yes, as we note in the report, the acting comptroller general at the time has since become Deputy Auditor General.

Ms. Yasmin Ratansi: Okay.

Ms. Sheila Fraser: I will make it very clear—and I'm sure he will, if you ask him in the next hearing—he was not in agreement with the accounting treatment.

Ms. Yasmin Ratansi: Fair enough.

My next question is this. I'd like to do a reality check. I asked if the system was complex or if it was simple. The reason is that I had, in my previous life, been involved in a system that the current Treasury Board minister had indicated would cost \$5 million. Then it went into half a billion dollars, and it's still not running. It's a social assistance review system, and it's a boondoggle.

But I'm not into a destruction mode; we don't destroy systems. If we go step by step, we say we have created a system, and it appears that the police say they are using it. The chief of police in Toronto and others have said they are using the system.

Referring to the recommendations the Auditor General has made, Mr. Baker, the department has agreed that those recommendations have to be implemented. In your opinion, what are some of the checks and balances that the gun registry has put in place that will avoid this?

My other question is, as you are now the chief operating officer of CRA, and CRA is going through a system, how will that experience translate there?

• (1045)

Mr. William Baker: This is rough.

Ms. Yasmin Ratansi: You know, we as parliamentarians get it. I am very sensitive to the fact that we have now started an Afghan mission and we do not even know what the costs are going to be, so estimates are going to be important. As parliamentarians we have to be responsible, not partisan.

Mr. William Baker: There are two things. First of all, on the whole issue of the costs, I think, and Auditor General Sheila Fraser has confirmed, that the costs we are reporting to Parliament are accurate. We at the Canada Firearms Centre, and now the RCMP, have systems in place now that accurately track and allocate costs. I have absolutely no hesitation in advising any member of that, and you can rely on the reports that are provided to Parliament.

In terms of information about effectiveness and so on, that is being developed as we can. One of the difficulties with something like gun control is that it is an extremely complex social phenomenon in terms of assessing its impact. It's been observed, and it's also been observed in the Auditor General's report, that it will take some time yet before this program has had enough experience that the right specialist can come in and make a determination as to the overall impact.

As for systems, whether they be at the Canada Firearms Centre or Canada Revenue Agency, or wherever, you're absolutely right, there's quite a history at provincial, municipal and federal levels of big systems costing a lot more than people thought they would, and there probably will continue to be lessons to be learned about the proper control regimes that need to be put in place.

Ms. Yasmin Ratansi: But this is where the problem comes in. Bureaucrats tell the politicians it's going to cost \$2 million, but who does a reality check that it won't cost \$2 million? The systems are complicated.

Madam Fraser, I asked you in a previous committee meeting whether anybody has done an evaluation of what a large system should do. Is there any way the external auditor can check with the internal auditors and say, you guys are way off your mark, and don't try to fool Parliament into thinking this system is simple, as it's going to be complicated. Do you do reality checks to say, here is the benchmark, here is what we do, here is what the contingency will be? I am just floored that we are being given information that we can't even make realistic decisions on, so where do we go around?

Ms. Sheila Fraser: I can give one short element of a response. We actually have an audit under way on systems under development, which we are planning to report this November. I would hope that we will be able to bring some of that information forward to Parliament in that audit.

The Chair: Mr. Wallace.

Mr. Mike Wallace: Thank you.

Can I split my time with my colleague Dave?

The Chair: Certainly. That gives you two and a half minutes each.

Mr. Mike Wallace: Okay, I'm a very specific questioner on these things.

In your report, you talk about \$82 million to operate annually. Is that net of revenue?

Mr. William Baker: No.

Mr. Mike Wallace: That's not net of revenue, so that's the actual cost.

Mr. William Baker: That's correct.

• (1050)

Mr. Mike Wallace: Revenues seem to be declining as we go forward. Will that trend continue?

Mr. William Baker: It certainly will. First of all, beginning in May 2004, the decision was made to eliminate the transfer registration fee, so obviously there was an effect on revenue. Then the announcement of May 16 or 17—pardon me, as I don't know if I have the day correct—to eliminate the licence renewal fee will have a dramatic impact on the revenues.

Mr. Mike Wallace: So in reality, the public should know that based on the system we have now, every decade it's going to take three-quarters of a billion dollars to operate the system. That's what we face.

Mr. William Baker: Just quickly, as I indicated, with the \$10 million reduction announced by the minister—

Mr. Mike Wallace: That's why I said three-quarters; otherwise it's \$80 million.

Mr. William Baker: Exactly. There's still some revenue that comes in. I believe it's in the area of \$4 million or \$5 million per year for other duties, so it would perhaps be similar.

Mr. Mike Wallace: Maybe you can't answer my last quick question, but from the beginning of this program, I don't see anywhere where the business plan could ever have possibly said the net could have been \$2 million. We're at a 10% revenue-to-cost ratio here. We've got 20% indirect costs, though I'm not sure what they are. I don't know where we got any concept that this would be.... I know you weren't there at the beginning, but where was the business plan that said it came to \$2 million?

Mr. William Baker: If I may, the Auditor General pointed out in an earlier response her assessment of some of the reasons why costs—particularly with IT systems, which have been a key cost driver.... First of all, the assumptions have clearly changed. For instance, we have eliminated the fees, by and large; the registration transfer, and licensing fees now—

Mr. Mike Wallace: Even with the fees, we're only at 10 points—10%—of revenues to expenses.

Mr. William Baker: That's today, but I believe that in the early days there was an assumption that at a certain level of revenues there would be a considerable offset.

If I might just add to the list of reasons given by the Auditor General, I think—and I can relate from previous committee meetings—that previous administrations have acknowledged that to build a national licensing and registration system was uncharted territory. There is nothing like it in the country, and it had to be built from the ground up. I think most people would acknowledge today that the assumptions as to what it would cost were ambitious. In hindsight, we can now look back and say that in the business case, some of the parameters may well have changed, but in fairness that's done with an awful lot of experience, with 10 years of hindsight.

The Chair: Mr. Van Kesteren, you may have a very short point.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Madam Chair.

I have a quick question, Mr. Baker. We hear a lot about police accessing the registry. Do you have actual figures as to how much of that access is in regard to firearms and how much is in regard to just checking a driver's licence or something of that nature?

Mr. William Baker: I don't know if I have a precise answer to that question. I can tell you that in response to a question a couple of years ago, we did want to make sure that accesses to the Canadian Firearms Registry Online by police were in fact being done by police, and they are. A very small number aren't made by police officers—

Mr. Dave Van Kesteren: Excuse me; I'm sorry. My question is this: do police use it more to check drivers' licences, or do they use it more to check registered firearms?

Mr. William Baker: My understanding is that one of the primary uses—and I can't talk about percentages—occurs when a police officer goes to a particular dwelling house and looks to see if there are firearms registered to the owner or occupant of the dwelling house. It is related to firearms, to the best of my knowledge.

The Chair: Thank you.

I'm going to allow two very short interventions and I'm going to ask Madame Thibault if she minds debating her motion on Thursday. Maybe we'll do that first on Thursday, instead of—

[Translation]

Ms. Louise Thibault: I'd like it to be done today, Madam Chair; otherwise it will be postponed until the end of June and will no longer be relevant. I have four comments to make, and I'll be very brief.

[English]

The Chair: *Bien.*

Do the last two questioners want to just leave it? The public accounts committee is coming in at 11 o'clock and they have the same things.

Okay, we will have one short question from Mr. Bonin and one short one from Mr. Kramp.

Mr. Raymond Bonin: I'll speak quickly.

The answer to Mr. Wallace is that it was to be \$80 million, recouperable in 14 years with the fees. That's how it started.

We talk about review and estimates. These documents—we get many of these—are produced by accountants. I hire an accountant to do my taxes because it's become too complicated. I don't have the patience, and it's too complicated. So we need more information. The Auditor General mentions that committees don't put in the time they should. I guess we don't put in the time. There's no way I went through this book, and if anyone around this table claims they have, they have time to waste.

So we need information, and I'm going to ask Mr. Sims, the deputy minister, to see if his department can produce for us. Some talk about a billion-dollar boondoggle; I've been responding to my constituents and trying to explain that, but I don't have the figures. You have them buried somewhere.

Did you cost the delays? Did you cost the court cases by the provinces? Did you cost the fees that were to be in place, but are not in place? Every time we transfer a firearm, it should have been \$25. It's free. Is that costed?

There is the overtime. Clubs who said not to register until December 31 bogged down and disrupted the computer, and there was lots of overtime. There is the rest—the advertising, because of the other advertising campaigns.... I would like a sheet at least showing me those costs, and then the \$1 billion may become \$200 million. It's still too much, but it's not as offensive as \$1 billion.

You see, Auditor General—Madame Fraser—the reason we don't spend that much time on these figures is they're too damn—and I use the word—complicated. We are lay people. Some politicians like to have people think they know everything, but I don't, and I need help. If you're not going to give me the information, we will come back and criticize the ones who produced the vague information.

Thank you.

• (1055)

[Translation]

The Chair: Mr. Kramp.

[English]

Mr. Daryl Kramp: Thank you.

Mr. Baker, I have a very simple question. There are hundreds of thousands of offences committed with firearms every year. How many offences are committed with registered firearms?

Mr. William Baker: I can't give you a precise statistic. I can tell you, to the best of my knowledge, the numbers of registered firearms used in offences are relatively small. I think we should bear in mind, though, that the requirement to register is relatively new, so there are still a number of guns in circulation that have never gone through the registration process.

Mr. Daryl Kramp: Might I suggest that it's almost infinitesimal? The fact remains that criminals don't walk up to a gun rack and say, I think I'll steal that gun rack, but I wonder if it's registered or not.

Mr. William Baker: I don't disagree.

The Chair: If you'll excuse us for one minute before we end the committee, we have a very simple motion that Madame Thibault has put forward after giving notice. I think it should be voted on, if we can, right away.

Madame Thibault.

[Translation]

Ms. Louise Thibault: I wanted to say the following about my motion.

Someone asked what two days was. We were supposed to debate my motion at a meeting, but I preferred that we spend that time on Ms. Nash's motion. Then, by a common accord, the May 18 meeting was cancelled. Now I figure that, at this rate, we still won't have voted by August. So I'm proposing the following motion:

*That this Committee calls on the Government to immediately proclaim *An Act to establish a procedure for the disclosure of wrongdoings in the public sector, including the protection of persons who disclose the wrongdoings.**

Even though Bill C-2 amends the act, it must be proclaimed in force at some point, despite the fact that the government seems to want to proceed through a kind of comprehensive offer. This proclamation is important to the extent that all parties worked very hard, in a non-partisan manner, in 2005 so that an acceptable act — and I don't mean a perfect act here — would ensure protection for whistleblowers.

Currently, more than 86,000 government employees are not protected. Members of the Public Service Alliance are protected, but members of other unions are not. The fact that 86,000 people are still not protected from potential reprisals is not a negligible fact.

Lastly, as regards the application of its accountability plan, the government says it wants to act quickly. In my view, a very important part of that plan concerns protection for whistleblowers. We have the opportunity right now to protect those people. As I said earlier, we worked seriously last year. I'm convinced that, by showing the same serious-mindedness, we can make a decision today and recommend that the government proclaim this act in force immediately. We're saying, and rightly so, that we have the highest respect for these people. So they must be protected from potential reprisals.

• (1100)

The Chair: Thank you.

Mr. Kramp.

[English]

Mr. Daryl Kramp: Thank you, Madam Chair.

I agree with the intent of the motion; I don't think there's any difficulty with that. There's no doubt that the motion is well intentioned to deal with the situation regarding whistle-blowers. The difficulty I have, of course, is the fact that we already have legislation in process. We have legislation in process, and to just start cherry-picking pieces out of each bill takes away from the intent of the original bill that is before the committee right now.

The Chair: No, Mr. Kramp, I think you misunderstand this. All that she is asking is that they put into law the piece of legislation that was passed, because it will have to be put into law to be amended. It's passed, and they're now going to amend it without actually having enacted the final point. That's what this is about.

Mr. Daryl Kramp: I understand that, but what I don't understand is the fact that this is already before committee. It's already before another committee in the House.

The Chair: Not this legislation that she's talking about.

Mr. Daryl Kramp: Bill C-2 is still...*[Inaudible—Editor]*...of Bill C-11.

The Chair: That's right, but to bring Bill C-2 into force, you have to amend the old Bill C-11, which hasn't been put into law yet. That's what we're asking, that they put it into law.

Mr. Daryl Kramp: I see that, but I still see it as being a bit of an override situation. As an example, in the last Parliament I had a private member's bill that passed committee. We could have sought unanimous approval of the House to be able to bring it back before now, but a portion of it was then picked up—maybe in an amended form—to be brought back in the general government bill.

The Chair: Well, this isn't the same thing.

Mr. Daryl Kramp: And I thought that would be fine. I see that as being a parallel circumstance in a parallel situation.

The Chair: No, it's not.

Mr. Chris Warkentin: I have a point of order. On a time concern, I know there are people waiting, and I really have to go. The time has run out for this meeting. I appreciate that we want to keep going, but I—

The Chair: What I'm trying to say, Mr. Kramp, is that it's not parallel, because Bill C-11 was passed by the Senate; it has gone through the whole thing. Before it can be amended, it has to be promulgated by the government. That's what this is about.

Mr. Daryl Kramp: I disagree with the chair.

The Chair: You disagree? Okay.

Can we call the vote?

Mr. Chris Warkentin: Can we deal with the point of order?

I apologize, but I've got to go and I don't want to vote.

The Chair: We're just going to call the vote on the motion.

(Motion negatived)

The Chair: The meeting is adjourned.

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