

Private Members' Business

ments is scrutinized by the Treasury Board secretariat, by internal auditors as well as evaluators who work in concert with the Auditor General to provide an efficient and effective system of controls over the management of the public service.

The Auditor General's present mandate and his general approach including the fact that he reports annually dates back to 1977 when the present Auditor General Act was passed by this House.

Much of the preparatory work for that act was done by an independent review committee which examined the responsibilities, relationships and reporting procedures of the Auditor General's office. I should note that at that time the committee recommended that the Auditor General should report annually to this House and not periodically.

It will soon be 20 years since that report was tabled in this House. The hon. member for Ottawa—Vanier is right to call for a review of the issue of frequency of reporting. However, I would like to take this opportunity to build on my colleague's efforts and suggest that as much has changed in those past 20 years this House should take a broader look and look at other issues concerning the Auditor General's mandate and procedures which the passage of time now calls into question.

This is a very different world from what it was in 1977. At that time the government was expanding and there were serious and legitimate concerns about the adequacy of existing financial and management controls. The then Auditor General, Mr. Macdonnell, did us all a great service by bringing this to the attention of this House in no uncertain terms.

Things are quite different today. The public service is no longer growing and the reduction in the operation budgets of departments is imposing a discipline of its own. Things have changed and it may be that the Auditor General's usefulness to this House is constrained not just by the annual reporting requirement but by other limitations as well.

There are a number of areas I would like to recommend that this House explore as part of a review of the mandate and operational procedures of the Office of the Auditor General. For example, I note the hon. member who brought forward this bill expressed considerable concern during the recent hearings of the standing committee on external affairs of which he is the chairman about what role the Auditor General should have in commenting on government policy.

If we look at the Auditor General Act we find that section 7 sets out in detail the responsibilities of that office. Specifically it tells the Auditor General to report on instances of unauthorized spending, lack of due regard to economy and efficiency, and the lack of procedures to measure and report on the effectiveness of a program.

It does not authorize the Auditor General to report directly on the effectiveness of programs but rather only on whether there are systems in place to measure and report on effectiveness. This is an issue which the Auditor General has struggled with for several years.

If we look at his reports over the last 15 years it becomes evident that on some occasions the Auditor General decided that in the public interest it was necessary to go beyond a strict interpretation of his mandate and report on programs which he felt were ineffective.

There are other issues which I am sure the Auditor General would like this House to review which are at least as important to the Auditor General as the frequency of reporting. They include for example the question of resources.

In the late 1970s and early 1980s the Auditor General's resources grew faster than those of the government as a whole as it staffed up to meet its new mandate under the 1977 Auditor General Act. In 1977-78 the Auditor General's office spent about \$20.5 million while its estimates for 1994-95 are for over \$56 million.

● (1435)

If this House sees fit to change the reporting requirements of the Auditor General it should take the opportunity to examine whether such a change would affect the resources necessary to carry out this modified mandate.

I do not think there is anybody in this House who would wish to increase the costs of the Auditor General's office. However perhaps changing the reporting mandate as proposed could actually reduce the budget of the Auditor General's office.

At present over half the staff of the Auditor General is in the senior management category, a significantly greater proportion than in the rest of the public service. Part of the reason for this is having to staff up to meet the one annual deadline for all chapters of the report simultaneously. If the Auditor General were to go ahead with a format of periodic rather than annual reporting, would this enable him somehow to streamline his operations?

Finally there is the issue of who audits the Auditor General. I know the Auditor General is concerned with retaining his independence. At the same time like any other public institution, he knows he must be accountable for the resources he consumes and the quality of his work. At present there is no mechanism by which the Auditor General is made to account in a detailed way for his operations.

As you can see, Mr. Speaker, there are quite a number of issues waiting to be tackled if we are looking at the mandate of the Office of the Auditor General.