

Private Members' Business

• (1115)

Canadians expect their tax dollars to be spent within this framework of accountability. When Canadians hear of money being spent by the federal government without the above criteria being met they become quite naturally suspicious.

There are good reasons for Canadians to feel this way. The Financial Administration Act could easily be made applicable to crown corporations listed in Bill C-263. There are 49 crown corporations. Bill C-263 deals with five which are exempted from the Financial Administration Act: the Canada Council, the Canadian Film Development Board, Telefilm Canada, the Canadian Wheat Board, the International Development Research Centre and the National Arts Centre.

Bill C-263 would move these crown corporations under the supervision of the auditor general. This is an absolute necessity considering the amount of dollars consumed by these five agencies.

The CBC is not included in Bill C-263. The reason for this is that Canadian Broadcasting Corporation provisions for the Financial Administration Act were incorporated into the Broadcasting Act in 1991. In short, the CBC is already subject to the accountability requirements of Bill C-263 and the Financial Administration Act.

This latter point is important for members of the House to note. The CBC is the recipient of about 70 per cent of all government funding provided to crown corporations that are exempt. This means Bill C-263 is finishing a job already accomplished by Parliament. Since 1991 the CBC has adjusted to the accountability requirements of part X of the Financial Administration Act.

Hon. members may agree with my observation that the CBC, more than any other exempt crown corporation in Bill C-263, was most insistent about the idea of critical importance of an arm's length relationship to the government. The CBC has not had the difficulties it anticipated in adapting to these accountability requirements. The CBC has been operating within this framework for the last four years without too much difficulty.

I remind colleagues that the auditor general already performs financial audits on the five corporations in Bill C-263. However, these audits do not permit the auditor general to comment on the appropriateness of the activities of the five, nor is the auditor able to comment on the extent to which each fulfils its mandate.

As it stands now these are not value for money audits. This must be a necessity for these five corporations. Value for money audits are done every five years. They are different from annual audits in that they comment on corporate management, goals and objectives.

It is fair to say the boards of the exempt corporations should welcome the value for money audits in much the same way private sector enterprises welcome their annual audits in which their forecasting and business plans come under the scrutiny of their shareholders and an auditor.

It is not unthinkable that the board members would look on the audits as helpful to their own work as well as a positive accountability measure, something that has been missing in many of these crown corporations within the framework of government operations.

It has been 10 years since this accountability framework for crown corporations was established. Exempt corporations have now had a decade to review and analyse effects of the Financial Administration Act on the independence of non-exempt crown corporations. By now it is highly likely the crown corporations exempted from the act would conclude that the Financial Administration Act poses no real threat to them. The CBC is an illustration of this. Provisions of the Financial Administration Act were incorporated into the amended Broadcasting Act in 1991.

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It is reasonable to require the five crown corporations to prepare a business plan so that annual reports can allow the Canadian people, the taxpayers, the funders of these programs, to monitor and gauge the performance of these five.

There have been some cases in which crown corporations' annual reports differ from the business plan objectives, even though there are no provisions for exempted crown corporations to invite the auditor general to conduct special examinations. The audit is released only to the board of directors, not to Parliament. It must be released to Parliament. It must come under the scrutiny of all members of Parliament so we can ensure taxpayers' money is being accounted for.

Providing the corporations with the option of inviting the auditor general to do an audit is not good enough. If the auditor general's office were involved in the corporation on a regular basis, business plan objectives would not deviate from objectives stated in the annual report.

We all agree that in times of restraint such as we have now those who spend taxpayers' dollars must be more aware than ever that they are answerable as to how the dollars are spent. Part X of the Financial Administration Act has been so effective for other crown corporations, it seems reasonable, logical and simply common sense to bring the five crown corporations outlined in Bill C-263 into line as well. I urge all members of the House to support Bill C-263.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am pleased to join the debate today on Bill C-263, an act to amend the Financial Administra-