

Old problems not fixed

Fraser

Carly Weeks, Juliet O'Neill and Jack Aubry

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Auditor-General Sheila Fraser examined operations in more than a half-dozen federal departments and agencies yesterday in a report assessing what has been done to address concerns her office has raised in previous accounts. In several cases she reported "satisfactory progress" in addressing previous concerns, including the management of advertising and public opinion research, the Canada Revenue Agency's oversight of international taxation and Passport Canada's controls. "I'm very pleased to see that our work has made a difference," Ms. Fraser said, adding that progress in acting her office's concerns has improved somewhat in recent years. However, she found continuing problems in several areas. Among her findings:



CREDIT: Chris Wattie, Reuters

Auditor-General Sheila Fraser releases her report in Ottawa yesterday.

PASSPORT OFFICE

Canada's passport office is plagued with critical weaknesses in its ability to conduct security checks and verify identification.

The problem is so significant the agency cannot quickly validate basic information provided to it or deny passports to suspect individuals.

Despite a series of major improvements since Ms. Fraser's last audit of the passport office in 2005, challenges still exist, particularly in its ability to balance security, service and cost.

Ms. Fraser's report says "much work is left to do in order to resolve weaknesses that remain in the critical areas of security and verification of identity."

She highlighted several key areas to improve security, such as a program to document and support the examiner's decision to issue a passport, and better data-sharing with police and the Citizenship and Immigration Department.

Although Passport Canada did create a quality assurance program last year, it doesn't address the process behind the decision to issue passports, which would allow the office to verify information in the document and determine how closely it was scrutinized.

Another significant problem involves unauthorized employees, without adequate security clearance who still have critical access to passport data.

"Obviously, people shouldn't have access to the system if they're not authorized, and this is important," Ms. Fraser said. "The risk is there."

Passport Canada still doesn't have a program to share information about individuals wanted or on parole with the Canadian Police Information Centre. That means there is still a "large discrepancy" between the number of people on the police database and those on Passport Canada's watch list. As a result, the office doesn't have key criminal information about some individuals that would allow it to refuse or revoke passports.

The office can't quickly confirm the validity of the most basic identification information because it hasn't been able to create links with provinces or the Citizenship and Immigration Department.

-- Carly Weeks, CanWest News Service

CANADIAN COAST GUARD

Canada's Coast Guard is mired in longstanding management problems that are costing money, reducing fish-stock surveillance and slowing the replacement of an ageing fleet of icebreakers and other vessels.

Ms. Fraser said the Coast Guard's fleet-replacement schedule is already becoming outdated and unrealistic, vessels are increasingly unreliable and equipment failures are leading to lengthy, costly periods when vessels are not in service.

She said the Coast Guard had received \$27-million in increased funds for maritime security, but had no clear direction of what to do with it, and some security activities were not being recorded.

The Coast Guard's "can-do philosophy" has backfired, with managers agreeing in the past to make so many improvements recommended by the Auditor-General and by Parliament that "there is no realistic way it can successfully deliver."

"It needs to decide on a few urgent priorities and then get the job done," Ms. Fraser said.

Some of the management problems date back 25 years, she added.

The report said progress by Fisheries and Oceans Canada on previous recommendations is "slow and unsatisfactory" and there were few results of an effort to get the Coast Guard established as a national institution by giving it the status of a special operating agency within the department.

"It still operates largely as five regional coast guards, each with its own way of doing things," the report said. The five regions are Maritimes, Pacific,

Newfoundland and Labrador, Quebec and Central Canada, and the Arctic.

The report recommended the Coast Guard establish priorities, set clear achievable goals, allocate sufficient and appropriate resources, and hold managers accountable for results.

It said guidance from headquarters to regions "when it does exist, is often out of date or too general." It said the Coast Guard has not developed standardized maintenance procedures and manuals for its fleet and electronic equipment.

It cited the case from spring, 2006, when the Coast Guard had the potable water tanks of two vessels recoated. The original cost estimate soared to more than \$1.6-million from \$53,000, as a result of "insufficient guidance on refit procedures."

Outdated and missing documents were linked to maintenance failures on Canadian Coast Guard vessels that led to a \$6-million repair on one vessel, \$1.3-million on another, and \$1.6-million a third.

-- Juliet O'Neill, CanWest News Service

SOCIAL INSURANCE NUMBER PROGRAM

The federal government has consistently failed to improve management of the social insurance number program and how Canadians' personal information is used.

Both are long-standing problems that have real and serious implications in an age of identity theft and security fraud, Ms. Fraser warned.

She singled out management of social insurance numbers as having serious and widespread problems that, unlike other areas under audit, haven't incorporated prior recommendations to improve its operations.

"This is the fourth time since 1998 that we've reported these two problems," she said. "The government should have resolved them by now."

Human Resources Minister Monte Solberg said the government recognizes the seriousness of Ms. Fraser's criticisms and is working on ramping up security to ensure better control of SINS. "We know the public expects that their information will be protected. We know there's concern about identity theft," he said. "We're going to do a lot more -- we're going to get the problem fixed."

Despite identifying problems numerous times over the course of nine years, the audit found the Human Resources and Social Development Department doesn't properly keep track of personal information and other data. Problems with the government's database, and personal information that is often unreliable, incomplete and not up to date, means there is an increased risk of fraud, identity theft and other security problems.

The audit found in the Canadian population aged 30 and over as of June, 2005, there were nearly three million excess SINS. Of the three million, about 2.1 million were classed as dormant, which is associated with a higher degree of risk for fraud.

Dormant SINS can be used as the "first step to access benefits," such as employment insurance, old age pension and Canada student loans, because federal agencies that administer such programs are not told when cards are inactive.

Exacerbating the problem is the fact the SIN is being more widely used both inside and outside the government, and can consequently be used to access social programs, banks, the Canada Revenue Agency and to steal a person's identity if it falls in the wrong hands.

The report also said federal departments are not clearly told how they can use the number, which has led to different interpretations and policies. The Youth Initiatives program of the federal government continues to use the SIN, even though it is not authorized to do so.

Ms. Fraser said the Human Resources Department has improved the way it issues SINS and how it identifies and investigates related fraud, and is working on a plan to better manage the information in the database.

-- Carly Weeks, CanWest News Service

FEDERAL HERITAGE BUILDINGS

Federal heritage buildings are at "considerable risk" of being lost to the wrecking ball in the coming years because of the government's weak conservation regime.

Ms. Fraser described a precarious situation for the growing number of "designated" federal buildings.

"The loss of heritage buildings and sites means that future generations will no longer have access to significant aspects of our history. It is, therefore, important that the federal government strengthen its conservation regime for built heritage. It also needs to set priorities to decide which heritage buildings and sites should be preserved," Ms. Fraser said.

The federal government owns about 1,300 federal heritage buildings and 206 national historic sites. The auditor's report found that Parks Canada, which oversees about one-third of the buildings, has improved its management since her last review in 2003, although some sites remain closed for safety reasons.

But it found conservation of heritage buildings and historic sites that belong to other federal departments, such as Defence and Public Works, are at risk because of significant "gaps" in the Treasury Board Heritage Buildings Policy. The auditors found only "sporadic" conservation of the heritage character of these federal buildings.

The current policy allows federal departments to demolish or sell heritage buildings even after they've been designated once they turn 40 years old.

It also cited the undecided future of the Halifax Armoury, considered one of the finest specimens of training and recruitment centres built for the militia at the end of the 19th Century. The Defence Department is considering a \$7-million restoration project.

"Designation and conservation are separate functions. As a result, while there are a growing number of designated heritage buildings that require protection, there is no parallel growth in the financial capacity of custodial departments and agencies for conservation," the report concluded.

-- Jack Aubry, CanWest News Service

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