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**Chair**

**The Honourable Shawn Murphy**

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• (1535)

[English]

**The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)):** Colleagues, I'd like to call the meeting to order and extend to everyone a very warm welcome. We're pleased to have back with us the Auditor General of Canada, Sheila Fraser. She is accompanied by assistant auditors Hugh McRoberts, Andrew Lennox, and Richard Flageole.

Ms. Fraser, it's a pleasure to see you back. You haven't been here lately. Have you missed us?

**Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada):** Of course, Mr. Chair.

**The Chair:** Ms. Fraser is here to present to the committee her May 2007 report of her office. However, before we hear from the Auditor General, I want to point out that the meeting was originally scheduled for two hours with the Auditor General and then we would go in camera and have one hour talking about reports. Unfortunately, there are five votes scheduled for 5:30; the bells will ring at 5:30, I believe. There's no point in trying to bring the meeting back to assemble for another 10 or 15 minutes after the vote, so we will adjourn the meeting at 5:30, at the regular normal time, and will not be going in camera to talk about reports.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** A preliminary matter, if I may, Chair.

**The Chair:** Mr. Fitzpatrick.

**Mr. Brian Fitzpatrick:** I understand that to date one of the key witnesses for Monday's meeting is very difficult to find. Nobody seems to know where he is. I'm highly suspicious, as this is a well-publicized hearing. I don't know what this individual is up to, but I have to say it, I have to emphasize that this guy has to come before this committee. I think for all concerned, sooner would be better than later. He's not going to get away with his games, if he's playing games. If there's something we can do beyond the normal process to make sure we get this person before this committee, I say so be it.

**The Chair:** I'm going to ask the clerk to speak to the issue Mr. Fitzpatrick has brought up. It has been brought to my attention that the clerk has yet to locate Mr. David Smith, who we have scheduled to appear before the committee on Monday afternoon as part of the RCMP investigation. It certainly surprises me that he has not been able to be located, but again, I'll ask the clerk to address the committee and tell us what the problems are.

**The Clerk of the Committee (Mr. Georges Etoka):** Mr. Chairman, I have contacted all my contacts—the RCMP, Public Works, and other contacts—to try to locate Mr. David Smith and

there have not been any positive results. Nobody seems to know where he is. I'm still looking.

**The Chair:** Mr. Clerk, is it that they don't know where he is or that they can't locate him? There are two different issues here. Somebody must know where he is.

**Mr. John Williams (Edmonton—St. Albert, CPC):** Does he get a pension cheque?

**The Chair:** No, he wouldn't get a pension cheque.

**The Clerk:** With your permission, Mr. Chair, I've got two kinds of answers. The first one is that they don't know where he is. The second answer is that since he doesn't work with them, or he has no contract with them, they really can't tell me where he is because it's a privacy matter.

**The Chair:** Mr. Williams.

**Mr. John Williams:** Thank you, Mr. Chairman.

I certainly appreciate what Mr. Fitzpatrick had to say and the concerns he has and I think you have and the clerk has about finding this particular witness for Monday. But I'm back to what I've raised in previous matters, Mr. Chairman. This is an administrative matter. You are the chair, you have a clerk, and if there's a problem, then you and the clerk should bring a report to the committee for us to make a decision and a recommendation, or a recommendation and a decision. We can't have individual members of the committee, be it Mr. Wrzesnewskij or anybody else, driving this committee.

It's time we started acting much more professionally and that the administration of this committee do the job properly so that we can do it for Canadians who wonder why we have these huge line-ups of witnesses and people coming back three and four times and so on.

I appreciate what Mr. Fitzpatrick has to say, but I do say there is a process and we should follow that process.

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** I have a point of order, Chair. There seemed to be an insinuation that one person decides the agenda of this committee. If you check the record, you'll find that the committee decides by vote, and a majority of votes decide the committee agenda. I think that was an inappropriate comment.

**The Chair:** That wasn't a point of order.

Mr. Poilievre.

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** We need to hear from David Smith. The KPMG report, audit, indicates that his company was intimately involved in what seems to be a very sinister contracting scheme involving public funds, and in particular funds from the RCMP, to do little or no work. Contracts passed among four or five people, none of whom did any work at all. Then the end product was a recommendation that the originator of the make-work project should keep his job. That's what the KPMG audit shows. It does resemble quite stunningly the *modus operandi*—witness during the sponsorship scandal. The contracting aspects of this investigation are very critical because they do involve improper enrichment of very well-connected individuals.

I think the clerk should rely on the expertise of committee members who might have an idea of where he is. The House of Commons might have records of his address, because of course he was a member of this House of Commons and he was paid by the House of Commons. So obviously his cheques, or at least his pay stubs, would have been mailed to him. Presumably he wasn't hard to locate under those instances. Perhaps the Liberal Party would have knowledge of his whereabouts, given that he was a member of the Liberal caucus. Perhaps the Liberal House leader or whip, who always keeps that kind of information—including cellphone numbers and e-mails, etc.—close by in the event of emergencies, would have the ability to locate Mr. Smith.

I note that Mr. Smith's name has been in the newspaper a number of times with regard to this investigation, and I would find it highly surprising if he were not aware of this committee's interest in seeing and hearing him. Perhaps we'll have to run an advertisement around the capital region, where I'm told he lives, so that he might hear that he is being sought out by this parliamentary committee.

I will conclude by saying it is a startling development that someone who was so intimately involved in these money-for-nothing contracts has now seemingly vanished from the face of the earth. He was a public official and very well known, and he was someone who was very easy to locate only a year and a half ago when he was in Parliament. So I don't think there's any excuse for not having him, and I look forward to seeing him located and put right in front of us on the stand.

Thank you.

• (1540)

**The Chair:** There's just one brief intervention from Ms. Sgro.

I'm going to ask the clerk to take a very aggressive tack to try to locate Mr. Smith. If there's anyone in the committee, of course, who has any facts or information that might assist the clerk, please contact the clerk, and we will certainly do everything in our power to locate him.

I should say, too, that we've had this problem before, on two other occasions, in locating former deputy ministers who had retired. We do not get any cooperation from the Minister of Public Works. They issue pension cheques, not to Mr. Smith but to the two previous deputy ministers, and they won't give us that information. They say it violates the privacy concerns.

Your points are all well taken, and we will be looking at this very aggressively.

Ms. Sgro.

**Hon. Judy Sgro (York West, Lib.):** I'm certainly glad to help, if I can, in finding Mr. Smith. I don't know him, other than the fact that he was a colleague. Other than that, and recognizing his name because it's a very common name, I know absolutely nothing about the man other than what I've read, mostly in the KPMG report. Evidently Mr. Poilievre is ready to get his daggers into him pretty quickly.

Let's be very fair here. When you're looking for people, it's not always easy with a name like David Smith, possibly. I would ask the clerk to make sure he looks under his wife's name, as another idea, and to thoroughly make sure he goes through 411. Let's not start this by thinking somebody isn't anxious to come here, because their job is—if they've been asked to come. If they don't come voluntarily, we have the resources to get them here.

That's not a very good way of starting the hearing, so I would like to make sure that the clerk makes every effort possible to locate the individual, under his name or his wife's name. I would like to ensure that the clerk has done his job so that we don't have to get into the other avenues that we certainly can use as a committee.

**The Chair:** I'll turn it over to the Auditor General.

**Ms. Sheila Fraser:** Thank you, Mr. Chair.

We are very pleased to be here today to present our report of May 2007, which was tabled in the House of Commons yesterday.

As you mentioned, I am accompanied by Assistant Auditors General Hugh McRoberts, Richard Flageole, and Andrew Lennox.

[*Translation*]

Let me begin with the management of the Forensic Laboratory Services by the RCMP. We undertook this audit at the request of the House of Commons Standing Committee on Justice, after it heard conflicting testimony in 2004 and 2005 about the performance of the labs.

We found that in a high percentage of cases, including many involving violent crimes, the labs were not meeting their turnaround targets for providing forensic results. And the backlog for DNA analysis is increasing.

We examined the RCMP's system for ensuring the quality of lab results. On paper, their quality management system looks good, but we found it was not always being applied and could not assure senior management about the quality of DNA analysis. We did not examine the scientific methods they used.

Most of the problems our audit found were also raised in our 1990 and 2000 audits. It is disappointing to find them still unresolved. The RCMP needs to develop a realistic action plan to fix these long-standing problems.

[*English*]

We also audited, in chapter 4, the Canadian agricultural income stabilization program, also known as CAIS, after a request by the House of Commons Standing Committee on Agriculture and Agri-Food.

Over the years, Agriculture and Agri-Food Canada has developed a number of programs to provide income support to agricultural producers when their farm income drops due to circumstances beyond their control. The CAIS program is the most recent of these. In 2005-06, the department spent more than \$1 billion on the program Canada-wide.

This is a program with a highly complex method of calculating benefits to producers, based on the information they submit to the department. Producers have complained they did not understand how the department calculated their benefits. There were also long delays before they were told whether or not they would receive a benefit and in what amount.

We also found that some of the department staff who processed applications were also acting as paid consultants and helping producers prepare the applications. This practice contravenes the conflict of interest provisions in the values and ethics code for the Public Service, and it could have provided an unfair financial advantage to some applicants. The department has since told employees to stop this activity.

Since the completion of the audit, the government has announced its intention to change the CAIS program. In reviewing the program, the department should look for ways to simplify its delivery of farm income support and make the process more user friendly.

• (1545)

[*Translation*]

We also looked at financial assistance programs for post-secondary students. We found that Human Resources and Social Development Canada and the Canada Millennium Scholarship Foundation have good controls to ensure that loans, grants and bursaries are delivered in the right amounts to eligible students.

I am pleased by the good management practices we found in these programs, aimed at giving young Canadians better access to higher education.

The department and the foundation have taken appropriate steps to make students and their families more aware of the financial assistance available to them. The department has also improved its communication to students about measures available to help them manage their debt.

However, although the department committed to completing an evaluation of the Canada Student Loans Program in 2006, it has not yet done so. We think the department should evaluate this program to see if it has indeed improved access to higher education, as Parliament intended.

[*English*]

Turning now to the management of human resources at the Department of Foreign Affairs and International Trade, the department operates 170 missions in 111 countries around the world. Its people conduct diplomatic relations, provide assistance to Canadian individuals and businesses, and advise the government on international issues.

Carrying out Canada's international objectives depends on having the right people in the right place at the right time. We found,

however, that the department is struggling to do this. Unless it acts now, the situation will only get worse.

In the next few years, more than half of the department's employees in the management category will be eligible to retire. The department has not been planning adequately to meet these challenges. It does not have a complete picture of the people, competencies, and experience it will need in the future, and it lacks basic information needed to manage its human resources.

In addition, it does not pay enough attention to the management of locally engaged staff in missions abroad, who make up half of its workforce.

Finally, the department lacks the flexibility it needs to provide Canadian staff with cost-of-living compensation and incentives for hardship conditions at missions abroad. This makes it difficult to find people willing to accept some postings in certain foreign countries. Barriers to spousal employment are another deterrent.

This lack of flexibility is an important, long-standing problem. It is time for the department and the Treasury Board Secretariat to work together to resolve it.

[*Translation*]

We also looked at the modernization of the NORAD system used for air surveillance and control in Canada, a project that began 12 years ago. The Canadian government originally approved about \$93 million for the Canadian part of the project to define requirements, develop a new system, and build an above-ground complex to house it.

The project has been marked by delays and cost overruns. Neither National Defence nor the government made appropriate use of mechanisms available for managing large, high-risk projects like this one—for example, designating it as a major Crown project.

It was expected that with the construction of a new complex, National Defence would be able to close its underground complex at North Bay, Ontario, and save an estimated \$16 million a year in personnel and operating costs. It turned out that at the time of our audit, the department was still operating both facilities because there were questions about the security of the new building before it could be used as planned. The anticipated savings have yet to be realized.

There were several signs that this project was in trouble. The cost escalation and the delays should have prompted more rigorous reporting and oversight.

National Defence intends to continue with upgrades to the new system. But first, it needs to resolve the problems we found in this audit. The government also needs to ensure that these large, high-risk projects are subject to better oversight.

• (1550)

[English]

We move now to the delivery of legal services to the government. The Department of Justice Canada can be characterized as Canada's largest law firm, with about 2,500 lawyers and a budget of close to \$1 billion in the last fiscal year. The services it provides to the federal government and its departments and agencies include legal advice, drafting of legislation and regulations, and representation in court.

Since our last audit in 1993, the complexity and volume of litigation have increased significantly. The cost of legal services provided by the department has more than tripled.

We found that the department has made progress in its management of litigation risk and its management of legal agents. However, most areas have not fared as well.

We found that the department does not have a system to ensure consistent quality in the legal services it provides to the federal government. While it has elements of quality management, it does not know whether they are functioning as intended.

We also found that its current financial arrangements with client departments provide few incentives to control costs and manage the increasing demand for legal services.

The department has been aware of this problem for several years, but its efforts to resolve the matter have resulted in little improvement.

It is surprising how little progress has been made since our 1993 audit. As do many of Canada's large law firms, the Department of Justice Canada needs someone like a chief operating officer to oversee the administration of the department.

[Translation]

Finally, acquisition and travel credit cards can be a convenient and efficient way for the federal government to obtain and pay for goods and services. Many federal departments are encouraging their use—total spending with these cards was about \$825 million in 2005.

We examined the acquisition and travel card programs in the three departments that, together, account for about half the total acquisition card use and a large portion of the travel card use in the government.

I am pleased that we found no abuse of government credit cards, and the departments have good controls in place.

However, the controls are not always applied consistently and rigorously. In some cases, transactions were verified and certified by individuals who lacked the authority or by the individual cardholder who charged the transactions in the first place.

The more the cards are used, the greater the risk of misuse. Departments can reduce those risks by applying their controls rigorously. This is another case where the government does not need more rules, it just needs to make sure existing rules are followed.

[English]

Mr. Chair, that completes my overview of the report. We would be pleased to answer any questions that committee members may have.

**The Chair:** Thank you very much, Ms. Fraser.

We're going to go to the first round of seven minutes.

I should note also that there was no leak of this report, which is a very positive development.

Mr. Rodriguez, seven minutes.

[Translation]

**Mr. Pablo Rodriguez (Honoré-Mercier, Lib.):** Thank you, Mr. Chair.

Madam Auditor General, it's always a pleasure to see you. I'd like to welcome you and your colleagues.

Let's come back to the RCMP. You said that these problems are long-standing. How long-standing are they exactly?

• (1555)

**Ms. Sheila Fraser:** We carried out two audits, one in 1990 and the other in 2000. The two audits basically revealed the same problems.

**Mr. Pablo Rodriguez:** Was any improvement made between 1990 and 2000?

**Ms. Sheila Fraser:** Unfortunately, I don't have any detailed information about any such improvements. I know that the RCMP has been reorganizing its laboratory services since 2000 in the hope that the backlogs would be reduced. However, the audit tests indicated that the opposite is true, that there has been an increase in the backlog, especially for DNA analyses.

**Mr. Pablo Rodriguez:** Is that a structural problem? Does the structure need to be reworked? Is more money needed?

**Ms. Sheila Fraser:** We observe in the report that the amount of additional funding for the laboratory was disproportionate to the increase in the number of cases. Before jumping to the conclusion that it is simply a question of money, we believe that the RCMP needs to carry out an analysis of its processes, more or less along the lines of an engineering report, to determine where the delays are, what causes these problems, and if there's a way of carrying out the analyses more quickly. We also encourage the RCMP to compare itself to other laboratories which have a faster turnaround than the RCMP.

**Mr. Pablo Rodriguez:** During your presentation, you referred to—and I hope I'm not mistaken here—DNA analyses, and not quality. I'd really like to know what that means. Can that lead to misdiagnosis or a wrong decision being made, for example?

**Ms. Sheila Fraser:** We studied the quality analysis management system and we observed that there were a number of issues the system failed to detect. Let's take a specific example, the robot-operated auto-extraction process. Several laboratory scientists detected problems. These issues were never detected or included in the quality management system. It would be expected that should a concern be raised, a study would be done to determine whether there is indeed a problem, how it should be addressed, and this should be done in a structured manner. It took a long time before they discovered there was a problem with the automated system. On a number of occasions, the automated system failed to detect DNA while the manual extraction system was successful in doing so. That's why we said the system looked good on paper, but that in practice, it didn't work well.

**Mr. Pablo Rodriguez:** You said that the delays in getting forensic results slow down police investigations and allow criminals to remain on the street, thus giving them an opportunity to commit more crimes.

Is this a theoretical conclusion, or were there some concrete cases of this?

**Ms. Sheila Fraser:** We did not mention any concrete cases, but I think we can assume that if it takes three months to get a DNA analysis, the police investigations will be slowed down.

**Mr. Pablo Rodriguez:** Very well.

You mention that 1% of all the requests are considered urgent. Who considers which requests are urgent and which are not?

**Ms. Sheila Fraser:** The RCMP does that, in consultation with the other police forces. As mentioned in the report, these are mainly cases where there is a suspicion of terrorism or crimes that affect the community in general—such as serial crimes—which are considered urgent cases. They are processed in less than 15 days.

**Mr. Pablo Rodriguez:** What about the other cases?

**Ms. Sheila Fraser:** We noted in the report that even though the RCMP has set a target of 30 days, the current average is 114 days.

**Mr. Pablo Rodriguez:** The average target of 30 days is therefore almost never met.

**Ms. Sheila Fraser:** That happens rarely. Of course, it may be met sometimes, but in most cases, it is not.

**Mr. Pablo Rodriguez:** I assume that the RCMP offers its services to other provinces. Some provinces have their own system, do they not?

•(1600)

**Ms. Sheila Fraser:** Quebec, Ontario and Alberta have their own laboratories.

**Mr. Pablo Rodriguez:** So the RCMP offers its services to the other provinces.

**Ms. Sheila Fraser:** Indeed, it provides its services to all the other provinces.

**Mr. Pablo Rodriguez:** How does the RCMP system compare with that of the other three provinces?

**Ms. Sheila Fraser:** Although these data have not been audited, table 7.6 of the report gives a comparison with Ontario and Quebec

and with a few labs in the U.S., England and Sweden. We see that a number of labs have a better performance than the RCMP labs.

**Mr. Pablo Rodriguez:** Let me turn now to human resources management. You said that the department has no strategic human resources plan, does not really have an overview of the employees, skills and experience it needs in the future and does not have the basic information required to plan and manage its objectives. It does not even know exactly how many positions are to be filled.

Is there anything it does know or do well?

**Ms. Sheila Fraser:** Well, we did find that it lacked a great deal of basic information.

**Mr. Pablo Rodriguez:** It is more than that, Ms. Fraser, this is a very critical report. It looks like it is pretty much a free-for-all in terms of human resources in this department, if I may say so.

**Ms. Sheila Fraser:** Yes, I agree. There really is no planning. There is a lack of basic information. Even with respect to the number of vacant positions, we disagree with them about the percentage of such positions. When we looked at the database, we saw that 35% of the positions were vacant, but they had told us that the figure was 20%.

We also focused on the employees. They recruited people from outside offices, and we saw that they were assigned to the wrong jobs and that the information was inaccurate. It is really quite urgent to get accurate information about the current employees, but also to do some strategic planning, given the number of people who are expected to retire. At least 20% of the positions are vacant at the moment, and there are more employees leaving than arriving. The Department of Foreign Affairs and International Trade must deal with this issue immediately.

**Mr. Pablo Rodriguez:** Thank you.

**The Chair:** Thank you very much, Mr. Rodriguez.

You have seven minutes, Mr. Laforest.

**Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ):** Thank you, Mr. Chairman.

I would like to welcome Ms. Fraser and her entire team.

Ms. Fraser, I would like to look at Chapter 5, which has to do with managing the delivery of legal services to government. You state in your report that the costs have gone from \$200 million to \$600 million a year. So they have tripled. On page 9 of the report, you say that the department is not required to follow government procurement policies when appointing legal agents. With respect to civil agents, in the contacts you reviewed, you found no documentation of an in-house search for qualified counsel prior to seeking outside counsel. No one checked whether a staffer could do the job. You found no documented rationale for the selection of the legal agent, no consistent information such as start and end dates, estimated number of hours of work, estimated total value of the work and terms of work in the agreement between the outside lawyer and the department.

When I look at all this, I do find it quite shocking. I do not know what the total value of all these contracts may be, but you say the department is not required to comply with the procurement policy, and, at the same time, there has been a rather lax approach.

Do you think it is normal that there would be no in-house policies that would guarantee transparency and compliance with ethical considerations?

**Ms. Sheila Fraser:** Thank you, Mr. Chairman.

Just before I answer the question, I would like to clarify one thing about forensic services. Only Ontario and Quebec have their own labs, not Alberta.

I agree completely, the situation with respect to civil agents is not acceptable. We noted in the report that there has been significant improvement with respect to the criminal prosecution service, which was very problematic at the time of our last audit. The department has made some significant improvements with respect to these legal agents. We are expecting it to use the same selection procedures, skills validation, follow-up on invoices and records analysis. In fact, we made this recommendation to the department, and its representatives said they agreed.

• (1605)

**Mr. Jean-Yves Laforest:** They say they agree, they talk about an action plan, but will the action plan guarantee transparency and compliance with the code of ethics? We have no guarantees along those lines at the moment. I find this disturbing.

In the case of the sponsorship scandal, advertising firms were giving money to a particular political party. Could the same thing not be happening now? Legal firms also received contracts and contributed very openly to political parties. At the moment, contracts may be awarded to legal agents with no information available about the value of the contract, which can be quite high. So there could be a repeat of a situation such as the one that occurred before.

In my opinion, Mr. Chairman, the Standing Committee on Public Accounts should request follow-up on this, so that we can ensure that the rules of ethical conduct and transparency are being followed by the government. I have some concerns in this regard.

**Ms. Sheila Fraser:** I agree that this situation must be improved. However, I would emphasize that these contracts are different from the awarding of contracts generally, because the Solicitor General has the authority to appoint legal agents. However, since there must be a fair process, there must be some way of ensuring that legal agents have all the skills they require and that there is a good system for following up on the invoicing and the services provided.

As I said, we have seen an improvement in the case of legal agents for the prosecution service. We expect the same thing will happen for civil agents.

**Mr. Jean-Yves Laforest:** How much time do I have left, Mr. Chairman?

[English]

**The Chair:** Two minutes.

[Translation]

**Mr. Jean-Yves Laforest:** Madame Auditor General, let us continue with chapter 7, which deals with the validity of DNA testing. This report states that there are quality problems and that full validity of certain tests cannot be assured, and these tests can determine whether a person is guilty or not.

In your opinion, could this bring about a situation in which an individual challenges his conviction?

**Ms. Sheila Fraser:** Apparently, Mr. Chairman, the problem with the automated system is that it did not detect any DNA, whereas the manual process did. We gather that in this case, it did not detect DNA and indicate that it belonged to the wrong person, rather, it did not detect any DNA at all. What would the consequences be? We can only speculate. Therefore, I am reluctant to answer this question.

**Mr. Jean-Yves Laforest:** In other words, the DNA test did not turn up any evidence—

**Ms. Sheila Fraser:** You are right.

**Mr. Jean-Yves Laforest:** —and if a conviction depended on this, there would be a lack of evidence.

**Ms. Sheila Fraser:** Yes, there is a likelihood of this.

**Mr. Jean-Yves Laforest:** Very well, thank you.

• (1610)

[English]

**The Chair:** Okay. *Merci, Monsieur Laforest.*

Mr. Williams, for seven minutes, please.

**Mr. John Williams:** Thank you, Mr. Chair.

Again my congratulations to the Auditor General and of course to her staff for their work in keeping Parliament and the nation informed about issues regarding our public service.

It may be painful to some, but it's very much part of the democratic process to keep people on their toes when they know that the public accounts committee, the Auditor General, and indeed all Canadians are watching and expecting a good response from the work they do. We fully acknowledge that the vast majority of Canadian public servants are great people doing a great job, but you keep them on their toes, and that's great.

It's unfortunate that the Royal Canadian Mounted Police appearing before this committee are still in the news.

I'm looking at your chapter 7, paragraph 7.15, where you talk about how the justice and human rights committee of the Parliament of Canada heard testimony from two former RCMP staff members, casting doubt on statements made earlier by RCMP officials before the committee—a little bit of a *déjà vu* here. They made certain allegations about disputed evidence that had been given to the committee, and then I think you found that perhaps these allegations had some merit.

Did you interview the RCMP officials who had gone to the justice committee and provided this information to find out what answers they had, where the answers given to the justice committee did not tie in with the facts that you subsequently found?

**Ms. Sheila Fraser:** Mr. Chair, I believe that during the course of our audit we interviewed one of the people concerned. The other person had left the RCMP as we were completing this.

**Mr. John Williams:** What did the person say? Did he or she give any justification for the fact that they appeared to have misled the committee?

**Ms. Sheila Fraser:** I would prefer, Mr. Chair, that the committee ask for those explanations directly from those people.

**Mr. John Williams:** We may have some more work to do yet, Mr. Chair. Maybe the RCMP will be back on another issue. This is very unfortunate.

**The Chair:** The plot thickens.

**Mr. John Williams:** The plot thickens, deepens, widens, and does everything else.

However, we have the assistance of 2,500 lawyers in the Department of Justice here—

**Some hon. members:** Oh, oh!

**A voice:** Thank God.

**Mr. John Williams:** —and going back to the RCMP, remember that one witness referred to the fact that they used the services of the Department of Justice. This hasn't been fully clarified yet either.

But it seems rather strange to me that, for example, you point out that the Department of Justice has a hundred legal agreements to manage their relationship with eight departments. Now this surely must mean that lawyers have nothing better to do in the Department of Justice than to sit down and draft another legal agreement to cover another way that they're going to interact with the department.

What is going on here when we have legal agreement upon legal agreement, written by lawyers in the largest law firm in the country, with only one client, the Government of Canada, and they can't even interact with that single client without having a multitude of hundreds, if not a thousand, different ways to address it? What's going on?

**Ms. Sheila Fraser:** I think that's a very good and important issue. As we note, the financial arrangements would appear to be multiple. Departments are not always charged for the full cost of the services provided to them. There's a variety of different billing practices.

We believe there needs to be much more attention paid to the financial information, the management information. When departments are asked to participate or to give an opinion or advice, they should receive some estimate of the costs of that and receive the specific costs afterwards.

A lot of improvement is needed in this whole area. One of the things that preoccupies us is that there really is no incentive in the system to manage the cost of legal services.

**Mr. John Williams:** When you talk about not enough information on the billings, we find out that they're not even keeping track of their hours as they work each individual file. As a lawyer in the private sector—Mr. Chairman, I think you would know about these things—you have to keep track of your billable hours so that you can send a bill you can justify to your clients. It just doesn't seem to be on their radar screen to have a real charge-out rate and manage

efficiencies so they are a productive law firm for the Government of Canada.

• (1615)

**Ms. Sheila Fraser:** To us it's a basic management tool that they should know the costs of the projects they are working on. For example, in our office, even though we don't bill for our services to the departments or crown corporations we audit, we keep time records and know what the costs of those audits are. We certainly expect that the justice lawyers would do the same thing.

**Mr. John Williams:** But we do know—for example, going back to the gun registry—when they get a legal opinion they don't like, they just go back to get a second legal opinion.

The first legal opinion they got was about two or three paragraphs long—clear and succinct—and said they couldn't do what they wanted to do. They said that wasn't good enough. So they went back and got a 10- or 15-page legal opinion that was convoluted and twisted, to try to justify something that clearly was not appropriate, as the Auditor General pointed out. Maybe they don't want to get into the proper billing system and hours assigned to legal opinions because that's not always on the up and up, as we at the public accounts committee realize.

Moving on to the Department of Foreign Affairs, they are not just our window, they are our face to the world, and they have some problems there. I see that you said, “According to departmental information, 58% of its employees in the management category will be eligible for retirement by 2010.” That's only three years away. Almost 60% of the management cadre of Foreign Affairs could be gone in about three or four years, and our face to the world will become inexperienced at best.

What are they saying about this?

**Ms. Sheila Fraser:** They agree with that fact. Typically, Foreign Affairs have brought people in at an entry level, and they have sort of come up through the ranks. There was an effort about a year and a half ago to bring people in laterally. That was challenged and went to the Federal Court. There was a conclusion that they hadn't sufficiently consulted with the unions on this.

They are attempting these sort of ad hoc measures, but we're saying they really don't have the kind of strategic human resource planning to know how they are going to deal with this. As you mentioned, 58% of the management category is eligible to retire, but so is 26% of the whole department

**The Chair:** Thank you very much, Mr. Williams.

Mr. Christopherson is next for seven minutes.

**Mr. David Christopherson (Hamilton Centre, NDP):** Thank you very much, Mr. Chair.

Thank you to all.

Here we go again.

I want to follow up on the same chapter that Mr. Williams introduced, which is chapter 3, for many of the same reasons.

I've had an opportunity to travel on a couple of occasions to other countries on behalf of Canada, and some of them were high security areas. Not only do I have a lot of sympathy, but I have a lot of positive things to say about virtually every person I've dealt with in every embassy and every consulate. Every staff person has been phenomenal.

Given that so much of our future is predicated on our ability to identify and bring immigrants to Canada to play a role in our society, this is a key piece. This has to work. If this doesn't work, nothing else can. Not only that, but a lot of our foreign policy is developed by virtue of the information that's received.

Mr. Williams has addressed it, and I won't go back to that issue, but there's the whole issue of compensation.

When you're travelling from meeting to meeting with officials, and you've all been through it, you're stuffed into vans and you move from place to place. You chat with these folks on a personal basis and not only about business; you ask them what's it like living there.

I won't mention the places, because I'm going to say they're not very desirable places to live.

It's fine for the professionals, and it's much like us in terms of the fact that we pick this role. However, our families get dragged along into it, and it's the same for these folks.

When we talk about security and the ability to make sure their children receive an adequate education, I notice there is a difference between the schooling they would get in the U.S. versus the schooling they would get elsewhere. In terms of the compensation they get, it's also different in the U.S.

I find it very strange. Normally, I would have thought, if you'd asked me, it was the other way around. If you were in Canada or the U.S., you'd be doing the best, and from there on it would be catch-as-catch-can. But it actually is not. When you go to further-flung places, more is provided. There's a real issue with that.

It's something that is really important. We need professional staff in these embassies and consulates who feel comfortable with their own personal lives. When they leave in the morning, they should know that everybody at home is safe and family life is going to continue. Without that, they can't do their jobs. None of us can.

To me, this is big. I realize that in the constellation of problems it's not as huge as a stand-alone, but think of the work being done, what it means to Canada, and how important it is.

Believe me, if you've ever been in any of these places when you have an emergency, you pick up the local phone to contact someone and you want to get hold of the embassy. It's no different from when you bring your baby to the hospital. You don't want to be told anything other than care is on its way right away.

When you're in a foreign place and one of your children goes missing or is hurt, or if something happens, you phone the Canadian embassy. It's the Canadian cavalry, and it's going to help. If they aren't operating in the way they need to, we're not taking care of Canadians who are across the world doing different things.

I feel very strongly about this. I have a lot of questions, but they're not really for you, Madam Auditor. You've done your job.

But I will say this to colleagues. This is one that I would like to bring in, and I will be voting for it.

Again, in the constellation of things, it's not a big scandal and it's not a big headline. But this is the kind of infrastructure we need to provide. It doesn't matter which party is in power. The future depends on our ability to communicate with the world effectively.

In my mind, this report is our warning that it's in jeopardy.

• (1620)

**Ms. Sheila Fraser:** Mr. Chair, if I may, I would like to point out one issue that we think is particularly important.

Obviously, there's the whole question of the coming retirements and the acting positions, but there's the whole question of foreign service directives. This is what establishes compensation and benefits for people working abroad.

They are deemed to be part of collective agreements. It must be co-developed with the National Joint Council, which involves, as we mentioned in paragraph 3.76, 18 bargaining agents, the Treasury Board Secretariat, and three separate federal agencies. As you can imagine, the complexity of that process gives the department absolutely no flexibility to be able to deal rapidly with situations.

We mentioned the question of insurance for high-risk areas. It took the government over a year to be able to put insurance in place for people going to Afghanistan.

There's a real issue on how this process works. Should the committee decide to look at this, I would strongly encourage you to bring in the Treasury Board Secretariat as well, because they are the employer, to really look at this whole issue with them.

**Mr. David Christopherson:** That's great.

**Ms. Sheila Fraser:** We first mentioned this, I'll just add, as far back as 1987.

**Mr. David Christopherson:** Yes. I forgot that part of my rant. I didn't see that. You know how that drives me crazy? It's one thing when things happen and you find about them, but, boy, when they've already been identified, and well-paid professionals are giving commitments to do these things and they don't do them, that's not acceptable.

If I still have time, I'd like to turn a bit to NORAD.

**The Chair:** You have a minute and a half, Mr. Christopherson.

**Mr. David Christopherson:** Thank you.

I was following the money, and if I'm understanding this correctly, they started one project and spent umpteen million on it. That didn't work, and then they started—Actually, it was the U.S. that cancelled that one—and I'd be curious to hear how that worked. But they cancelled it, and we lost all that money and moved to another program. That wasn't going to be the final one. Then they moved on to what was going to be the final one, kept doing the second one as a backup, spent money on that and eventually dropped it.

Then, eventually, as I understand it now, things are working the way they should, but it looks to me as if there was upwards of \$60 million or \$70 million of Canadian money that just went out the window, and somebody should be explaining to us why.

**Ms. Sheila Fraser:** That is essentially correct. The first project was system development with the United States, in which Canada was assuming 50% of the costs. That project ran into a number of difficulties. As we mention here, it was pretty clear fairly early on that there were problems, that costs were going up and delays were being encountered.

**Mr. David Christopherson:** There were indications.

• (1625)

**Ms. Sheila Fraser:** There were indications all the way along.

**Mr. David Christopherson:** There were reports coming in saying this was a problem, yes.

**Ms. Sheila Fraser:** The department estimates it had spent about \$65 million on that initial systems development by the time the project was cancelled, and the department also estimates that it got very little value for that.

**Mr. David Christopherson:** If I can, it was cancelled by the U.S. because they didn't believe the Canadians could deliver.

**Ms. Sheila Fraser:** Well, it wasn't actually the Canadians. It was a U.S. contractor, a U.S. corporation, that was doing the project. It was a joint decision I think, but it was largely the U.S. that led that, which raises a whole other question about when we're in these joint —

**Mr. David Christopherson:** I know you're going to add some clarifications, so let me throw in my other questions, if I may.

You state in your report that, "In October 1999, despite assurances from the Department that increased funding would enable the modernization project to succeed, the contract for developing a new system was cancelled by the US Department of Defense".

**Ms. Sheila Fraser:** Yes.

**Mr. David Christopherson:** So what part am I not understanding?

I know my time's up.

Thanks, Chair.

**Ms. Sheila Fraser:** No, that is correct. We noted all along, actually, that the department kept getting approval for additional funds and kept giving assurances that the project would work.

It was a U.S. decision, which leads to a whole other question: when we're in these joint projects and paying half the costs, do we really have half of the decision-making authority in them?

Then they went to the third system, which was actually acquired from the U.S. for \$13 million and is operating. But we mentioned in the report that the whole statement of needs or requirements was developed at the beginning of the project, which was 12 years ago, and has not been updated since then. We all know that security issues have changed significantly over that period of time, so there's the question, does the system now operating actually meet today's requirements?

**The Chair:** Thank you, Mr. Christopherson.

Thank you, Ms. Fraser.

Ms. Sgro, for seven minutes.

**Hon. Judy Sgro:** Thank you very much.

Ms. Fraser, it's nice to see you back with us again. I gather you're here on a regular basis at the public accounts committee, so for the next while I guess we're going to see you on a regular basis.

We initially had this RCMP issue in 1990, and then we had it 10 years later in 2000, and now we're into 2007 and we're still having the same issues. It goes back to a concern I have about follow-up to these audits. You and your department do all the work and point it out, spending the time and the money to do so.

Is there a system in place today, in 2007, that wasn't in place previously that would monitor the recommendations you put forward?

**Ms. Sheila Fraser:** We have developed I guess more rigorous follow-up of audits. As well, I think departments and agencies are now much better in developing action plans with clear timelines. The RCMP is working on an action plan to address our recommendations. They've agreed with all the recommendations.

We will go back and re-audit this issue—obviously depending upon their timelines—but I think it would also be advisable for the RCMP's own internal audit function to be following up on a more rigorous and perhaps timely basis than we can. Obviously, we can't go back in and re-audit every department every year; their own internal audit function should be doing that.

**Hon. Judy Sgro:** But is it not part of your mandate, or does it need to become part of your mandate, to be able to do the follow-up on the various departments? It seems like they all say, "Well, we agree with 98% of what you told us and we will put in an action plan". It sounds good, it satisfies those of us sitting at this table, and it gets them away from the table and they're off. So they hope not to have to come back here for another seven or eight years. In the meantime, do you have the mandate currently to be able to follow up on all of the—? You may not have the manpower, but do you have the mandate?

**Ms. Sheila Fraser:** We can, yes, and we do I guess a very kind of preliminary review every year in which we ask the departments to provide us with information on their progress. The issue there is that we don't actually go out and audit all of those. We kind of look at the possibility of what they're telling us.

We do not currently have the capacity to go and audit continually what is going on with these actions and if they're making progress. I truly believe that that is a responsibility that should be given as well to the internal audit functions within departments. And now with the introduction of audit committees and external members on audit committees, they too will be tracking this and ensuring that progress is being made.

We will tend to go back, in line with the action plan the departments have made, to see if they've actually lived up to the commitments they've made.

It's often very difficult for us to go in, say, after a year. They may have only started things. Things might look all right, but we really have to wait to see if it has come full cycle on them.

•(1630)

**Hon. Judy Sgro:** But in relation to the RCMP, it was a 1990 audit and a 2000 audit that pointed out exactly the same things you're pointing out again in this one. Do they think they can simply tell you that things are under control and they're following through and that you'll not go back at some point?

**Ms. Sheila Fraser:** In the RCMP, after the 2000 audit, they did do a reorganization of the labs. They did undertake a number of steps that they thought would resolve many of the issues. Obviously, that was not the case. Quite frankly, they weren't managing it. They didn't have the management information.

I think we will be going back on this one, but I think in order for the management itself to ensure that things are proceeding as they should, senior management should have the RCMP internal audit look at this as well.

**Hon. Judy Sgro:** If I'm not mistaken, the commissioner in 2004 defended the forensic labs and said they were the best in the world and so on and so forth.

**Ms. Sheila Fraser:** Yes, we have a table at the end of the report, on page 31, where we indicate the government response to a report of the Standing Committee on Public Accounts—that was from the 2000 audit—as well as other statements made to the justice committee in 2004-05, a comparison with our findings.

**Hon. Judy Sgro:** On the issue of the Department of Foreign Affairs and International Trade, you make mention about the need for there to be strategic planning and so on, and also the issue of security on locally engaged staff.

**Ms. Sheila Fraser:** The problem there was that when we looked at the files in the missions abroad, all of the documentation was not in place. This does not necessarily mean that those people did not receive security clearances. It's that there was no evidence on the file that they had had them.

As we were trying to point out, with the rotation of senior managers, Canadians, through these missions, they need to have really good information on hand to know who these locally engaged employees are, have they done all the training they should, do they have the security clearances they need, etc. So the documentation in the files was incomplete.

**Hon. Judy Sgro:** What was the department's response as far as what they're going to do on the security files? Simply because that's an extremely important thing, I would have expected that everyone who was locally engaged, clearly, in their files of the security certificates and so on—What was their response?

**Ms. Sheila Fraser:** Again, generally, I believe their response was that they agreed that that was incorrect, that they should have all that documentation. When the teams, of course, left the specific missions, that would have been brought up with the head of mission, with an expectation that that would be corrected.

**Hon. Judy Sgro:** Who follows up on that?

**Ms. Sheila Fraser:** Well, I guess we will eventually. But again, it would be the internal audit unit. And departmental managers have a responsibility to make sure these issues are being dealt with.

**Hon. Judy Sgro:** I hope they do it and we don't have to have you come back in seven years and say they still haven't done it.

Thank you.

**The Chair:** Thank you, Ms. Sgro.

Mr. Fitzpatrick, for seven minutes.

**Mr. Brian Fitzpatrick:** I want to welcome you back, Mrs. Fraser. We've missed you and your staff. It's great to have you back here and good to have your excellent reports.

Government is about making policy choices. I know you're not in the policy area. The previous administration, in terms of law enforcement, decided to put hundreds of millions of dollars into a long gun registry, which has been a matter of much debate in our society, about the utility and the effectiveness of this gun registry, and so on.

The opposition party, one in particular, argued that money could be better spent by putting it into DNA analysis, better screening of people who do apply for firearms, and so on, real crime prevention and things that can clearly be demonstrated to be a very effective tool for making a safer society.

Would it be a fair observation that, in the past, one of the problems with the DNA labs is that they have been seriously underfunded and they are short of resources?

**Ms. Sheila Fraser:** We cannot draw that conclusion from this audit. We note in the audit that the labs did receive more funding, and in fact received proportionately more funding than the increase in the number of cases they were handling.

•(1635)

**Mr. Brian Fitzpatrick:** Did they get \$1 billion?

**Ms. Sheila Fraser:** I think you're into policy issues now, Mr. Fitzpatrick.

**Mr. Brian Fitzpatrick:** Now I'm going to move to another area of much concern, and I want to thank the Auditor General again. It's the misappropriation of funds that we saw with the firearms registry, where we have the biggest law firm in the country, as the Auditor General said, 2,500 lawyers—and I know law firms in the private sector, and I'd bet my paycheck on it that if you had 10 people submit the issue to those law firms and seek their opinion on that, you would get opinions that were consistent and the same.

I am very disturbed. We have 2,500 lawyers in this justice department. We have a clear-cut answer that this is a misappropriation of funds. It's contrary to our Constitution. The people don't like the question, so they go running off and find another lawyer who says it's okay.

This is troubling to me, because I think if you get bad advice and poor legal advice, especially in government, it can lead to some very bad decisions and some very bad consequences. Am I off base to be somewhat concerned about the quality of the advice we're getting from this great big law firm?

**Ms. Sheila Fraser:** With all due respect, Mr. Chair, I think we're still into politics.

**The Chair:** I think you're right, Mrs. Fraser.

**Mr. Brian Fitzpatrick:** Okay.

**A voice:** [*Inaudible—Editor*]

**Mr. Brian Fitzpatrick:** Don't get so worked up over there, guys. Come on, settle down a bit. Don't be so partisan.

**Mr. Borys Wrzesnewskyj:** We're enjoying the comedy break.

**Mr. Brian Fitzpatrick:** Now I want to talk about the CAIS program, another invention of a previous administration. It got rid of some farm programs that actually brought benefits to farmers that farmers could appreciate.

I had farmers come into my office with their files. I found their files baffling. There was no consistency. I took some of these files home, photocopied them, and said, "I have to be able to understand." I could not understand them.

I actually went to accountants later on because I thought, well, they work on this program and I could get some light shone on it. They were no clearer on this than I was. This thing was almost like the gun registry, as far as I was concerned, in trying to figure out what in the world was going on with this thing. It was just absolutely baffling.

But the ultimate, Madam Fraser, is that we create such a bureaucratic, complicated system that the poor farmers have to go to the government civil servants who officially can't tell them what the program is, but if they pay them on the side and get their advice, somehow they can work their way through this trap.

This thing really is kind of a shameful legacy, is it not?

**Ms. Sheila Fraser:** We certainly found in this audit that the program is overly complex. Just as an example, I think there were 1,500 codes for types of income.

For producers as well, the department would change the numbers that had been put in on the application, not informing the producer, with no explanation for the changes. I think the application form was eight pages long.

It's far too complex, far too complicated, and even when we look at the processing within the department, at the initial processing, the error rate is very, very high.

**Mr. Brian Fitzpatrick:** Ms. Fraser, I actually had people in my office who had boxes full of photocopied documents on their applications—attachments and things they had to send in. Almost every farmer I talked to said they were forced to go to accountants and spend—even on the simplest applications—\$1,000 a year on administration. These are farmers who aren't paying their bills, who are trying to fight off their creditors and stay on the farms, but most of them are spending \$2,000 or \$3,000 a year just to have the accountants try to get them through this maze. I've found very few farmers who were anywhere close to capable of doing this on their own. The accountants were telling me that they're in the business of giving estimates on income tax and accurate advice and so on. None of them would give any advice to people. They'd help them with their application form, but the last thing they're going to do is try to estimate what benefit the farmer would get out of these programs, if any.

Would that be a fair comment, that farmers would have to spend a lot of money on accounting help in order to get into this program?

● (1640)

**Ms. Sheila Fraser:** I believe so. I think we have an indication in the report, actually, that a vast majority—70% to 80%—require professional help in preparing the applications. I would note, though, that the government has indicated that it wants to simplify the program, and that already the application forms, I believe, have been brought down to a page or two, that they're working on giving much more information to producers, and just simple information about what—

**Mr. Brian Fitzpatrick:** The current government has accepted your recommendations in regard to this?

**Ms. Sheila Fraser:** The government has accepted the recommendations.

**Mr. Brian Fitzpatrick:** Is it my understanding that the current government may call a spade a spade, recognize this program for what it is, and find a program that might be a lot more useful for farmers?

**Ms. Sheila Fraser:** That is a policy question.

**The Chair:** Thank you very much, Mr. Fitzpatrick.

Thank you, Mrs. Fraser.

I take it from Mr. Fitzpatrick's questions and interventions that he thinks Canada's new government is doing a great job. I get the impression that's his view.

I'm going to go to the second round, colleagues.

Before I do that, however, I just have one area, Mrs. Fraser, I want to pursue and get your comments on, and that is the issue of human resources within the Department of Foreign Affairs.

It seems to me that over the last six and half years that I've been on this committee, this has been a recurring theme, not only for Foreign Affairs but I believe for most other departments here in the Government of Canada. As Mr. Christopherson said, it's not a scandalous issue, but it's very important to the proper functioning of government. When you look at the statistics and the number of people who can retire in all departments, not only Foreign Affairs but all departments, over the next short period of time, and when you look at the statistics as to how people get into the federal civil service—I think 87% of them are through temporary or contract positions—

About five years ago we had a number of different studies going on. Mr. Quail actually was leading a charge on civil service renewal, and the clerk at the time. We had the Treasury Board. I asked them all who accepted responsibility for that, but no one would actually say they would accept responsibility. It was kind of a joint mishmash.

We're entering a time when we're dealing with labour shortages. This is a problem that I think will get more acute and more severe and more serious as time goes on.

I have three points for you. In your observations, do you see the same issue recurring in every department? Is the problem getting better or getting worse? And do you have any comments or observations as to how, from a strategic basis, the government may want to look at dealing with the issue?

**Ms. Sheila Fraser:** Thank you, Chair.

We haven't done a lot of specific work in a lot of departments recently, but certainly based on past work and knowledge that we have of government, while the situation in Foreign Affairs is maybe a little more serious and more critical than some of the others, it is a general problem throughout the public service. There will be a large cadre of executives who are able to retire within the next few years, and what we've noted in past audits is that the level below them is about the same age, so in fact two levels of senior people will be eligible to retire.

I would note, though, that the Clerk of the Privy Council is very concerned with this, and in his most recent report, which came out about a week or so ago, on the state of the public service, he raises this as a major priority. He has an advisory committee that is looking at that. He seems to be largely focusing on recruitment initially and on some retention activities, but it might be worthwhile, if the committee is ever interested in this issue, to invite the clerk to discuss it, because he has certainly made it a priority going forward, and he has recognized and has clearly indicated that this is a major challenge for the government.

**The Chair:** Just before we go to Mr. Wrzesnewskyj, a previous clerk had made it a priority, too, and we did have these commissions. I remember the one headed by Mr. Quail, and it just doesn't seem to be—

**Ms. Sheila Fraser:** After Mr. Quail's task force, there was the whole modernization of human resources—the legal, the laws, the regulations, the practices—and that is still going through the system. And there was the creation as well of that agency, the Public Service Human Resources Management Agency, which is also preoccupied with that, as well as the Public Service Commission. So there are a number of agencies and people working on the issue.

• (1645)

**The Chair:** Thank you very much.

We'll go to Mr. Wrzesnewskyj for five minutes.

**Mr. Borys Wrzesnewskyj:** Mr. Rodriguez will take a couple of quick questions first.

[*Translation*]

**Mr. Pablo Rodriguez:** Let me put a few brief questions.

Ms. Fraser, you said that the cost of legal services has increased at least threefold. I do not remember why.

**Ms. Sheila Fraser:** The department gave several reasons. There are many lawsuits or challenges under the Charter; such cases are rather complicated. There are also a large number of cases involving aboriginal claims. Moreover, in my opinion, our society is more inclined to litigate than it was in the past.

**Mr. Pablo Rodriguez:** When lawyers begin an assignment, do they estimate the costs?

**Ms. Sheila Fraser:** Not really, they might occasionally estimate them, but it is not a current practice—

**Mr. Pablo Rodriguez:** Thus, they begin their work—

**Ms. Sheila Fraser:** No, it is not customary.

**Mr. Pablo Rodriguez:** We know when a case begins, but we cannot tell when it will end.

Regarding NORAD, was it difficult to obtain information due to stringent security?

**Ms. Sheila Fraser:** No, we got the information from National Defence easily. Several employees in our office have top security ratings, but in a case like this one, we do not really need access to highly confidential files. We mainly deal with project management and financial analysis files. Nevertheless, the report states that we asked the Secretariat of the Treasury Board for some information, and their first answer was that we could not have it because it was a cabinet secret. When we called them again regarding this, they finally told us that they had no documents.

**Mr. Pablo Rodriguez:** Regarding NORAD, I always felt that it was not a fair agreement, even though we share the costs. Perhaps it is because we have a giant for a neighbour. This cannot be a fair relationship, because the Americans always have the upper hand. Am I right?

**Ms. Sheila Fraser:** We have not really looked into this issue. Of course, it is apparently up to the Americans to decide to stop developing the first system. We have raised questions about this file and other files involving joint projects with the United States. Although Canada pays 50% of the costs, do we really have 50% of the power to make decisions? This question should be put to the department and the government.

**Mr. Pablo Rodriguez:** Could the closeness between Canada's Prime Minister and Mr. Bush help our relations? What do you think?

**Ms. Sheila Fraser:** I think that this is another political question, is it not?

**Mr. Pablo Rodriguez:** Borys, I give you the floor.

[*English*]

**Mr. Borys Wrzesnewskyj:** Thank you, Madam Fraser, and your staff, for once again providing us with a little bit of work.

In regard to chapter 3, I've had the good fortune of travelling in some 50-odd countries, and I've had a lot of interactions over the past few decades—not while I've been in government with many of our embassies and embassy staff. Just as Mr. Christopherson has said, they're very courteous; they're friendly, very helpful. They get top marks for that. But one of the things that I noticed—

I've also had interactions with other embassies. For instance, at French embassies, usually their top staff have linguistic abilities that help them do their work on the ground. France, obviously, is a bigger country, with perhaps greater resources, but even smaller countries, their ambassadors often—very rarely do I find that the top staff don't have proficiency in the local language.

I saw in your report that ours may get 100% marks for friendliness and helpfulness, but only 16% of the people occupying positions that require a language proficiency have that language proficiency. That's a seriously failing grade.

Then I see the response from the department that they're going to look into this and study it and provide recommendations a year and a half from now. Do you find that response adequate?

We know what the number is, only 16%. I would assume they should be getting to work on this immediately. Do you find that particular response of waiting another year and a half adequate?

• (1650)

**Ms. Sheila Fraser:** Quite frankly, Mr. Chair, we would also like to see them respond to some of these issues much more quickly. The reality is that they have to get much better information in place. They probably have to do formal testing. We note in the report as well that a third of the people hadn't undergone language testing, so there may be more who do meet the language requirements.

So they need to get a much better handle on what the situation actually is. They have a number of priorities that they have to deal with in this. We leave it up to the department to establish its own priorities. I guess what we would hope is that if they do say the winter of 2008, they are being realistic in that and it will be done by 2008.

**The Chair:** Thank you, Mr. Wrzesnewskyj.

Mr. Poilievre, five minutes.

**Mr. Pierre Poilievre:** On page 31 of chapter 7 you quote the Solicitor General of Canada in its "Government Response to the 17th Report of the Standing Committee on Public Accounts: RCMP—Services for Canada's Law Enforcement Community, June 2001"—that's this committee, of course—as saying the following: "It is anticipated that new performance and service standards will have been validated and client consultation will have been completed by fiscal year 2002", yet you found no evidence that performance and service standards had been validated.

Was this a case where a government ministry was making a commitment that it just didn't follow through on?

**Ms. Sheila Fraser:** That would appear to be the case, yes.

**Mr. Pierre Poilievre:** It says further, in that same statement that came from the Solicitor General, that "it is the intention of the RCMP to publish these standards". You indicate that new standards have not been published.

Would your description of the last contradiction apply to this one as well?

**Ms. Sheila Fraser:** Again, it's a commitment that was not met.

**Mr. Pierre Poilievre:** Okay.

I see on page 32 you quote a statement. Under "Government and RCMP Statements", and this is exhibit 7.11, "Summary of findings on statements to Parliament", there's a quotation in the bottom box on the left that says, "We have a negotiated agreement...."

Who are you quoting there?

**Ms. Sheila Fraser:** It would have been the commissioner at the time.

**Mr. Pierre Poilievre:** The commissioner of...?

**Ms. Sheila Fraser:** The RCMP.

**Mr. Pierre Poilievre:** The commissioner at the time says, "We have a negotiated agreement with the police forces on how much time they need—" You found that 82% of clients interviewed said there was no negotiation of the original due date. Was the

commissioner stating a falsehood, or—? How do you explain that obvious factual contradiction?

**Ms. Sheila Fraser:** All we can say is that the statement was incorrect, based on the audit findings that we have. As to why that statement was made, you would really have to ask the RCMP or the person who made the statement.

**Mr. Pierre Poilievre:** Okay. I'll read from that quote again. It goes on to say:

We have a negotiated agreement with the police forces on how much time they need: when does their case have to go to court? We negotiate to their satisfaction, each one.

20% of clients, according to your findings, however, said the original due date did not meet their needs, so I am baffled as to how these claims can be put in quotation marks, first of all by the Solicitor General and later in your report by the Commissioner of the RCMP, when your factual findings contradict them outright.

This is pretty clear. It says, "We negotiate to their satisfaction, each one." And you say that 20% of the clients said the original due date did not meet their needs.

You've obviously discovered a problem. We also appear to have discovered some efforts to hide that problem through the pronouncements of past solicitors general and commissioners of the RCMP.

What do you think is the cause of the problem? Why is there a backlog?

• (1655)

**Ms. Sheila Fraser:** Unfortunately, we really don't know. The backlog in the DNA analysis is increasing, even though, as we mention in the report, there was additional funding given in a greater percentage than the actual increase in cases.

One of the explanations given to us was the case in B.C., the Pickton case, which obviously involved a lot of DNA analysis. But they received additional funding for that. The problem is that they don't have enough information to be able to substantiate the effect that particular case may have had on their backlog.

What we are recommending to them is that they really need to have a process study done to understand what is happening in their process: are there delays at certain points along the way, and what does it take to resolve this backlog, which has been an issue for many years now?

**Mr. Pierre Poilievre:** I'll just say in conclusion, because my time is up, that I think it is astonishing that a government would have been spending a billion dollars registering duck hunters and farmers when it was clearly failing to do this essential work to protect the public safety of Canadians, the basic nuts and bolts. The priority should have been on this, on getting these examinations correct for our police services, and not on wasting a billion dollars on a gun registry that doesn't work and doesn't protect lives.

Thank you.

**The Chair:** Thank you, Mr. Poilievre.

Monsieur Roy, you have five minutes.

[Translation]

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Thank you, Mr. Chairman.

I think that Ms. Fraser replied that this was a political issue. Ms. Fraser, if you do not want to answer this question, neither do I.

Good afternoon. I would like to ask you a few questions about the Department of Foreign Affairs and International Trade. You spoke of percentages, but that does not tell me much. There are 170 missions in 111 countries. How many people will have to be replaced by 2010? You said that this was conditional, inasmuch as these people would not have to retire immediately. However, if I understand correctly, they would be entitled to retire.

**Ms. Sheila Fraser:** The department has, all together, about 10,000 employees, and 5,000 of them are hired locally. Thus, 5,000 Canadian employees are working in Canada and abroad, and 26% of them will be entitled to retire by 2010.

Let me ask my colleague whether we have any figures regarding the management category.

**Mr. Richard Flageole (Assistant Auditor General, Office of the Auditor General of Canada):** Mr. Chairman, the figures tell us that there are about 1,250 persons altogether. We do not have the exact figures for the EX group. However, I think that we could eventually get them.

**Mr. Jean-Yves Roy:** I have a specific question about embassies and foreign missions. By foreign staff, you usually mean less qualified staff, such as supporting staff. I am specifically referring to ambassadors, who are Canadian citizens mandated to represent Canada.

I would like to know how many of these people will have to be replaced. It is not clear. For instance, if we held a competition tomorrow morning to replace all these persons, would we be able to fill the positions, given the current situation of the labour market?

• (1700)

**Ms. Sheila Fraser:** This is an excellent question. Unfortunately, we do not have all the data, but the department should certainly provide it to the committee.

As I said earlier, according to the traditional recruiting process of the Department of Foreign Affairs and International Trade, employees rise in the ranks within the department. Obviously, this kind of recruiting process cannot provide all the candidates that we need for the coming years.

The department has begun trying to change the recruiting process by hiring people in higher positions. They did this for the first time about a year and a half ago. The decision was challenged by employees and unions. We think that the problem has been solved, but it must be reviewed. They do not know what skills they will need or how and where they can find such persons. This is why we state that they absolutely must have a strategic plan for human resources.

**Mr. Jean-Yves Roy:** Besides, are our universities currently able to train the needed personnel? The Department of Foreign Affairs often needs very skilled people. Let me give you an example. Someone who knows nothing about Southeast Asia cannot be sent to

Southeast Asia. This really requires very specialized people. Are our universities currently able to provide this kind of personnel?

**Ms. Sheila Fraser:** We have not studied this issue, but we expect the department to do so when it draws up its strategic plan.

**Mr. Jean-Yves Roy:** How much time do I have left, Mr. Chairman?

[English]

**The Chair:** Just half a minute.

[Translation]

**Mr. Jean-Yves Roy:** Very well.

Does the Department of Foreign Affairs and International Trade currently offer working conditions that are competitive with the private sector?

**Ms. Sheila Fraser:** This is another issue that we have not studied.

**Mr. Jean-Yves Roy:** Very well. Thank you.

**The Chair:** Thank you very much.

Mr. Sweet, you have five minutes.

[English]

**Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC):** Thank you very much, Mr. Chair, and welcome back.

Before I ask this question, I want to assure you that I have full confidence in your work, but I just want to make sure I get this answer on record.

On page 13 of chapter 7—you already referred to this earlier—this model comparing the RCMP forensic services with others, would you stand behind this with confidence that this was relatively objective?

**Ms. Sheila Fraser:** This is obviously not audited information so there could be differences of interpretation, and we can't be sure of the exactitude of it. But we did receive it, either through annual reports or others. Perhaps Mr. McRoberts could expand upon how we obtained the information.

**Mr. Hugh McRoberts (Assistant Auditor General, Office of the Auditor General of Canada):** Yes, Mr. Chair, we were in direct contact with the labs, and that's how we got the information in the first place. In most cases, we were talking to them, and we visited a number of the labs.

Obviously we can't audit the information because they're foreign countries, but one of the things we did do is, towards the end of the audit, as we were compiling this table, we wrote back to each of these labs and said, "Okay, this is how we're using the information. This is the reference we're making—comparison to the RCMP. Are we using your data correctly?"

**Mr. David Sweet:** Okay. So you have a reasonable comfort that this is an accurate picture, a comparison—

**Mr. Hugh McRoberts:** It's probably not perfect, but it's fair.

**Mr. David Sweet:** Okay. The reason I asked that is that the cost of producing the same results is so blatant with the RCMP, compared with other forensic labs.

Was there any evidence at all that the management of the RCMP have done any due diligence around benchmarking, best practices, or research, or are they just doing their own thing? Certainly there's a lot more efficiency in the Ontario Centre of Forensic Sciences, with the output they're doing, the staff level, and the cost of operation. It seems to me that they're almost in two different leagues.

**Mr. Hugh McRoberts:** Mr. Chairman, this is an area we addressed in the report. We're concerned that they are not doing that, and it's one of the things we're recommending: that they look to benchmarking and look to best practices to understand both the work flow and cost structures of their work, so that they can make management decisions that I think are necessary.

• (1705)

**Mr. David Sweet:** Thank you. It's close to out of control, really, with this kind of expense.

In chapter 1—and I'm just going by your opening remarks, Madam Fraser—you mentioned the credit cards. Of course, we had the case a little while ago of 33,000 unaudited or unverified expenses with the military that were handed in and were not checked, so I'm a little sensitive to this. You said the travel cards and acquisition cards were used relatively well, but there was some lack of consistency in the application of verification.

Do you feel comfortable that after your audit that was addressed adequately, so that it will not be the case in the future?

**Ms. Sheila Fraser:** As in many of our audits, the departments have agreed with recommendations and have indicated that they will be taking steps to address the questions or the issues raised. We will have to ensure, obviously, at some future time or through internal audits, that this has in fact been the case. It's in testing it that we will see whether they've actually done what they said they would.

**Mr. David Sweet:** Thank you.

Also, in your opening remarks about chapter 4, you mentioned this practice: that the staff in the department were actually moonlighting as consultants while receiving a paycheque from the Crown. That seems to me to be clearly, blatantly unethical.

Did you find any evidence that the employees who were doing this were disciplined or let go? Were any kinds of corrective measures taken?

**Ms. Sheila Fraser:** No. To our knowledge there was no disciplinary action. I would say too that the department became perhaps a little more rigorous fairly recently in communicating to employees that this was unacceptable. Previous to that, even though I think the department was aware that this was going on, it was not communicating very clearly to employees that this was not acceptable.

**Mr. David Sweet:** It's an extraordinary breach of integrity.

In chapter 5, again going by your opening remarks, you mentioned that the Department of Justice, which has 2,500 lawyers, a group on whose size others have commented—I'm wondering

whether we could actually get 2,500 different opinions, but I don't have enough time to go into that right now.

If they require a CEO for administrative oversight, isn't that what the DM's job is, in fact ?

**Ms. Sheila Fraser:** No, we believe in a department like this the deputy minister has to be a very good lawyer, needs to be very aware of legal issues, and is often called upon to give and to validate very complex cases and opinions.

If you look at the major law firms—I suspect most law firms—they will have someone charged with managing who is not necessarily a lawyer. You would expect someone to come up as a lawyer who has that competence and who maybe doesn't have the time, either, to be able to focus on management.

We would suggest that there be a clear designation, perhaps of an associate deputy minister who is charged specifically with financial and operational management. This might be a practice that could be used in other departments as well, where the deputy minister is more focused perhaps on policy or the technical side of the department, leaving the administration up to someone else.

**Mr. David Sweet:** On this question, is there an existing model in another department in the federal government?

**Ms. Sheila Fraser:** Not to my knowledge, no.

**The Chair:** Thank you, Mr. Sweet.

Mr. Christopherson, five minutes.

**Mr. David Christopherson:** Thank you, Mr. Chair.

In paragraph 4 of your opening comments on the forensic lab services, I am quoting from your remarks:

We examined the RCMP's system for ensuring the quality of lab results. On paper, their quality management system looks good, but we found it was not always being applied and could not assure senior management about the quality of DNA analysis. We did not examine the scientific methods they used.

I am an MP from Ontario. Given current events unfolding in Ontario—and I think even the provincial government has now called a public inquiry into that matter—I want to ask you whether we should just leave this as it is. Is further investigation warranted, or are we looking for trouble where it doesn't exist? Could you give me your thoughts on that, since you went out of your way to mention that you can't give your stamp of approval—? In the context of what's happening in Ontario, should we be doing something with this, in your opinion?

• (1710)

**Ms. Sheila Fraser:** Those comments are based on concerns that were raised about the automated system for DNA testing. Several of the scientists in the labs were raising concerns that the automated process was not detecting DNA, whereas the manual extraction process was.

One would expect that if concerns are raised by the scientists and technicians in the labs, a quality management system should have a structured approach to clearly identify a potential problem, ascertain whether that truly is a problem, and then work to resolve the issue.

We actually gave a case study of one police investigator who brought in a piece of clothing, which I think had a hundred stains on it. The automated process didn't pick it up. The police officer didn't accept that, asked that it be retested, and it was with the manual extraction.... But of course there were long delays.

These concerns were being raised for quite a while. They were never reported through the quality management system. It didn't follow that kind of rigorous processing. After the fact, I think a year later, they did start to discover some of the causes of this. It shows that the system wasn't being applied as it should have been. The problem was that there could have been DNA in some of these samples that wasn't being detected.

That might be a question to ask them: what have they done about this.

I think they have written to some of the crown prosecutors and police forces to ask if they want retesting done. In a couple of cases, that has been requested.

**Mr. David Christopherson:** It would be good to hear on the record that it has been solved, or not. It would also give an opportunity to some of the scientists if they want to get word—formally or informally—that they have concerns. We need to know that. So that will be a good question.

With respect to the Department of Foreign Affairs and International Trade, I note that you make a comment about the LES, locally engaged staff. I've come in contact with the folks who are hired locally and every one of them is fantastic. The fact that they have that local awareness and the cultural side of things, because they are from there, is very helpful. I have to believe it's helpful in terms of policy development too.

However, you point out that they don't have the right kind of record keeping in that area—nowhere near enough. Do you have any concerns about security in that regard? Obviously if you're hiring locally, depending on where you are, that may not be as straightforward as one might think. Did that raise any alarm bells at all, or were you satisfied that we're okay on that front?

**Ms. Sheila Fraser:** We didn't specifically look at the security issue. We were really looking at the information that was available to the managers in the various missions. We noted, I think in a couple of the missions, that there was no indication of the security check having been done. That doesn't necessarily mean that it wasn't done; it's just that the documentation wasn't in the file.

We're saying the greater issue with the local engaged staff is that these missions need to have much more support from Foreign Affairs. It is very complex to manage locally engaged staff, because they have their own local laws. With the rotation of people through the missions, one can't expect the head of mission to be aware of all the laws in that country in dealing with personnel. They need to have much more support from head office and much better information.

**Mr. David Christopherson:** Did you have any indication at all that perhaps people were being hired who weren't as qualified as what they would have preferred, but because they couldn't get a Canadian applicant, they did the best they could?

**Ms. Sheila Fraser:** I'll ask Mr. Flageole if he saw any indication of that. I don't believe so.

●(1715)

**Mr. Richard Flageole:** Mr. Chair, we haven't looked at that, specifically, in terms of qualifications.

**Mr. David Christopherson:** Thank you.

Thank you, Mr. Chair.

**The Chair:** Go ahead, Mr. Wrzesnewskij.

**Mr. Borys Wrzesnewskij:** To chapter 3 and the language question, do we have any sort of statistical evidence, because it's just hearsay—? As I said earlier, most often when you encounter our staff, odds are that they don't speak the local language. In countries like France, most often the reverse is true; it's rare that they don't speak the local language. Do we have any tables that you could provide that compare how we rank in this area against other G-8 countries or any other developing countries?

**Ms. Sheila Fraser:** We do not have that information, Mr. Chair. I don't know that the department would have it. We only looked at the information they had on their staff and whether there was evidence that they met the language requirements the department had established.

**Mr. Borys Wrzesnewskij:** I just find it perplexing. We live in the most multicultural country in the world. You go to downtown Toronto and you'll hear every language of the world, yet we can't find the people who speak those languages when we send Canadians to work in embassies.

Following up on Mr. Christopherson's questions—and you said you didn't specifically look at security breaches—we assume that all embassies will be very secure. But I assume that there would be higher and lower rankings of the security required.

You did note that compared to other countries, Canada uses the highest proportion of locally hired staff. Were there variances, for instance, in countries like China or Russia, or was it just kind of a blanket policy that for various positions we just hire local staff?

**Ms. Sheila Fraser:** Again, we wouldn't look at that country by country. As to what the policy requirements would be, this is, of course, a policy of the government, and the percentage of locally engaged staff is really a policy decision that has been made.

**Mr. Borys Wrzesnewskij:** In paragraph 3.71 you talk about the head office sending people out to take a look and audit. They do about four embassies per year. Would that be one of the areas they look at?

**Ms. Sheila Fraser:** Yes. We mention here that they should provide much more support to the various missions. And they should be ensuring as well that the policies are being respected. We didn't make a specific recommendation on that, I don't believe. But they should ensure, themselves, that they are carrying out enough of the spot checks and that the oversight is happening.

**Mr. Borys Wrzesnewskij:** Okay. That leads to the next question. You said spot checks. They do four out of 111 missions in the world. They do four per year. Is it just spot checks, or is it that when they hear of problems in specific missions, those are the missions this team would head out to?

**Ms. Sheila Fraser:** I don't know that. Mr. Flageole can respond.

**Mr. Richard Flageole:** Mr. Chair, the main issue is a capacity question. That bureau at head office was really providing support and doing those checks. Four missions a year means that some will be on a 25-year cycle. They're really struggling to do the work they have to do. I think the recommendation we make here is that there's really a need to strengthen the capacity, because they should be doing a lot more of those checks and verifications than they're doing now.

**Mr. Borys Wrzesnewskij:** Obviously, that is an area we need to look at. It's a globalizing world. And if you've had a spot check three or four years prior, you know that during your term the odds are that you're never going to be checked. So I concur that this is definitely a chapter we need to take a close look at.

**The Chair:** You have 25 seconds, Mr. Rodriguez, for one brief question.

[*Translation*]

**Mr. Pablo Rodriguez:** Regarding acquisition cards and travel cards, you said that in the Departments of National Defence and of Fisheries and Oceans, acquisition cards are named after ships. Thus, if the ship's name is Moby Dick, for instance, Moby Dick can purchase \$20,000's worth of fishing gear. Am I right?

• (1720)

**Ms. Sheila Fraser:** This goes against the policy. The Secretariat of the Treasury Board has confirmed that cards should bear the names of individuals and not of ships.

[*English*]

**The Chair:** Thank you very much, Mr. Wrzesnewskij, Mr. Rodriguez, and Mrs. Fraser.

Mr. Lake, five minutes.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Thank you, Mr. Chair.

One thing that can't help but come to mind in this whole conversation is if we can get this whole DNA thing figured out, perhaps we might be able to use it to locate David Smith.

I do want to clarify too for the benefit of the family of poor Senator David Smith, another Liberal caucus member, as I'm sure they're watching this on TV and are concerned for him, that he's not missing. I saw him just the other day. There are two David Smiths in the Liberal caucus, or formerly in the Liberal caucus.

**Hon. Judy Sgro:** You should be very specific, so we know which David Smith here in Ottawa, because there are many.

**Mr. Mike Lake:** Perhaps that'll be the subject of our next audit.

I want to ask you, first of all, just a general question in terms of the seven chapters that you studied. Which of the chapters concern you the most?

**Ms. Sheila Fraser:** There are several that I think have significant improvement—Obviously, the RCMP and the forensic labs. Foreign Affairs and the human resource management I think is troubling. The CAIS program—the government is certainly taking action on that.

Other than that, I think NORAD, National Defence, not because we can really go back and undo what has happened, but they are

continuing with the modernization of the NORAD system. Are they going to update their statement of requirements, and are they going to ensure that the system they are using currently meets those? And what are they going to do about this above-ground complex that doesn't pass the security checks? I guess those would be the ones.

**Mr. Mike Lake:** For me, I think the RCMP issue is serious, not necessarily even on its own but more because we're just coming out of this RCMP pension administration issue.

I read your conclusion in paragraph 7.88: "In examining statements made to Parliament by the government and the RCMP since our 2000 audit, we found large discrepancies with our findings from this audit." It just sounds so familiar, with a lot of the issues we're dealing with on the pension administration issue. It seems to me that there's a trend here, and it's a trend of perception—the concern for perception trumping the underlying causes of some of these problems and senior management not addressing those things.

I'm curious, are there any other studies or audits that you have that have to do with the RCMP that you can tell us about that we should anticipate, or is this kind of, at this point—?

**Ms. Sheila Fraser:** We have nothing in the immediate future on the RCMP. We will, of course, come back to them at some point in the future, but there is nothing under way right now.

**Mr. Mike Lake:** Okay. I understand that the RCMP has provided a detailed action plan for you to address the recommendations. I'm wondering if you think these measures will address the backlog in DNA cases.

**Ms. Sheila Fraser:** Many of the action items deal with really trying to ascertain why the backlog is occurring, doing benchmarking, comparisons. It will depend upon the rigour with which those action items are carried out, the analysis and then the corrective action taken to deal with them.

**Mr. Mike Lake:** How much time do I have left, Mr. Chair?

**The Chair:** One minute.

**Mr. Mike Lake:** I was just wondering if you can explain what kinds of quality issues were identified. You talked about quality issues. Are you satisfied that the quality issues have been resolved and that the test didn't impact the prosecution of criminal cases?

**Ms. Sheila Fraser:** We didn't go as far as to look at impact. The problems we reported on were problems with the automated extraction of DNA. I know they have found some of the problems that have caused that. I'm not sure if they have found all of them. What is worrisome is that this particular problem was never put to the quality management system reported and managed through that system. So we would want assurance in the future that if there were any other problems that came up, they were immediately reported and were managed through that system, rather than in the kind of ad hoc manner that this was done.

• (1725)

**The Chair:** Thank you, Mr. Lake. Thank you, Mrs. Fraser.

Before I ask Mrs. Fraser if she has any closing remarks, I understand we have a distinguished guest in our midst. I'm going to ask Mr. Williams to introduce him.

**Mr. John Williams:** Thank you, Mr. Chairman.

Today we have in our audience Mr. Wayne Strelieff. I've known Mr. Strelieff for a number of years. He's a former auditor general of the Province of British Columbia and a former auditor general of the Province of Saskatchewan. He's now retired and doing volunteer work as the chair of the Quality Worklife-Quality Healthcare Collaborative. We certainly appreciate having him here in the audience, and we want to recognize him.

Since he's sitting behind the Auditor General, we now have the answer to the question of who is watching the Auditor General. Of course, it is another auditor general.

We welcome you, Wayne.

**Some hon. members:** Hear, hear!

**The Chair:** On behalf of the committee, Mr. Strelieff, I want to welcome you here to Ottawa and to this committee meeting.

Mrs. Fraser, do you have any closing comments you want to make to the committee?

**Ms. Sheila Fraser:** Thank you, Mr. Chair.

I'd like to thank you and the members of the committee for your interest in the report. We look forward to hearings on some of the issues we've brought forward. Hopefully that will be in the near future, but of course that's up to the committee to decide.

Thank you.

**The Chair:** I want to thank you again for your excellent reports, and I thank all your staff for their diligence.

I take it the bells are going to ring any minute now, so the meeting is adjourned.

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