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Report of the
**Auditor General
of Canada**
to the House of Commons

NOVEMBER

Chapter 7
Process for Responding to Parliamentary
Order Paper Questions



Office of the Auditor General of Canada

The November 2004 Report of the Auditor General of Canada comprises eight chapters, Matters of Special Importance—2004, and Main Points. The main table of contents is found at the end of this publication.

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For copies of the Report or other Office of the Auditor General publications, contact

Office of the Auditor General of Canada
240 Sparks Street, Stop 10-1
Ottawa, Ontario
K1A 0G6

Telephone: (613) 952-0213, ext. 5000, or 1-888-761-5953
Fax: (613) 954-0696
E-mail: distribution@oag-bvg.gc.ca

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Chapter

7

Process for Responding to
Parliamentary Order Paper Questions

All of the audit work in this chapter was conducted in accordance with the standards for assurance engagements set by the Canadian Institute of Chartered Accountants. While the Office adopts these standards as the minimum requirement for our audits, we also draw upon the standards and practices of other disciplines.

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Process for Responding to Parliamentary Order Paper Questions

Main Points

7.1 The written questions (order paper questions) that members of Parliament submit to the government are an important part of the parliamentary system. They are among the tools that members of Parliament can use to hold the government to account. In February 2004, the Governor in Council asked our Office to carry out an audit of the second response to Order Paper Question 37, provided in January 2004. It relates to transactions with the holdings of the blind management agreement of the former Minister of Finance. In preparing its response the government used the time period of January 1993 to October 2003, which was the longest time period possible for the response.

7.2 Except for the effect of the practices noted below, we have concluded that the process was sufficient for the response to Order Paper Question 37 dated 28 January 2004, in the amount of \$161 million, to be reasonably complete with respect to grants, contributions, and contracts from the government. Port authorities, as shared governance organizations, were not asked to respond to Question 37 because, in the opinion of the government, these kinds of organizations are not considered to be part of government. In our opinion the port authorities, which are included in the Public Accounts of Canada as part of the government, are agencies of government and should have been tasked with responding to the question. We cannot quantify the effect on the government's response of the practice of not seeking information from all relevant organizations.

7.3 The government exercised considerable oversight in developing the second response to Question 37. We noted that the process followed was more rigorous than for the first response. While recognizing the limitations of government systems and the difficulties in responding to questions that cover long periods of time, we noted that there was room for improvement.

7.4 In addition, the response did not include the government's guarantee of a \$10 million loan by a commercial bank to a company included in the holdings of the blind management agreement of the former minister of Finance between November 1993 and November 1994. The loan guarantee was issued in June 1993, before the start date of the blind management agreement in November 1993. The CSL Group Inc., which was one of several companies that had a minority interest in the company, disposed of its interest in November 1994. The government, which was the majority shareholder in the company, made no payments in connection with this guarantee.

7.5 In March 2004, as a result of difficulties encountered in preparing a response to Question 37, the Government House Leader announced a series of reforms intended to ensure that parliamentarians would receive adequate information in responses to their questions. For example, the Privy Council Office may designate a lead department to co-ordinate, review, and validate responses to complex, horizontal questions that involve several departments and agencies. Also, the Privy Council Office is now asking departments to designate a senior official to sign a statement of completeness certifying that the information in the response is complete and accurate. While these are positive initiatives, they have yet to be fully implemented.

7.6 In addition to Question 37, we audited four other order paper questions. We have concluded that the process used to answer those four questions, as was the case for the first response to Question 37, led to incomplete responses. The reasons for the incomplete responses include the following:

- Key terms were not defined by the Privy Council Office.
- There was a lack of appropriate level of care by departments in searching for information.
- There was a failure of organizations to provide the requested information in their responses.

This conclusion cannot be generalized to responses to all order paper questions.

7.7 Additional measures, beyond those announced by the government in March 2004, are needed to strengthen the process of responding to order paper questions. Such measures would include, for example

- clarifying the questions to ensure more relevant, useful responses;
- providing members of Parliament with contextual information and the limitations in preparing the response;
- obtaining full responses from all relevant Crown corporations;
- strengthening departmental search procedures;
- presenting responses in an aggregated format, which could be more useful to a member of Parliament; and
- updating the Privy Council Office's process for tracking questions and responses.

7.8 In the case of Question 37, we noted that the process for completing the public declaration of declarable assets should be strengthened by requiring the trustee to certify that the information provided to the Office of the Ethics Commissioner is complete.

7.9 The government should address the recommendations set out in this report to strengthen the process that supports an important aspect of our Parliamentary system of government—the right of members of Parliament to receive the information necessary to hold the government to account.

Background and other observations

7.10 The Government of Canada is a large and complex organization. Information systems vary within departments and across government. It can therefore be difficult to get complete and accurate information to answer questions from members of Parliament, particularly those that ask for information over longer periods of time.

7.11 The government faces a significant number of challenges in responding to order paper questions. These include

- changes in the structure of government departments over time,
- changes to government information systems and the introduction of new systems,
- the government's policy of retaining records for the current year and the previous six years, and
- departmental information systems designed to meet management's needs and not necessarily structured in a way that supports responses to order paper questions.

The government has responded. The government is in agreement with our recommendations. Its responses are included throughout the chapter.

Introduction

7.12 In February 2004 the Governor in Council requested the Auditor General of Canada to conduct an audit under Section 11 of the *Auditor General Act* to inquire into and report on the following three questions:

- Was the answer provided to Order Paper Question 37 on 28 January 2004 a satisfactory response based on the information that the government possessed?
- Are the reforms proposed by the Leader of the Government in the House of Commons to handle order paper questions sufficient to ensure adequate information is provided to parliamentarians?
- If the reforms are not sufficient, what other steps should be undertaken, including, but not limited to, reforms to the government’s information systems?

7.13 Question 37. Question 37 asked, “Since 1993, what grants, contributions, contracts and/or loan guarantees made either through a Crown corporation, department, and/or agency of the government were received by the holdings of the ‘Blind Trust’ of the former Minister of Finance specifying the source and dollar amount, date made, reason(s) for providing the funding, and present status of the grant, contribution, and / or loan guarantee, (whether repaid, partially repaid or unpaid—including the value of the repayment—in the case of contracts please specify whether the contract is fulfilled, whether it was tendered and any reason for limiting the tender)?”

The importance of written questions within the parliamentary system

7.14 Members sit in the House of Commons to serve as representatives of the people who have elected them to that office. They have wide-ranging responsibilities which include work in the Chamber, committees, their constituencies and political parties. . . . Besides participating in debates in the Chamber and in committees, and conveying their constituents’ views to the government and advocating on their behalf, Members also have responsibilities in many other areas:

- They act as ombudsmen by providing information to constituents and resolving problems.
 - They act as legislators by either initiating bills of their own or proposing amendments to government and other Members’ bills.
 - They develop specialized knowledge in one or more of the policy areas dealt with by Parliament, and propose recommendations to the government.
 - They represent the Parliament of Canada at home and abroad by participating in international conferences and official visits.
- (186-7)

Our description of the rules of the House in paragraph 7.14 is based on *House of Commons Procedure and Practice*, (2000) Marleau, Robert; Montpetit, Camille.

The right to seek information from the Ministry of the day and the right to hold that Ministry accountable are recognized as two of the fundamental principles of parliamentary government. Members exercise these rights principally by asking questions in the House. . . . [T]he search for or clarification of information through questioning is a vital aspect of the duties undertaken by individual Members. Questions may be asked orally without notice or be submitted in writing after due notice. (415)

Provisions allowing for written questions to be posed to the Ministry and to private Members have been included in the rules of the House of Commons since 1867. (439)

In general, written questions are lengthy, often containing two or more subsections, and seek detailed or technical information from one or more government departments or agencies. Restrictions governing the form and content of written questions are found both within the rules and as a result of custom, usage, and tradition. . . . With time, and following several Speakers' decisions, the list of restrictions grew very long. Concurrently, some became outdated or irrelevant. Thus, a very large measure of responsibility for ensuring the regularity of written questions fell to the Clerk [of the House]. Aside from a 1965 Speaker's statement, indicating that some of these restrictions no longer applied, there is no definitive [list of restrictions]. (440-41)

A written question is judged acceptable if it satisfies the general guidelines for oral questions and the restrictions provided in [the procedural] rules. The purpose of a written question is to obtain information, not supply it to the House. A question must be coherent and concise and the subject matter must pertain to 'public affairs'; 'no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same.' (441)

The guidelines that apply to the form and content of written questions are also applicable to the answers provided by the government. As such no argument or opinion is to be given, and only the information needed to respond to the question is to be provided in an effort to maintain the process of written questions as an exchange of information rather than an opportunity for debate. It is acceptable for the government, in responding to a written question, to indicate to the House that it cannot supply an answer. On occasion, the government has supplied supplementary replies to questions already answered. (443)

There are no provisions in the rules for the Speaker to review government responses to questions. Nonetheless, on several occasions, Members have raised questions of privilege in the House regarding the accuracy of information contained in responses to written questions; in none of these cases was the matter found to

be a . . . breach of privilege. The Speaker has ruled that it is not the role of the Chair to determine whether or not the contents of documents tabled in the House are accurate nor to ‘assess the likelihood of an Hon. Member knowing whether the facts contained in a document are correct.’(443)

7.15 Exhibit 7.1 presents some examples of the many restrictions in force for written questions, as taken from *Beauchesne’s Parliamentary Rules and Forms of the House of Commons of Canada*.

Exhibit 7.1 Some restrictions governing the form and content of written questions

A written question must not

- be of unreasonable length;
- be ironical, rhetorical, offensive, trivial, vague, meaningless, or hypothetical;
- contain an expression of opinion, epithet, innuendo, satire, ridicule, inferences, imputations, or charges of a personal character;
- repeat in substance a question already answered;
- ask the government’s opinion on matters of policy;
- raise a matter of policy too large to be dealt with in the limits of an answer to a question;
- criticize decisions of the House; and
- seek information on secret matters, such as decisions or proceedings of Cabinet, or advice given to the Crown by law officers.

Source: *Beauchesne’s Parliamentary Rules and Forms of the House of Commons of Canada* (with Annotations, Comments and Precedents), 6th edition, (1989) Fraser, Alistair; Dawson, W.F.; and Holtby, John. Adapted by permission of Carswell, a division of Thomson Canada Limited.

Description of process for written questions

Order Paper—The official agenda of the House, produced for each sitting day, and listing all items that may be brought forward in the Chamber on that day.

7.16 A number of steps are associated with the process for order paper questions. These steps are intended to help ensure that a member of Parliament who submits a question receives a response that contains the requested information. Exhibit 7.2 describes the process for responding to a typical **Order Paper** question such as Question 37—the main subject of this audit.

7.17 A total of 385 written questions were asked in the 36th Parliament and 586 in the 37th Parliament. The members of Parliament requested a response within 45 days for about 70 percent of the questions posed. Of those questions, 91 percent were answered within the 45-day period.

Focus of the audit

7.18 The focus of our audit was to assess whether the process followed for the second response to Question 37 was sufficient to provide a reasonably complete response to Parliament and whether the reforms announced were sufficient to ensure adequate information is provided to parliamentarians.

Public declaration of declarable assets—For purposes of a blind management agreement, the public declaration of declarable assets lists the assets that a public office holder has in the agreement.

Public office holder—A public office holder can be a minister of the Crown, a secretary of state, a parliamentary secretary, or a person other than a public servant who works for a minister of the Crown or a minister of state; a Governor in Council appointee (with a few exceptions) or full-time ministerial appointee designated by the appropriate minister of the Crown.

Blind management agreement—It is one of the mechanisms that a public office holder uses to comply with the Conflict of Interest and Post-Employment Code for Public Officer Holders. It places the assets of the public office holder in the hands of a manager who is at arm's length. The manager exercises all of the rights and privileges associated with those assets.

7.19 To assess the adequacy of the reforms, we selected two other order paper questions answered before the government's reforms were announced, to document and test the process used to respond to order paper questions at that time. We also selected two order paper questions that members of Parliament asked after 2 March 2004, the date on which the government's reforms were to be implemented. Our audit of these two questions tested whether the reforms were working as intended. Our assessment of the responses to Question 37 and the four other order paper questions took us into many government departments, Crown corporations, and agencies. We also examined the process of preparing the [public declaration of declarable assets](#) by the former minister of Finance and how it was monitored by the former Office of the Ethics Counsellor.

7.20 Given the limitations to the government systems, the 10-year period covered by the question, and the policy on records retention, it was not feasible for the government or for us to provide assurance on whether the answer to Order Paper Question 37 was complete. We examined the process that was followed to respond to Question 37 to determine whether the government provided a reasonably complete response to Parliament based on the information that the government possessed and given the inherent limitations of those systems. The audit did not include an assessment of the process used to award contracts to the companies involved. We could not audit the use of sub-contractors because the information is not contained in the government's information systems. Nor did we audit the completeness of the list of holdings in the [blind management agreement](#) of the former minister of Finance because this information relates to privately held companies, including The CSL Group Inc. Auditing such information is outside the mandate of the Auditor General of Canada. (Question 37 referred to a "blind trust." The arrangement is actually called a blind management agreement.)

7.21 Finally, the determination of whether a response is satisfactory or not is a judgment that appropriately rests with members of Parliament. We assessed whether the process followed for the second response to Order Paper Question 37 was sufficient to provide a reasonably complete response to Parliament.

7.22 For more information on the audit, see **About the Audit** at the end of the chapter.

Observations and Recommendations

Challenges in responding to questions

7.23 The government can face a significant number of challenges in responding to order paper questions. These include

- the complexity of an organization as large and diverse as the Government of Canada,
- changes in the structure of government departments over the time period covered by many order paper questions,

Exhibit 7.2 Process used until March 2004 to respond to an order paper question

Member of Parliament—A member of Parliament forwards his or her question to the Clerk of the House. The Clerk, acting for the Speaker, ensures that the question complies with the rules of the House and that the member has no more than four questions on the Order Paper at any one time. The question is given a number and translated. The question appears once on the Notice Paper and then is transferred to the Order Paper.

The Privy Council Office—The Office of the Co-ordinator of Parliamentary Returns, in the Privy Council Office, scans the Notice Paper daily for new questions. The question is analyzed and assigned.

A notice is sent by courier to responsible departments, agencies, and Crown corporations with the question and instructions, if applicable. The Office indicates

- whether it is a ministerial question (one minister responds) or a shared question (more than one minister responds),
- which organization is tasked with responding to the question, and
- whether the member of Parliament requested a response within 45 calendar days.

Departments—A parliamentary returns officer in each organization ensures that the question is actually the responsibility of that organization. If the question is not within its jurisdiction or if other organizations should be added, the officer advises the Office of the Co-ordinator of Parliamentary Returns. If organizations need clarifications, they must call the Office. If there is only one respondent, the department may call the member of Parliament directly.

The returns officer forwards the question to the appropriate branches with instructions and a deadline date. All answers to a question should be prepared as of the date of the question.

After receiving a response from the branches, the returns officer edits the response, sends it for approval to the appropriate head, has it translated, prepares a formal reply, and forwards it to the minister or parliamentary secretary for signature. All background information should accompany the response for briefing. The returns officer sends the response, by hand and by facsimile, to the Office of the Co-ordinator of Parliamentary Returns.

The Privy Council Office—Responses are put together into one document by the Office of the Co-ordinator of Parliamentary Returns. A review may be conducted including consulting previous responses, other respondents' responses, and official publications. Responses that are ready for tabling are sent to the Leader of the Government in the House of Commons or the Parliamentary Secretary and indicates the intended disposition of each question.

Leader of the Government in the House—The Leader reviews the responses and may release the information to the House or request that organizations do additional work.

If the member of Parliament had asked for the response to be read in the House, the Parliamentary Secretary to the Leader of the Government will generally do so. In most instances, however, unanimous consent is needed to have the response read into the record. The response is printed in the *Debates of the House of Commons* as if it had been read. When responses are particularly lengthy, the Parliamentary Secretary will seek unanimous consent to transfer the question into an order for return. The return is then tabled, and the document is given a sessional paper number. The material remains in the custody of the Clerk of the House and is also accessible at the Library of Parliament.

Standing committee—If a question remains unanswered at the end of the 45 days, the matter is referred to the appropriate standing committee. Within five sitting days of such a referral, the chair of the committee convenes a meeting where a department could be called to explain its failure to respond to the question within the specified time. However, if the member who asked the question chooses to rise in the House under "Questions on the Order Paper" and give notice that he or she intends to transfer the question and raise it when the House adjourns, then the order referring the matter to a committee is discharged.

- changes to government information systems and the introduction of new systems,
- the government's policy of retaining records for the current year and the previous six years, and
- departmental information systems designed to meet management's needs and not necessarily structured in a way that supports responses to specific order paper questions.

7.24 As information systems can vary within and between departments, it can be difficult to extract information to respond to members of Parliament's questions. For example, in many cases, it is first necessary to determine which companies the government has done business with. We found that the codes used to identify companies or "vendors" differ within and among departments. The same company can have several different vendor codes to identify it. Accordingly, it is difficult to ensure that all government dealings with companies have been identified and included in the response to a question. The use of a common vendor name and code to identify companies doing business with the government would have facilitated searches for information at a government-wide level and provided useful management information.

Challenges unique to Question 37

7.25 Responding to Order Paper Question 37 introduced further challenges such as the complexity of the corporate structure of the assets contained in the blind management agreement of the former minister of Finance. The list of assets included numerous companies and subsidiaries, many of which had their own subsidiaries and divisions, all with varying degrees of ownership. In addition, there were many changes to these companies and subsidiaries during the 10-year period covered by Question 37. Most companies listed in the blind management agreement were related to marine activities, transportation, and shipbuilding. One company was a consulting firm, and that required that the question be answered by several departments, agencies, and Crown corporations it may have done business with.

7.26 Another challenge in responding to Question 37 relates to the determination of what time period should have been covered by the response. Different interpretations of the starting date that could have been used in preparing the response to the question include a response based on the calendar year (starting with January 1993), the fiscal year (starting with April 1993), or the effective date of the blind management agreement (November 1993 when the former minister of Finance was appointed to cabinet). Similarly it was necessary to establish an end date for the second response to Question 37. Various interpretations that could have been used include an end date based on the time Question 37 was first asked (October 2002), the time Question 37 was re-asked (October 2003), or the date the blind management agreement ceased to exist (June 2002 when the former minister of Finance resigned from cabinet). Each interpretation would have resulted in a different response to the question. The government used the time period of January 1993 to October 2003 in preparing the second response, which was the longest time period possible for the response.

7.27 Exhibit 7.3 lists key events in responding to Question 37 from the date it was first asked until departments, agencies, and Crown corporations received new instructions on how to handle order paper questions.

7.28 As noted in Exhibit 7.3, the member of Parliament for Edmonton Southwest received a revised response to his question in January 2004. The request we received on 4 February 2004 to carry out this audit asked us, among other things, to determine whether the revised response was

satisfactory. In the following section we present our observations with respect to this response.

The second response to Question 37

Contribution—A conditional transfer payment to an individual or organization for a purpose that is agreed to in a contribution agreement. The agreement and the payment are subject to audit.

7.29 As noted in Exhibit 7.3, in October 2003, two members of Parliament raised questions about whether the initial response to Question 37 was complete and accurate. Their questions arose after they had detected inaccuracies in the government's initial response to Question 37.

7.30 In preparing the second response, the Privy Council Office exercised greater care and considerable oversight to ensure that the second response was complete and provided a summary of the information including details from departments, agencies, and Crown corporations. Based on the departmental responses, the Privy Council Office provided information on 420 contracts, and 128 amendments to them, with companies and subsidiaries held in the blind management agreement. The second response to Question 37 also provided information on three [contributions](#).

Exhibit 7.3 Key events in responding to Question 37

24 October 2002	The member of Parliament for Edmonton Southwest tables Question 37.
1 November 2002	The former Ethics Counsellor transmits the 2002 public declaration of declarable assets to the Privy Council Office. The declaration lists the assets that the former Minister of Finance had in a blind management agreement. The information was used by government entities in preparing the first response.
14 February 2003	The Leader of the Government in the House tables the first response.
21 October 2003	The member for Medicine Hat and the member for Fraser Valley question the accuracy of the government's response.
22 October 2003	The Leader of the Government in the House asks that government officials review the response and provide additional information, if necessary.
23 October 2003	The former Ethics Counsellor provides the Privy Council Office with a revised list of companies as of 14 February 2002, which included the dates of their acquisition and disposal.
6 November 2003	The Privy Council Office resubmitted the question to government entities to get a more accurate response.
28 January 2004	The Leader of the Government in the House sends a revised response to the member for Edmonton Southwest and announces reforms for responding to order paper questions.
4 February 2004	An Order-in-Council asks the Auditor General to conduct an audit.
6 February 2004	The Government House Leader tables the second response.
2 March 2004	Departments receive revised instructions for responding to order paper questions in accordance with the announced reforms.

7.31 To prepare their responses, government entities were given a revised list of companies that included declarable assets over the 10-year period. The former Office of the Ethics Counsellor had prepared the declaration and updated it annually based on information provided by the supervisor of the blind management agreement.

Grants, contributions, and contracts were reasonably reported

7.32 On an annual basis the government expends billions of dollars on grants, contributions, and contracts for services in support of the delivery of its programs and services to Canadians. Accordingly, we expected departments, agencies, and Crown corporations to have information systems in place that would allow them to manage programs and to respond to enquiries concerning the expenditure of public monies. In setting this expectation, we recognize that systems are designed to meet management information needs and may not necessarily capture information that is the subject of an order paper question. We also recognize that there are limitations in the ability of departments to respond as a result of the government's policy for retaining records. This policy does not require departments to retain records for more than the current year, plus the previous six years.

7.33 Grants and contributions. We found that the response prepared by Transport Canada did not identify contributions of \$5 million made to the Canarctic Shipping Company Limited, a corporation in which The CSL Group Inc. was a minority shareholder during the period from 1993 to 1994. In preparing its response, the Department indicated that it followed its normal practice of conducting a search of its electronic records for the current year and the previous six years. This practice, which is designed to allow the Department to trace amounts reported in the Public Accounts to the supporting documentation, did not identify any payments for the seven-year period of the search. We noted that the Department's normal practice did not include a review of financial documents such as the public accounts, their estimates, and departmental performance reports. These documents were available for the 10-year period covered by Question 37. We identified the non-disclosed contributions through a review of the departmental estimates and Public Accounts of Canada. In our opinion it would have been reasonable to have searched these publicly available records for the period covered by the order paper question.

7.34 Similarly we found, by searching the Public Accounts of Canada that the National Transportation Agency, now known as the Canadian Transportation Agency, made contributions amounting to \$1 million during the period from 1993 to 1996 to a division of another company listed in the public declaration of declarable assets. These contributions had not been identified and disclosed by the Canadian Transportation Agency. Because the payments were made to the division of the company in question, it was not obvious that it referred to the same company that was listed in the public declaration. We were only able to confirm this was a relevant division and company by confirming it with The CSL Group Inc.

7.35 Contracts for services. In preparing the summary tables for the 420 contracts and 128 amendments in the second response to Question 37, the Privy Council Office inadvertently listed some contracts twice. This duplication resulted in an overstatement of the response by \$5.2 million. Furthermore, based on information received from Fisheries and Oceans Canada, the Privy Council Office listed contract amendments of \$1.4 million that were outside the scope of the question. The total amount of the overstatement with respect to contract payments included in the second response resulting from the above errors was \$6.6 million.

7.36 The effect of the errors—the undisclosed contributions of \$6 million combined with the overstatement of \$6.6 million in contracts paid to companies listed in the public declaration—resulted in a net effect of overstating the second response of \$161.8 million by an amount of \$0.6 million for grants, contributions, and contracts.

A loan guarantee was not included

7.37 Order Paper Question 37 asked the government to provide information on loan guarantees it had provided to companies listed in the blind management agreement. We noted that Transport Canada did not report the fact that the Government of Canada, which was the majority shareholder of Canarctic Shipping Company Limited, had provided a loan guarantee of \$10 million, in June 1993. This guarantee was issued before the start date of the blind management agreement in November 1993. The guarantee was used by the Company to secure a loan from a commercial bank. During this period of time the CSL Group Inc. and several other companies had a minority interest in the company. The CSL Group Inc. disposed of its interest in November 1994. The government made no payments in connection with the loan guarantee.

7.38 In preparing its response, Transport Canada searched its electronic records of transactions for a seven-year period. Because no payments had been made by the government on the loan guarantee, no records were found as a result of this search. We note that information concerning this loan guarantee was disclosed in the Department's estimates and performance reports. In our view the Department should have searched publicly available financial documents for the time period covered by the question.

7.39 Even though there was no money expended by the government for this loan guarantee, this information was within the scope of the member's question and should have been included in Transport Canada's response.

Not all relevant information requested

7.40 In co-ordinating the government's second response to Order Paper Question 37, the Privy Council Office followed a number of long standing practices that resulted in not all relevant information being requested. These practices include

- accepting that Crown corporations may not provide information in their responses on the grounds of commercial sensitivity, and

- not asking shared governance corporations to respond to order paper questions.

Any additional grants, contributions, contracts, and loan guarantees that would have been reported if the Privy Council Office had not followed these practices, cannot be quantified.

7.41 **Canada Post did not provide any information in its response.** We note that of the three Crown corporations listed under Schedule III Part II of the *Financial Administration Act*, two—the Royal Canadian Mint and the Canada Development Investment Corporation—provided the information requested.

7.42 The Canada Post Corporation did not provide any information in its response, indicating that “the contracted services are considered privileged and commercially sensitive and cannot be specified.” We have also noted that the Canada Post Corporation did not provide information in its responses to 37 of the 43 other order paper questions tasked to it in the 37th Parliament, citing the same rationale.

7.43 The government could have required the Canada Post Corporation to respond under two sections of the *Financial Administration Act* (Exhibit 7.4).

Exhibit 7.4 **The government could have required the Canada Post Corporation to respond under the *Financial Administration Act***

89. (1) The Governor in Council may, on the recommendation of the appropriate Minister, give a directive to any parent Crown corporation, if the Governor in Council is of the opinion that it is in the public interest to do so.

(2) Before a directive is given to a parent Crown corporation, the appropriate Minister shall consult the board of directors of the corporation with respect to the content and effect of the directive.

149. (1) A parent Crown corporation shall provide the Treasury Board or the appropriate Minister with such accounts, budgets, returns, statements, documents, records, books, reports or other information as the Board or appropriate Minister may require.

7.44 To date, the government has not asserted its legal power to direct the Canada Post Corporation to provide information in response to Question 37 or other order paper questions. Privy Council Office officials indicated that the Canada Post Corporation has used the “commercial sensitivity of information” as a way of not fully responding to order paper questions for a long time. They also indicated that it was a long standing practice of the House to not question the use of commercial sensitivity as a valid reason not to provide certain type of information. In tasking questions and dealing with proposed answers, the Privy Council Office has indicated that it is guided by the practices of the House and the speakers’ rulings. For that reason, the Canada Post Corporation’s response to Question 37, given that it was consistent with established practice, was found to be acceptable by the Privy Council Office.

7.45 We noted that the Privy Council Office has not clarified under what circumstances the government would exercise its authority to insist that a Crown corporation provide information in its response. In our opinion when the government determines it will not require a Crown corporation to provide the requested information, the nature of the commercial sensitivity should be disclosed.

7.46 The Canadian Wheat Board, like the Canada Post Corporation, indicated in its response that the information requested was commercially sensitive. However, in its response, the Board did provide supplementary information on the number of tonnes of wheat shipped, the approximate shipping costs per tonne, and the relative share of shipping services that The CSL Group Inc. had provided for the Canadian Wheat Board. With this information the Privy Council Office was able to provide the member of Parliament with an estimate of amounts paid to the holdings of The CSL Group Inc.

Shared governance corporation—An entity without share capital for which Canada, either directly or through a Crown corporation, has a right to appoint or nominate one or more members to its board of directors.

7.47 Port authorities were not asked to respond. Based on a long standing practice adopted by the Privy Council Office, it did not ask 18 port authorities to respond in the second round of Question 37 because they are **shared governance corporations**. Privy Council Office officials indicated that unless the member of Parliament specifically requests information from shared governance corporations, it does not ask them to respond to order paper questions. We noted that Privy Council Office has indicated that it does not consider these organizations part of government, based on the legal interpretation of the term “agency of government.” In our opinion, based on the review of the enabling legislation and on the fact the government itself treats these corporations as part of government in the Public Accounts of Canada and in other areas, the port authorities are agencies of the government, and therefore, they should have been tasked with responding to the question.

7.48 We have therefore concluded that, except for the effect of the above noted practices, the process that the Privy Council Office used was sufficient for the response to Order Paper Question 37 provided on 28 January 2004 to be reasonably complete with respect to grants, contributions, and contracts from the government. We cannot quantify the effect on the government’s response of the practice of not seeking information from all relevant organizations. In addition, the response did not include a loan guarantee of \$10 million.

Adequacy of reforms

7.49 As a result of the problems relating to the first response to Question 37, the government announced reforms for dealing with order paper questions. The reforms appeared at the same time as the second response to Question 37 was released. The departments received the new instructions on 2 March 2004. As part of this audit, we were asked to assess whether the proposed reforms would result in adequate information for parliamentarians. To carry out this assessment, we

- analyzed underlying reasons why the first response to Question 37 was incomplete,

- audited four other order paper questions to compare the process before and after the reforms, and
- assessed the adequacy of the reforms announced.

The first response to Question 37 demonstrated a need for reforms

7.50 In the months following the tabling of the first response, its accuracy was questioned. We analyzed the first response in order to be able to comment on whether the reforms announced by the government address the underlying reasons why the first response was incomplete.

7.51 We noted that the Privy Council Office did not consider the changes to the corporate structure of The CSL Group Inc. when preparing instructions for the departments. The Privy Council Office used the list of assets contained in the 2002 public declaration rather than a list of all companies that had been added and/or removed over the 10-year period covered by Question 37. As a result, departments and agencies searched their information systems for the names of only 50 companies rather than the names of all 84 companies. The effect of this was to understate the amount of the contracts in the first response by \$6.3 million.

7.52 For the first response, only 10 of the departments and 16 agencies and Crown corporations were asked to provide a response to Question 37. The actual assignment of the question to the entities was based on the Privy Council Office's assessment of whether or not that particular entity might have had dealings with companies listed in the public declaration provided by the former Office of the Ethics Counsellor.

7.53 Another factor that contributed to an incomplete response was the unclear instructions issued by the Privy Council Office to departments. Public Works and Government Services Canada had prepared information on all contracts that it had entered into on behalf of other departments. When asking the Privy Council Office for clarification, Public Works and Government Services Canada was instructed to provide information only on the contracts that were issued for its own departmental requirements. Accordingly, Public Works and Government Services Canada's response did not include contracts amounting to \$36.7 million for the contracts it entered into on behalf of other government departments. The evidence that we have seen indicates that Public Works and Government Services Canada's interpretation of the instructions was reasonable.

7.54 We found that, when submitting its response to the Privy Council Office, one department had interpreted its instructions in the same way that Public Works and Government Services Canada had. It indicated that it had included only contracts that it had issued directly and had excluded contracts that Public Works and Government Services Canada had issued on its behalf. A careful review of these responses should have caused the Privy Council Office to question the completeness of the responses and to initiate corrective action before the responses were tabled in the House of Commons.

7.55 We also examined the process for completing the public declaration of declarable assets. The former Office of the Ethics Counsellor used incomplete information to prepare the public declaration of declarable assets. The CSL Group Inc. compiled a list of companies and forwarded it to the supervisor of the blind management agreement who has indicated that he relied on the information provided to him by The CSL Group Inc. He then submitted the list to the former Ethics Counsellor, who, in turn, used it to prepare the public declaration. We found, and the government acknowledges, that the 2002 declaration had omitted one company in which The CSL Group Inc. held a minority interest. This company had received contracts from the federal government. The effect of this omission was to understate the amount of the contracts in the first response by \$20.4 million. We also noted that another company was omitted from the 2002 public declaration. That company had not received any grants, contracts, or loan guarantees from the government.

7.56 We noted that the process for completing the public declaration of declarable assets did not require either the corporate officers of the companies managed by this agreement or the supervisor of the agreement to certify that the information that they provided to the former Office of the Ethics Counsellor was, indeed, accurate and complete. There should be a requirement for the supervisor of a blind management agreement and corporate officers of the companies managed by such an agreement to certify the completeness, integrity, and accuracy of the information contained in the public declaration of declarable assets.

7.57 Since the initial response to Question 37, the House of Commons amended the *Parliament of Canada Act* to provide for the appointment of a new Ethics Commissioner, who replaces the former Ethics Counsellor.

7.58 Difference between first and second responses. The first response to Question 37 was tabled on 14 February 2003 and indicated that an amount of \$137,250 was received by companies listed in the public declaration of the former minister of Finance. The second response, which was tabled on 6 February 2004, indicated that \$161,811,926 was received by companies on a revised list that included declarable assets over the 10-year period. The difference between the first and the second response is explained in Exhibit 7.5.

Common deficiencies in the process to respond to order paper questions

7.59 To assess whether the reforms would result in accurate information for parliamentarians we audited four other written order paper questions shown in Exhibit 7.6 to compare the process before and after the reforms. Two questions pre-dated 2 March 2004, that is, when departments first received the new instructions, and two arose after that date. Our criteria for choosing each of the four questions were as follows:

- the question required a response from several entities, and
- the question was financial in nature.

Exhibit 7.5 Difference between the first response and the second response (\$ millions)

First response tabled on 14 February 2003	
Included contracts with companies held by The CSL Group Inc. between April 1993 and October 2002 (used fiscal year)	0.1
Amounts not taken into account in the first response	
Different time period used for the second response: <ul style="list-style-type: none"> • added one trimester (January 1993 to March 1993), which resulted in an additional amount of \$62.1 million • added one additional year (November 2002 to October 2003), which resulted in an additional amount of \$25.2 million 	87.3
Confusion between the Privy Council Office and Public Works and Government Services Canada about including contracts entered into on behalf of other departments	36.7
Contracts given to one of two companies that had been omitted by error from the 2002 public declaration of declarable assets	20.4
Contracts given to companies that had been included in the holdings of The CSL Group Inc. at some time between 1993 and 2002, but that had been disposed of, before the 2002 public declaration of assets was prepared	6.3
Contracts awarded using division names instead of company names and therefore, not searched by departments.	4.4
Privy Council Office listed contracts twice and included one contract that was awarded outside the scope of the question	6.6
Second response tabled 6 February 2004	\$161.8

About 30 percent of all written order paper questions in the 37th Parliament required a response from more than one entity; of those, over 50 percent were financial in nature.

7.60 These criteria enabled us to compare the responses to the questions to assess whether the reforms announced are sufficient (Exhibit 7.7). We recognize that the reforms are new and have not yet been fully implemented.

7.61 The revised instructions have not yet translated into more complete responses. In examining the four questions in Exhibit 7.6, we found that the responses to these questions showed continuing deficiencies. All four were incomplete, and we have concluded that the revised instructions have not dealt with the underlying causes of the incomplete responses. These common deficiencies in the process used to respond to order paper questions are summarized in Exhibit 7.8.

7.62 Key terms not defined by the Privy Council Office. When key terms are not defined, this may create confusion that may result in members of Parliament not always getting the information that they requested. All four questions requested financial information about funding from the government. Some members of Parliament may not be aware that the Privy

Council Office interprets the term “government” to mean only departments and agencies, and that it does not include Crown corporations. Similarly, asking for information by fiscal year or calendar year can result in significantly different answers. As well, the term “contract” may be interpreted differently. A contract usually includes the acquisition of goods and services, but could be extended to include goods acquired with acquisition cards.

7.63 The initial and subsequent responses to Question 37 illustrate that, by not specifying whether information is being requested by fiscal or calendar year, the response can vary significantly. The initial response to Question 37 provided information on the basis of the government’s fiscal year: the second response provided it on a calendar year basis. This resulted in a difference of approximately \$62.1 million (see Exhibit 7.5).

Exhibit 7.6 Other order paper questions we audited

Tabled before the 2 March 2004 reforms

Question 73 (1st Session)

“With regard to grants, contributions and/or loan guarantees made either by a Crown corporation, a department and/or an agency of the government to General Motors in Sainte-Thérèse, Quebec, for each fiscal year since 1965: (a) how many such grants, contributions and/or loan guarantees were made; (b) what was the source and value of each grant, contribution and/or loan guarantee; (c) on what dates were they issued; (d) what was the reason such assistance was provided; and (e) what is the present status of the grant, contribution and/or loan guarantee (whether repaid, partially paid, or unpaid, including the value of the repayment)?”

Question 186 (2nd Session)

“Concerning contracts: (a) what is the total value of contracts made annually by the government since 1993 broken down by province and territory; (b) what is the total value of contracts made annually by department, agency, and/or crown corporation since 1993; (c) what are the top ten contracts in value for each year since 1993 (please provide the name of the recipient, location, and the value of the contract); (d) for the last five years, what are the top five lawsuits on an annual basis against the government over contractual disputes and what was each dispute about; (e) for the last five years, what are the top ten contracts awarded to companies outside of Canada and what were those contracts for?”

Tabled after the 2 March 2004 reforms

Question 56 (3rd Session)

“With regard to the Southern Chiefs’ Organization in Manitoba, how much and what type of funding has the government provided, for each fiscal year since the organization’s inception?”

Question 78 (3rd Session)

“What funds, grants, loans and loan guarantees has the federal government issued in the constituency of Dartmouth for each of the fiscal years 1999-2000, 2000-2001, 2001-2002, 2002-2003; and, in each case where applicable: (a) what was the department or agency responsible, (b) what was the program under which the payment was made, (c) what were the names of the recipients, groups or organizations, (d) what was the monetary value of the payment made, and (e) what was the percentage of program funding covered by the payment received?”

Exhibit 7.7 Changes to the response process for order paper questions after the reforms

Before the reforms	After the reforms
Privy Council Office	
Practice of designating a lead department to review government-wide response is not in place.	If additional co-ordination is required, the Privy Council Office designates a lead department to review and validate responses to complex or horizontal questions. If no department has been designated as lead department, then the Privy Council Office ensures co-ordination.
Departments, agencies, and Crown corporations	
Departments do not have a designated signing officer.	Departments appoint a designated senior official to sign off on responses.
There is no practice in place for a lead department.	Lead department is designated for complex or horizontal questions. Lead department reviews government-wide responses.
There is no statement of completeness that indicates if response is complete and accurate.	Designated senior official signs a statement of completeness that certifies response is complete and accurate. The statement of completeness briefly describes how the research was conducted and the steps taken to ensure that the response is complete and accurate.
There is no ministerial signature for “nil” responses.	The minister’s or parliamentary secretary’s signature is required for all responses including nil responses. They should sign after the statement of completeness has been signed by the designated senior official.
The parliamentary returns officer sends response to the Privy Council Office in the required time.	The parliamentary returns officer sends response and statement of completeness to the Privy Council Office in the required time.

Exhibit 7.8 Common deficiencies in responses to the four written order paper questions—Before and after the reforms

	Before the reforms		After the reforms	
	Question 73	Question 186	Question 56	Question 78
Key terms not defined		●	●	●
Question not properly assigned to all departments, agencies, and Crown corporations			●	
Lack of appropriate level of care by departments in searching for information	●	●		●
Failure of organizations to provide requested information in their responses		●	●	●

7.64 Incomplete tasking of the question by the Privy Council Office.

Incomplete tasking occurs when the Privy Council Office does not request a response from a government organization that should have been “tasked” or included on the list of government entities asked to respond to an order paper question.

7.65 The Privy Council Office tasked some departments to respond to Question 56. Because the question dealt with funding for an Aboriginal organization, we would have expected Indian and Northern Affairs Canada to have been designated as the lead department. The announced reforms allow the Privy Council Office to designate a lead department to review responses to complex questions or questions with horizontal issues. However, the Privy Council Office did not task Indian and Northern Affairs Canada with the role of a lead department.

7.66 Order Paper Question 56 asks how much and what type of funding the “government” provided to the Southern Chiefs’ Organization. As previously mentioned, the Privy Council Office interprets the word “government” as excluding Crown corporations. In our opinion, one Crown corporation in particular—Canada Mortgage and Housing Corporation—should have been asked to respond to Question 56. It would have been reasonable for the Privy Council Office to have included the Canada Mortgage and Housing Corporation because it provides funding to First Nations organizations for capacity development and other purposes. When we spoke to the Canada Mortgage and Housing Corporation, it agreed that it would have been reasonable for Canada Mortgage and Housing Corporation to have been asked to respond to Question 56. It also indicated that it had not provided any funding to the Southern Chiefs’ Organization.

7.67 In our view, the Privy Council Office’s failure to task the Canada Mortgage and Housing Corporation illustrates the lack of a broad, corporate understanding of which organizations might reasonably be expected to operate programs in specific areas. Within an organization the size and the complexity of the government, this is a difficult task. Nevertheless, we believe that the Privy Council Office is not exercising an appropriate level of care in identifying all relevant government organizations to ensure that responses to questions are complete.

7.68 Lack of appropriate level of care by some departments in searching for information. Sometimes entities that are asked to respond to an order paper question do not rigorously search all relevant data sources when developing their answers. This can lead to omissions.

7.69 The response to Question 73 submitted in 2001 illustrated this weakness. Human Resources Development Canada was one of the entities asked to respond to Question 73 (effective December 2003 the Department was divided into two departments—Human Resources and Skills Development Canada and Social Development Canada). The Department indicated that it had not contributed any funding to a General Motors plant in Ste-Thérèse, Québec, since 1965. By searching the Public Accounts of Canada, we found that Human Resources Development Canada had not

included in its response over \$4 million paid between 1981 and 1992 by Employment and Immigration Canada, one of the departments amalgamated to form Human Resources Development Canada in 1996.

7.70 Human Resources Development Canada searched its records for the period covered by the government's record retention policy. For the period outside the record retention policy, Human Resources and Development Canada did not use publicly available information in its response to Question 73.

7.71 We noted in our audit that for order paper questions that are financial in nature, departments and agencies did not always search information that is publicly available, such as the Public Accounts of Canada and estimates. These documents represent a good source of information, and departments and agencies need to refer to them when preparing responses.

7.72 Failure of organizations to provide the requested information in their responses. The response to Question 78 illustrates the failure of some departments and agencies to provide any information in their responses to order paper questions that require very specific information. Order Paper Question 78 is significant because it is typical of the questions that many members of Parliament ask. Such questions enable them to find out what government funding has flowed to their constituencies. Generally, departments do not keep records of their expenditures by individual constituency. We note that many departments did not provide any information in their responses to Question 78. They indicated that they did not compile data on a riding-by-riding basis.

7.73 However, in an effort to respond to Question 78, one department tasked with answering the question traced their funds by using the postal codes of recipients to whom they had sent cheques. These postal codes correlate closely with the boundaries of ridings. This technique may not provide a perfect answer because the mailing address of the recipient may not always indicate the location where the actual work was completed. However, using postal codes represents an attempt on the part of the department to be responsive to the member of Parliament's need for information. In our view, the department that did respond made an effort to provide an appropriate level of service to members of Parliament.

7.74 The response to Question 186, which requested information on government-contracting activity, also illustrates an incomplete response because not all departments, agencies, and Crown corporations responded to all parts of the question. The significant information that was generally missing involved the section that referred to the breakdown of the value of contracts by province. We also noted that because of a clerical error, the response of one agency that was provided to the Privy Council Office, was not included in the response tabled in the House. As with other responses examined, the response for Question 186 did not contain a summary that consolidated the individual responses of all departments. The task of consolidating more than 800 pages of information was left to the member of Parliament who asked the question.

7.75 The Privy Council Office’s revised instructions represent a first step toward improving responses to questions. The revised instructions from the Privy Council Office to departments, agencies, and Crown corporations largely focussed on having a stronger process for reviewing responses at the departmental level and requiring sign-offs or certifications about the completeness and accuracy of departments’ responses. For example, the Privy Council Office may designate a lead department to review and validate responses to complex questions involving a number of government organizations. We have been advised by officials of the Privy Council Office that this initiative reflects their historic role of co-ordinating responses to questions and the need for the Privy Council Office to present to members of Parliament data that has been received from departments and agencies in an unmodified form. The new instructions also require a senior official of each organization that responds to a question to sign a “statement of completeness.” The statement certifies that the information in the response is complete and accurate. The statement also briefly describes the scope of the research that the organization carried out in developing the response. In signing the statement of completeness, the senior official certifies that staff have thoroughly searched all relevant records. Ultimately, a minister or parliamentary secretary must also sign off on all departmental responses (including nil responses).

7.76 In our audit, we assessed the adequacy of the reforms announced. Designating a lead department to review responses to complex multi-departmental questions could be applicable but only in a limited number of circumstances. The staff of a department may not have sufficient knowledge about a subject area in which several other departments are involved. We found that the reforms do not indicate what the expectations of the lead department are and what level of responsibility the Privy Council Office has delegated to the lead department. If the Privy Council Office designates a lead department, the Office will need to ensure that the department has the capacity to discharge this responsibility and that it has sufficient government or program-wide knowledge to exercise an appropriate level of care in reviewing the responses before they are tabled.

7.77 In the revised instructions, the Privy Council Office provided departments, agencies, and Crown corporations with an example of a statement of completeness that should be prepared for each response to an order paper question. The statement, which includes a description of the research carried out, states “As designated senior official responsible for providing a response to parliamentary question no. XX for (Department), I attest that, based on a thorough review of relevant records, the information attached is accurate and complete.” The statement accompanies the response when it is sent to the appropriate minister or parliamentary secretary for signature. Once the reply is signed, both the response and the statement are sent to the Privy Council Office. Before the Privy Council Office can carry out its quality control review of the responses, it must receive all the statements of completeness. We noted that in the two responses that we audited for the period after the reforms were announced, about 13 percent of

the statements of completeness that the Privy Council Office received did not describe the scope of work that the department carried out to develop its response to the order paper question.

7.78 The intent of the statements is to establish who will be held accountable for the response. The person attesting to the information will implicitly be attesting, for example, to

- the adequacy of the design of internal controls around information systems used to develop the response,
- the effectiveness of the controls throughout the period covered by the question, and
- the integrity and completeness of the information contained in the systems.

Each statement should also clearly state any limitations to the work completed in developing a response. The overall level of expectation resulting from the attestation of information will entail additional demands on departments in responding to questions. It may also require them to commit additional resources to the process.

7.79 We note that the reforms were only recently implemented and that the Privy Council Office is still in the process of getting organized to fulfill its responsibilities.

Strengthening the process for responding

7.80 When the government issued its revised instructions for responding to order paper questions, it recognized that it might have to take further steps to reform the process. Accordingly, our Office was asked to recommend any additional steps that might be needed to ensure that questions receive accurate and complete answers.

7.81 We compared and analyzed the Canadian process for responding to written order paper questions with the process used in the United Kingdom (Exhibit 7.9). It is important to note that written questions in the United Kingdom are generally one sentence in length and seek general information from only one government department or agency.

7.82 In our view, if the government is to improve the quality of responses to order paper questions, it will need to strengthen more than those measures provided for in the announced reforms. The additional measures needed are to

- clarify the terminology used in the question to ensure more relevant, useful responses;
- provide a member of Parliament with contextual information and indicate any limitations in preparing the response;
- obtain full responses from all relevant Crown corporations;
- strengthen departmental search procedures;
- present the responses in an aggregated format that is more informative to members of Parliament; and
- update the Privy Council Office's process for tracking questions and responses.

Exhibit 7.9 Process for responding to written order paper questions in Canada and the United Kingdom—A comparison

Process	Canada	United Kingdom
Compliance with parliamentary procedures	The Clerk of the House ensures that questions are placed on the Notice Paper, according to the rules of the House.	The Table Office receives questions. The clerks advise on how to have them conform with the rules of the House.
Questions are assigned to entities	The Office of the Co-ordinator of Parliamentary Returns in Privy Council Office assigns questions to entities.	The Table Office in Parliament assigns the questions (but questions may be transferred by ministers from one government department to another).
Guidance is given to entities	The Privy Council Office offers clarifications if a department asks.	The Cabinet Office offers advice to departments on multi-departmental questions, to be used at the department's discretion.
Certification of responses and scope of work	Since the reforms, departments send a statement of completeness describing work done to the Privy Council Office. A senior official signs the statement certifying that it is complete and accurate. The Minister or parliamentary secretary must sign responses including nil responses.	Senior official, in charge of program or activity, is responsible for completeness and accuracy of responses. Responses often include a good description of work performed to respond to question.
Responses tabled	Parliamentary secretary of the Leader of the Government in the House tables responses in the House.	Responses are delivered to members of Parliament with copies to the Library, the Table Office, the Official Report, and the Press Gallery. They are printed within days in Hansard.
No replies	A department, agency, or Crown corporation can indicate that it cannot answer the question.	Departments can decline to respond to information, citing an exemption in the Code of Practice on Access to Government Information or disproportionate cost.
Recourse if members of Parliament are not satisfied	If a questions remains unanswered at the end of 45 days (if requested) it is referred to the relevant standing committee. The subject matter can also be raised in the adjournment proceedings. No provisions for Speaker to review responses. However, members of Parliament can raise questions of privilege regarding accuracy of responses. Speaker has ruled that it is not his role to assess accuracy of answer.	Members of Parliament can raise concerns in the House: point of order, adjournment debate, or Early Day Motion. They can contact the Table Office, Procedure Committee, or the Public Administration Select Committee, which reports on Ministerial Accountability and Parliamentary Questions. Some members have complained to the Parliament Ombudsman after being refused an answer by reference to an exemption in the Code of Practice on Access to Government Information.
Procedures for incorrect answer	It is possible to supply supplementary replies to questions already answered.	If a written answer contains factually inaccurate information, ministers may send a second written answer "pursuant" to the first, correcting the original answer. Departments must clear such pursuant answers with the Table Office in advance.
Limit of questions that a member of Parliament can ask	Four questions on the Order Paper at any given time.	No limit.

Exhibit 7.9 Process for responding to written order paper questions in Canada and the United Kingdom—A comparison (cont'd)

Process	Canada	United Kingdom
Time limit to respond	Members of Parliament can request a response in 45 calendar days.	“Named Day” questions must receive response by the date specified by the member of Parliament. There is no parliamentary rule stating that ordinary questions have to be answered by a certain date. The convention is that responses can be expected in about a working week.
Number of order paper questions	1st Session (29 January 2001 to 16 September 2002): 192 questions 2nd Session (30 September 2002 to 12 November 2003): 296 questions 3rd Session (2 February 2004 to 23 May 2004): 98 questions	6 December 2000 to 11 May 2001: 16,417 questions 13 June 2001 to 7 November 2002: 72,905 questions 13 November 2002 to 20 November 2003: 55,436 questions

Common understanding of terminology needed

7.83 Members of Parliament who submit questions must adhere to a number of rules and guidelines, as already noted. In 1995, the Speaker indicated that a member of Parliament who submits a question is responsible for ensuring “. . . that it is formulated carefully enough to elicit the precise information sought.” To do this we believe members of Parliament need additional clarification to help them frame questions in a way that will produce a more accurate response. Examples of terminology that require clarification include

- Key terms such as “government” (including definitions of a department, an agency, a Crown corporation, a mixed corporation, and a shared governance corporation), “funds,” and “money” so that members of Parliament can judge how the Privy Council Office will interpret their questions and determine the information to include in the responses.
- The distinction between calendar and fiscal years (as we have noted, using a calendar year can produce an answer very different from that developed using a fiscal year).
- The difference between information on the “value of contracts awarded”, and on the “amount actually paid out under the contracts.”

7.84 A glossary of terms would result in the members of Parliament being able to formulate clearer questions that would be less open to misinterpretation. The Privy Council Office could also use this glossary of terms in asking organizations to respond and in preparing instructions for departments, agencies, and Crown corporations to help them interpret the question. This would result in less confusion and in responses providing the precise information sought.

7.85 Recommendation. The Clerk of the Privy Council, in concert with the Clerk of the House, should develop and distribute a glossary of terms for use by members of Parliament in writing their order paper questions.

The government's response. The government agrees with the recommendation and is working with the Clerk of the House to define a list of commonly used terms. The Clerk of the House will determine the most appropriate method to bring these definitions to the attention of the House.

More contextual information would improve the quality of responses

7.86 We noted that responses to order paper questions do not contain certain information that would make them more useful to members of Parliament. Currently, the Privy Council Office does not provide members of Parliament with the same instructions it gives to the departments to prepare responses. These instructions cover key areas such as which department or agency was tasked with responding to the question and any limitations encountered by the government in developing a response. Similarly, the Privy Council Office should provide the members of Parliament with information on the scope of work carried out by each department preparing a response. If members of Parliament had access to this information, they could detect any omissions or misinterpretations relating to their questions. Reducing the potential for omissions or misinterpretation should lead to more complete responses that better meet the needs of parliamentarians.

7.87 Recommendation. To help members of Parliament assess whether a response to their question is satisfactory, the Privy Council Office should provide an appendix to the response showing the instructions that it sent to departments and the scope of work departments did to answer the question.

The government's response. The government agrees with this recommendation and is consulting the Office of the Speaker of the House of Commons to determine what the appropriate way is to include the appendix of instructions that were provided to departments in the overall government response.

Responses would be more complete with information from relevant Crown corporations

7.88 As noted earlier, the Privy Council Office has not clarified under what circumstances the government would exercise its authority to require that a Crown corporation to provide relevant information in its response to order paper questions.

7.89 Recommendation. The Privy Council Office should clarify circumstances for which the government will compel Crown corporations to provide the information sought in their responses to order paper questions.

The government's response. The government agrees with this recommendation and will revise policies to specify, under what circumstances, Crown corporations can or should be compelled to provide information of a commercially sensitive nature in response to order paper questions.

Strengthening departmental search procedures

7.90 As previously noted, there is a need for departments to strengthen their procedures for developing a response to order paper questions that are

financial in nature. We noted that departments search their electronic information systems for the period covered by the government's record retention policy. However, we have noted instances where departments have not included in their procedures a review of key departmental financial reports, which contained relevant information.

7.91 Recommendation. For order paper questions that are financial in nature, departments' procedures for developing responses should include a search of existing, publicly available financial documents for relevant information.

The government's response. The government agrees with this recommendation, and instructions have been sent to all departments, agencies and Crown corporations to ensure this measure is in place by January 2005.

Presenting responses in an aggregated format that is more informative to members of Parliament

7.92 For complex order paper questions that seek financial information, the responses can also be complex. Question 37 is a good illustration of that. We believe there is a role for the Privy Council Office to ensure that the designated lead department aggregates the data prepared by departments before it is tabled. In our opinion, this would better serve members of Parliament.

7.93 Recommendation. For order paper questions that seek financial information, the Privy Council Office should ensure that the designated lead department aggregates the data provided by departments before tabling the response.

The government's response. The government agrees with this recommendation. The designated lead department for each order paper question will be formally asked to aggregate, to the extent possible, complex financial data prior to the information being tabled in the House.

The process for tracking questions and responses is outdated

7.94 The current system that the Privy Council Office uses to track questions and responses is largely manual. It relies on faxes and courier services to move information between its office and the departments that are developing responses to order paper questions. The existing system causes needless delays and does not make use of current technologies that could speed up the process. The Privy Council Office uses a manual process to track the status of responses to questions. It is based on phone calls and faxes. While this process does provide information on the status of a response, it is slow and cumbersome and leaves less time to develop the response.

7.95 Recommendation. The Privy Council Office should automate the tracking of responses to order paper questions to improve the efficiency of the process.

The government's response. The Privy Council Office agrees with this recommendation and has taken steps to modernize its processes and systems. A technical analysis has been completed and a scope of work developed to implement proposed changes. The Privy Council Office will complete its project plan by January 2005.

A stronger process is needed for the Ethics Commissioner to complete the public declaration of declarable assets

7.96 We have noted the process for creating the public declaration of declarable assets does not require anyone to certify that the information is accurate and complete. In our opinion, the supervisor of a blind management agreement should be required to provide such a certification.

7.97 Recommendation. The Ethics Commissioner should require the supervisor of a blind management agreement to certify that the information used to produce the public declaration of declarable assets is complete and accurate.

The government's response. The government agrees with this recommendation and has addressed it. On 7 October 2004 the Prime Minister issued a revised Conflict of Interest and Post-Employment Code for Public Office Holders. Subsection 7(6) has been added to require that public office holders who have established either trusts or management agreements must require their trustees or managers to provide a written annual report to the Ethics Commissioner that verifies as to the accuracy, the nature and market value of the subject property, a reconciliation at the subject property, the net income of the subject property in the preceding year, and the fees of the trustees or managers, if any. In addition, the "Schedule" to the Code, which sets out more detailed provisions regarding trusts and management agreements, has been revised to make reference to this obligation.

The Ethics Commissioner's response. The Office of the Ethics Commissioner agrees with the recommendation.

Sustained effort needed

7.98 The importance of questions to ministers in the parliamentary system cannot be overemphasized. Sustained effort is needed to ensure that the reforms to the process for responding to order paper questions that the government announced in January 2004 are fully implemented. It is also essential that the responsibility be assigned for ensuring that the recommendations be implemented. We believe that this could be a role for the internal audit unit of the Privy Council Office. The internal auditors are in a position to assess the extent to which the improvements have led to providing members of Parliament with the information they need to hold the government accountable.

7.99 Recommendation. The internal audit unit at the Privy Council Office should conduct an audit and report on whether the reforms announced by the government and the recommendations made in this report are fully implemented.

The government’s response. The Privy Council Office agrees with this recommendation and will ensure that an audit on the implementation of the reforms is completed.

Conclusion

7.100 The right of a member of Parliament to seek information from ministers and to hold them accountable are two fundamental principles of parliamentary government. The audit work that we have performed on five order paper questions has led us to conclude that, other than for the second response to Question 37, a greater level of care is needed in responding to order paper questions. For members of Parliament to effectively discharge their responsibilities, it is essential that they receive full and complete responses to their questions.

7.101 In Parliamentary tradition, the matter of whether the answer provided by the government to a member’s question is satisfactory is a parliamentary judgment that only members and ultimately the House can make. In preparing the second response to Order Paper Question 37, the Privy Council Office exercised considerable oversight to ensure that the responses from departments were complete. In our opinion, the process, except for the effect of the practice noted below, was sufficient for the response to Order Paper Question 37 on 28 January 2004 to be reasonably complete with respect to grants, contributions, and contracts from the government. The effect of the practice of not tasking all organizations to provide a response on amounts of grants, contributions, contracts, and loan guarantees with holdings listed in the public declaration cannot be quantified. While in our opinion port authorities should have been tasked with responding to Question 37, the Privy Council Office does not, based on their legal interpretation of the term “agency of government”, consider port authorities to be part of government. The response also did not include a loan guarantee of \$10 million.

7.102 We recognize that the government has taken positive steps to strengthen the process for preparing responses to order paper questions. Our audit has identified further actions that the government should take.

7.103 The government should address the recommendations set out in this report to strengthen the process that supports the fundamental cornerstone of our parliamentary system of government—the right of members of Parliament to receive the necessary information to hold ministers and the government to account.

The government’s overall response. The government is very pleased to note that the Auditor General has found

- the response to Order Paper Question 37 that was tabled in the House of Commons on 28 January 2004 is reasonably complete,
- the timeframe selected to respond to Question 37 is the most inclusive possible, and

- great care and considerable oversight was exercised to ensure the response to Question 37 was complete and that reforms to the order paper question response process that were put in place in January 2004 are positive initiatives.

The Auditor General noted that the government response did not include the government's guarantee of a \$10 million loan by a commercial bank to Canarctic Shipping Limited, a company in which the Government of Canada was the majority shareholder and in which Canada Steamship Lines (CSL) held a minority interest as part of a consortium of shipping companies. It is further noted that the Government of Canada was not required to make any payments in connection with this guarantee. With respect to this transaction, the government would reinforce the following points:

- The loan guarantee was awarded in June 1993 by the previous government and thus prior to when the former minister of Finance first entered into the Cabinet, therefore before the establishment of any blind management agreement.
- The loan guarantee was operational from 1993 to 1996 when the Government of Canada sold its interests in Canarctic Shipping Limited. Since the government was not required to make payments in connection with the loan guarantee, and since The CSL Group Inc. divested itself of its minority share in 1994, the value of the loan guarantee to CSL, if it could be calculated, was negligible.

The Government of Canada fully accepts all of the recommendations included in Chapter 7 of the Auditor General's Report and has implemented or is implementing all of them.

The Government of Canada did not ask the 18 Canada Port Authorities, which do not depend on taxes for revenue and do not, as a part of their normal business, provide funding to shipping companies, to respond to Question 37. The Auditor General's Report notes that the port authorities should have been asked to respond, but indicates there is a difference of legal interpretation on this issue (that is, the Government of Canada is of the view that the phrase "agency of government" as used in the context of Question 37 does not include Canada Port Authorities.) This issue will be addressed as part of the Government of Canada's commitment to implement the first recommendation.

About the Audit

Objectives

The audit objectives were to determine whether

- the process followed for the second response to Order Paper Question 37 was sufficient to provide a reasonably complete response to Parliament, based on the information that the government possessed and given the inherent limitations of those systems;
- the proposed reforms to the handling of order paper questions are sufficient to ensure complete information is provided to parliamentarians and are applied consistently; and
- other steps could be undertaken to better the process to respond to written questions.

Scope and approach

The focus of our audit was to assess whether the government's response to Question 37 provided on 28 January 2004 was complete. To assess the adequacy of the reforms announced by the government we selected two other order paper questions answered before the government's reforms were announced to document and test the process followed at that time. We also selected two order paper questions that members of Parliament asked after 2 March 2004, the date on which the government's reforms were to be implemented, to test whether the reforms were working as intended.

We performed detailed audit procedures as necessary in the following departments: Public Works and Government Services Canada (including Consulting and Audit Canada), National Defence, Transport Canada, Fisheries and Oceans Canada, Atlantic Canada Opportunities Agency, Industry Canada, the Canadian Space Agency, and the Canada Economic Development Agency for the Quebec Regions.

We performed audit procedures in selected Crown corporations aimed at detecting possible additional transactions.

We examined the process leading to the public declaration of assets of the former Minister of Finance and how it was monitored by the previous Office of the Ethics Counsellor. We did not audit the completeness of the list of holdings in the blind management agreement of the former minister of Finance because this information related to privately held companies. Auditing such information is outside the mandate of the Auditor General of Canada.

Given the limitations to the government systems, the period covered by the question (10 years) and the policy on records retention, it was not feasible for the government or for us to provide an assurance about whether the answer to Order Paper Question 37 was complete. We examined the process that was followed to respond to Question 37 to determine whether the government provided a reasonably complete response to Parliament based on the information that the government possessed and given the inherent limitations of those systems. The audit did not include the contracting process followed for the contracts awarded to the holdings of the blind management agreement; nor did it include the use of sub-contracts.

Criteria

We expected the Privy Council Office to

- assess and mitigate the risks associated with responding to Question 37;
- ensure that order paper questions were properly assigned to each department, agency and Crown corporation, in a timely manner;
- provide instructions to assist departments, agencies, and Crown corporations interpret order paper questions in a consistent manner; and
- exercise due diligence in analysing the responses to order paper questions to ensure their completeness, accuracy, and reasonableness in the circumstance.

We expected the departments, agencies, and Crown corporations to

- have reasonable procedures and systems in place that produce reliable, accurate, and timely information that allows them to respond to order paper questions;
- have substantiated the responses to order paper questions with complete, accurate, and timely information;
- have clearly defined the responsibility for approving the responses to parliamentary questions; and
- assess and mitigate the risks associated with responding to written questions.

We expected the former Office of the Ethics Counsellor to

- formally approve the blind management agreement and confirm it to the public office holder; and
- exercise due diligence in reviewing the public office holder's confidential report for accuracy and compliance arrangements (to the Code), on an annual basis.

We expected the supervisor of the blind management agreement, on behalf of the public office holder, to

- have clearly defined role and responsibilities, with respect to the public disclosure of declarable assets of the public office holder;
- certify the completeness and accuracy of the public office holder's public disclosure of declarable assets.

The sources of criteria for this audit are the Parliamentary Returns Guide, past rulings made by the Speaker of the House, the House procedures, Part II of the Conflict of Interest and Post-Employment Code for Public Office Holders (June 1994), and practices in other jurisdictions.

Audit team

Assistant Auditor General: Ronnie Campbell

Principals: Louise Dubé, Bruce C. Sloan

Directors: Christian Asselin, Denis Labelle, Harvey Wasiuta

Sébastien Bureau

Mark Carroll

Nadine Cormier

Dawn-Alee Fowler

Kevin Kit

Casey Thomas

For information, please contact Communications at (613) 995-3708 or 1-888-761-5953 (toll-free).

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