

The Auditor General, Mr. Macdonell, first recommended the establishment of the post of Comptroller General in his report for the year ended March 31, 1976. In that report he stated:

Parliament, and indeed the government, has lost, or is close to losing, effective control of the public purse.

This was not the first time Auditor General had expressed his concern about mismanagement of the government's finances. In his 1975 report he had stated:

The present state of the financial management and control systems of the departments and agencies of the government of Canada is significantly below acceptable standards of quality and effectiveness.

A massive two-year study on financial management and control in the government was launched in 1974. When it concluded in 1976, the results led the Auditor General to the opinion that:

Based on the study of the systems of departments, agencies and Crown corporations audited by the Auditor General, financial management and control in the government of Canada is grossly inadequate. Furthermore, it is likely to remain so until the government takes strong, appropriate and effective measures to rectify this critically serious situation.

Since the situation was recognized as being critically serious almost two years ago, why has no action been taken before now? Last April, the President of the Treasury Board (Mr. Andras) announced in the House that he had decided to establish the post and that a search for the right man was beginning. This was a welcome change of attitude. Until then the President of the Treasury Board and the Prime Minister (Mr. Trudeau) had originally rejected the proposal out of hand. I understand there was considerable Cabinet opposition as well as opposition from senior civil servants to the appointment of a Comptroller General. Is this the reason it has taken a year to find one? Given the government's original reluctance to accept the recommendation for a Comptroller General, we must do all we can to ensure that the position carries with it the power to exact the co-operation it will need to carry out the tasks envisaged by the Auditor General.

● (2022)

On April 2, 1978 Mr. Harry Rogers, former vice-president of Xerox Canada, will become Ottawa's first Comptroller General, a job which can make him one of the most powerful figures in the federal bureaucracy. This will be the case only if the position has all the power the Auditor General originally intended. It is at least encouraging, Mr. Speaker, that the government chose to look outside the civil service for a person to fulfil this position. It will require a fresh and objective approach to counter many years of government mismanagement. Mr. Rogers will face the prospect of controlling the finances of ministries which will be spending \$48.8 billion of taxpayers' money in the coming year, according to Treasury Board's blue book estimates for the coming year, and running an annual deficit of more than \$9 billion.

Federal government spending will go up 9.8 per cent in the next fiscal year. These increases must be closely scrutinized to ensure Canadians are getting top value for their tax dollar.

Financial Administration Act

According to the President of the Treasury Board, to quote a statement made by him:

The comptroller general will be responsible for the quality, the integrity of the financial administrative policies, systems and practices of the federal public service.

However, the full responsibility for the control and direction of resource allocation and control processes will remain with the secretary of the Treasury Board. How effective will the Comptroller General be in view of the fact that the government has put us into this sorry state because of its weak management and control of ministerial programs, the lack of strong central direction by Treasury Board and, just as important, the lack of accountability to parliament? The really important point is the accountability to parliament, to the people's representatives who have been democratically elected from coast to coast.

Bill C-10 does not specify the exact powers the Comptroller General will have. It says only, and I quote:

—perform such duties and functions as may be assigned to him by the Treasury Board—

Parliament will still not have an opportunity to fully examine the Comptroller General's activities or effectiveness. That is significant. There is the possibility that this bill could merely expand the bureaucracy and create yet another deputy minister. The bill makes no provision to ensure exactly what responsibilities the Comptroller General will have. This bill is no guarantee of improved financial management and control. The government would have us believe this legislation is an adequate response to the Auditor General's recommendations in 1976, recommendations that were repeated again in 1977.

This bill does not define the powers, responsibilities or obligations that will rest with the Comptroller General. Without legislative authority defining his responsibilities, what assurance is there that the Comptroller General will operate any more effectively or have wider powers than another deputy minister? Mr. Harry Rogers could conceivably be arriving in Ottawa with a very impressive title and very little authority. Without legislative authority to address the problems of financial mismanagement so clearly illustrated in the Auditor General's reports, Mr. Rogers will be operating under a considerable handicap.

In his report of 1976, the Auditor General defined clearly what the duties and responsibilities of the Comptroller General should be. He would have a status comparable to that of the design, development, implementation and monitoring of adequate systems and procedures.

There are six important points which the Auditor General made perfectly clear to the public accounts committee and to the members of the House of Commons in his report. They are as follows. First, that the form of the estimates provides a sound basis for the government's budgetary control system; second, that public moneys and assets are under his effective custody and control at all times; third, that accounting procedures and financial reports throughout government—including the public accounts—should conform to acceptable accounting principles and standards; fourth, that expenditures of public