

mittee in the First and Second Sessions of the Twenty-ninth Parliament.

The Public Accounts Committee has considered this evidence and statements made in previous committee proceedings and makes the following Report to the House:

The previous Public Accounts Committee was assisted in its deliberations by the following witnesses:

From the Auditor General's Office:

Mr. J. J. Macdonnell, Auditor General of Canada;
Mr. G. R. Long, Deputy Auditor General; (now retired)
Mr. H. E. Hayes, Director;
Mr. J. R. Douglas, Audit Director;
Mr. F. DaCosta, Assistant Audit Director.

From the Department of Public Works:

Mr. John A. MacDonald, Deputy Minister;
Mr. G. B. Williams, Senior Assistant Deputy Minister;
Mr. E. F. Atkins, Chief, Internal Audit Division;
Mr. R. S. Fouberg, Assistant Director, (Property Administration Branch).

From the Treasury Board Secretariat:

Mr. G. F. Osbaldeston, Secretary of the Treasury Board;
Mr. B. A. MacDonald, Assistant Secretary of the Treasury Board.

During its deliberations and the preparation of its First Report which dealt with recommendations and observations by the Public Accounts Committee that were not as yet implemented or dealt with (*Appendix 1—Report of the Auditor General for the fiscal year ended March 31, 1972*), the Committee agreed to follow up and inquire into the status of these unresolved problems when the various departmental officials appeared before it.

In line with this course of action the Committee reviewed the problem of increasing accommodation rental costs outlined in the Auditor General's 1972 Report—

PARAGRAPH 186—Increasing accommodation rental costs

RECOMMENDATION NO. 31—Increasing accommodation rental costs (*Appendix I*)

(*See Minutes of Proceedings and Evidence, Issues Nos. 6, July 5, 1973 and 8, July 12, 1973*)

In its First Report, 1970-71 presented to the House on November 26, 1970, the Committee noted the increasing cost of rentals by the Crown and had recommended that accommodation, repair and damage costs be made a charge to each department's appropriations, rather than have the Department of Public Works assume the costs. The Committee was of the opinion that this change would make departments willing to seek more modest accom-

modation in an effort to keep their estimates within reasonable bounds.

An inspection of a comparison of rental costs (*see Paragraph 186*) over the years 1966-67—1971-72 shows the costs of rental accommodation going steadily upwards.

In discussing this problem with the departmental officials from Public Works the Committee was informed that the Department of Public Works was in agreement with the thrust of the Committee's recommendations.

It had in fact instituted a *shadow charging exercise* to place a market value and therefore a rental value on each one of the department's properties.

Notwithstanding the size and extent of Government and Crown owned property, the Committee felt that the Department of Public Works and the Treasury Board Secretariat had delayed much longer than necessary in submitting a suitable plan. A serious lack of communication certainly appears to exist between two of our senior branches.

A further recommendation by the Committee as a result of this study, one that could apply to other Departments, is the adoption of a system used in the United Kingdom—that the Treasury Board, which exercises the control function, make a statement or Minute in response to any recommendation made by the Auditor General in his Report. This could save the Committee and Parliament, money, time and effort by having both viewpoints expressed at the same time.

PARAGRAPH 187—Excessive office accommodation—Canadian Transport Commission

PARAGRAPH 188—Cost of unused accommodation, Ottawa

PARAGRAPH 189—Cost of unused accommodation, Vancouver, B.C.

(*See Minutes of Proceedings and Evidence, Issues Nos. 8 and 9, July 12 and 17, 1973*)

The Committee is concerned at the ever growing size of Canada's huge Civil Service complex of leased and Crown owned buildings, which has grown to 74 million square feet of space and is expanding at the rate of 4 to 5 million square feet a year. Therefore, in view of the high rental costs, it is disturbed to discover cases such as the Canadian Transport Commission leasing office accommodation in excess of its requirements. Due to faulty forecasting of actual space requirements, or delays caused by alterations or delays in delivery of furniture, rents were paid for unused or excessive office space: by the Canada Council and the Department of Health and Welfare in Ottawa; the Department of the Environment in Vancouver; and various departments in Moncton.