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Senate changes its tune on AG's audit: gives it green light

By JESSICA BRUNO

Auditor General Sheila Fraser will finally be allowed to conduct performance audits of the Senate and House, after nearly 20 years of being shut out.

Ms. Fraser's office asked both the House of Commons' Board of Internal Economy and the Senate's Internal Economy Committee in June 2009 to conduct a performance audit. Opposition to the audit erupted early this year when MPs and Senators said they believed that Ms. Fraser would conduct an audit on their personal expenses, as opposed to a value for money performance audit on Parliament's overall administration. It costs \$440-million to run the House and \$93-million to run the Senate.



After several meetings with the auditor general, the House Board of Internal Economy, a secretive committee that manages the House and chaired by the House Speaker, rejected Ms. Fraser's request, stating that the House is already audited by accounting firm KPMG and it doesn't need another auditor. Months later, and after a public outcry, the House Board of Internal Economy revisited their decision and extended an invitation to Ms. Fraser to audit the House of Commons' financial administration. Ms. Fraser's office told *The Hill Times* last week that the audit on the House has already begun.

The Senate Internal Economy, Budgets and Administration Committee at the time made the same arguments about why Ms. Fraser did not need to audit the Upper Chamber's financial administration.

"We have an audit process so we really don't see it necessary for the Auditor General to come in and just double up on what they have done before, so we'll see, there's no rush to do it," Conservative Senator David Tkachuk, who chairs the Senate Internal Economy Committee, told *The Hill Times* in April. But last week, his committee voted unanimously in favour of recommending that Ms. Fraser be allowed to run a performance audit of Senate administration.

The news came less than two hours after Ms. Fraser appeared at the internal economy meeting on Oct. 7 to state her case and assuage committee members' concerns. The committee will send a report to the Senate and Senators will vote on the recommendation within the next three weeks.

Kenneth Dye, the auditor general from 1981 to 1991, conducted the last performance audit of the Senate 19 years ago. The same year, incoming auditor general Denis Desautels also reported on the Commons administration which included a review of the structure of the Parliament Buildings that revealed the Peace Tower was "falling down." His audit did not include MPs' expenses, but he did conduct an audit into Cabinet ministers' travel expenses.

Ms. Fraser told *The Hill Times* after the committee meeting that she was happy with the way her time before the Senators went.

"I think some good questions were asked," she said.

During the meeting, the Senators raised concerns about maintaining their independence from the House of Commons, the privacy of their correspondence, and the security of their documents.

Several Senators raised the possibility of interim reports and the AGs' regular appearance before the committee for updates.

"Everybody's going to be curious. Every Senator in the place is going to be curious as to progress, and the public. It would be important for us to keep this as open as possible," said Conservative Senator Terry Stratton.

While Ms. Fraser said she would be "hesitant to make any indication of the results" before she had all the facts, she indicated she would be receptive to giving the Senate committee updates on the progress of the audit.

Ms. Fraser also assured the Senate committee that any audit she conducted would be conducted separately from the House of Commons, with its own team of investigators.

The potential audit would also focus solely on how well the Senate itself has been run in the past two years.

"It's sort a two-step process, looking at the policies and then of course testing to see if they are implemented," Ms. Fraser explained.

Senators' personal expenses, and the Senate's constitutional, legislative and public policy roles would not come under the AG's scrutiny.

"Once a decision is taken by the Senate regarding this audit, please be assured that this committee and the Senate Administration look forwards to a sincere and meaningful collaboration," Liberal Senator George Furey told Ms. Fraser at the committee.

Depending on when the auditor general gets the go-ahead from the Senate as a whole, she said she hopes to have the audit completed for late fall 2011. Her office told *The Hill Times* last week, however, that the results of both the House and the Senate audits would be tabled in Parliament at the same time after completion.

P.E.I. Liberal Senator Percy Downe pointed out, however that the fall 2011 tabling is actually past Ms. Fraser's last day on the job. After 10 years, she will be stepping down in May.

Ms. Fraser said she hopes to have completed her administrative examination and started on the audit's preliminary conclusions by then.

"We would probably spend two to three months on planning, about the same time on the examination phase and of course the reporting phase is the phase that tends to take a lot of time because of the fact validation," she explained.

Her successor would then be left to present the report to the Senate.

"I would hope if the search process goes well that we would have an AG-designate in place so we could have a few months together," Ms. Fraser said.

That process has already started, with international head-hunting firm Odgers Berndtson taking up the search for her successor.

Accounting firm Ernst & Young completed an audit of Senators' expenses which has been delivered to the Senate and will soon be released, said Sen. Tkachuk.

Starting in December, information on individual Senators' travel, hospitality and personal expenses will also be made public.

Since 2008, the Senate Internal Economy Committee has invited several accounting firms, including KPMG, Ernst & Young and Pricewaterhouse Coopers to take a look at their practices.

According to the committee, most of these audits' recommendations have been put to use with "minimal outstanding corrective action." An audit of the Senate's Long Term Vision and Plan by KPMG is still in final draft phases.

"I think it's important in the Senate that we always strive to be better," said Liberal Nova Scotia Senator Jane Cordy, a committee member. "I think the Senate agrees that the audit will be a continuation of the steps that we've already taken to ensure that there are improvements."

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