In my first Report, I was able to establish that there had been partisan political involvement in the administration of the Sponsorship Program; insufficient oversight by senior public servants; deliberate actions taken to avoid compliance with federal legislation and policies; a culture of entitlement among political officials and public servants involved with Sponsorship initiatives; and the refusal of Ministers, senior officials in the Prime Minister’s Office and public servants to acknowledge any responsibility for the mismanagement that had occurred. I asked why it is that we have a system of responsible government, yet no one is prepared to accept responsibility for the abuses committed in the administration of the Sponsorship initiatives. No one has provided an answer.
The Sponsorship initiatives alarmed many Canadians. How is it, they asked, that politicians and public servants are able to violate the public trust in such a flagrant manner? How could the Sponsorship Program be abused for so long without either Parliament or, in particular, the Government, with its central agencies and oversight bodies, not putting an end to it? As I observed in the Introduction to this Report, I have become convinced that we need to rebalance the relationship between Parliament and the Government in order to attain better accountability within government.

The Government of Canada is the country's largest organization, employing 450,000 individuals, spending about $200 billion a year, and managing over 350 million transactions every year. It is impossible for anyone to assure Canadians that their federal government will, in future, be error free or even scandal free. Given the size and the variety of its activities, such a goal could not be realized, even if we were to impose an elaborate menu of red tape, many centrally prescribed administrative rules, and several newly created oversight bodies. There will always be unscrupulous individuals in any public organization who will find a way to draw improper benefits from its activities.

Canadians are fortunate in that the great majority of the people who serve in Parliament and in the public service hold very high ethical standards. We must not forget that only a handful of government officials failed to live up to those standards in the Sponsorship Program. What is particularly disturbing is that the mismanagement went on for so long without being stopped.

The recommendations that are found throughout this Report and repeated below have one central purpose: to rebalance the relationship between Parliament and Government and to assign clearer accountability to both politicians and public servants. The recommendations are directed to Parliament, to the Prime Minister and his or her office, to
Ministers and their exempt staff, and to public servants. Rebalancing the relationship between Parliament and the Government would enable the House of Commons to hold the Government, individual Ministers and their departments to account and to review more effectively the Government’s proposed spending plans. In assigning accountability more clearly, there is greater likelihood that officials at all levels will assume their responsibilities more fully and, in so doing, reduce the risk of mismanagement and scandals. Canadians will also be able to identify more readily who is responsible and for what.

I recognize that reports and their recommendations, particularly when they seek to make changes that are not necessarily welcome to an administration that is accustomed to established practices, tend to be pushed to the side. Governments have developed a well-honed capacity to batten down the hatches in the hope that “this too shall pass.” For this reason, I am recommending, in my final recommendation, a reasonable time period for the government to respond to all 18 of my previous recommendations.

**Consolidated Recommendations**

**Recommendation 1**
To redress the imbalance between the resources available to the Government and those available to parliamentary committees and their members, the Government should substantially increase funding for parliamentary committees. (See page 61)

**Recommendation 2**
The Government should adopt legislation to entrench into law a Public Service Charter. (See page 67)
Recommendation 3

To enable the Public Accounts Committee to perform its responsibilities more effectively, the Government should increase its funding substantially to provide the Committee with its own research personnel, legal and administrative staff, and experts as needed. (See page 80)

Recommendation 4

In order to clear up the confusion over the respective responsibilities and accountabilities of Ministers and public servants, the Government should modify its policies and publications to explicitly acknowledge and declare that Deputy Ministers and senior public servants who have statutory responsibility are accountable in their own right for their statutory and delegated responsibilities before the Public Accounts Committee. (See page 100)

Recommendation 5

The Government should establish a formal process by which a Minister is able to overrule a Deputy Minister’s objection to a proposed course of action in an area of jurisdiction over which the Deputy Minister possesses statutory or delegated powers. The decision of the Minister should be recorded in correspondence to be transmitted by the Deputy Minister concerned to the Comptroller General in the Treasury Board Secretariat, and be available there for examination by the Office of the Auditor General. (See page 105)
Recommendation 6

The Government should adopt as a policy that Deputy Ministers and senior public servants are appointed to their positions for a minimum of three years, with the expectation that a standard appointment would normally have a duration of at least five years. In cases where it is deemed necessary to derogate from this policy, the Government should be required to explain publicly the reason for such a derogation. The Government should take the steps to apply the same policy to Assistant Deputy Ministers. (See page 109)

Recommendation 7

The members of the Public Accounts Committee should be appointed with the expectation that they will serve on the Committee for the duration of a Parliament. (See page 118)

Recommendation 8

The Public Accounts Committee should ensure that Deputy Ministers, other heads of agencies and senior officials are the witnesses called to testify before it. As a general principle, Ministers should not be witnesses before the Committee. (See page 119)

Recommendation 9

Special reserves should be managed by a central agency experienced in administrative procedures, such as the Treasury Board or the Department of Finance. The Government should be required at least once a year to table a report in the House of Commons on the status of each reserve, the criteria employed in funding decisions and the use of the funds. (See page 132)
| Recommendation 10 | The Government should remove the provision in the law and in its policies that enables exempt staff members to be appointed to a position in the public service without competition after having served in a Minister’s office for three years. (See page 138) |
| Recommendation 11 | The Government should prepare and adopt a Code of Conduct for Exempt Staff that includes provisions stating that exempt staff have no authority to give direction to public servants and that Ministers are fully responsible and accountable for the actions of exempt staff. On confirmation of their hiring, all exempt staff should be required to attend a training program to learn the most important aspects of public administration. (See page 139) |
| Recommendation 12 | The Government of Canada should adopt an open and competitive process for the selection of Deputy Ministers, similar to the model used in Alberta. (See page 151) |
| Recommendation 13 | The functions and titles of the Clerk of the Privy Council should be redefined, by legislation if necessary. The title of this official should be “Secretary to the Cabinet,” and his or her main role should be to represent the public service to the Prime Minister and the Cabinet. The designations “Clerk of the Privy Council” and “Deputy Minister to the Prime Minister” should be abolished. The Privy Council Office should be renamed the “Cabinet Secretariat.” The Secretary of the Treasury Board should assume the title and function of “Head of the Public Service.” (See page 152) |
Recommendation 14

The Government of Canada should amend its current definition of “advertising” to conform to accepted advertising industry standards, and the new definition should be promulgated in the Government of Canada Communications Policy and related documents. (See page 161)

Recommendation 15

The Registrar of Lobbyists should report directly to Parliament on matters concerning the application and enforcement of the Lobbyist Registration Act, and the Office of the Registrar of Lobbyists should be provided with sufficient resources to enable it to publicize and enforce the requirements of the Act, including investigation and prosecution by its own personnel. The limitation period for investigation and prosecution should be increased from two to five years from the time the Registrar becomes aware of an infringement. (See page 174)

Recommendation 16

The Government should adopt legislation requiring public servants to document decisions and recommendations, and making it an offence to fail to do so or to destroy documentation recording government decisions, or the advice and deliberations leading up to decisions. (See page 181)

Recommendation 17

The Financial Administration Act should be amended to add a new section stipulating that deliberate violation of section 34 of the Act by an employee of the federal government is grounds for dismissal without compensation. (See page 188)
Recommendation 18
The Chief Executive Officer of a Crown Corporation should be appointed, evaluated from time to time, and, if deemed advisable, dismissed by the Board of Directors of that corporation. Initial appointments to the Board of Directors of a Crown Corporation should be made by the Government on the basis of merit. Thereafter, the remaining directors should be responsible for filling any vacancies on a corporation’s board. (See page 190)

In addition to these recommendations, the Commission wishes to establish a reasonable timeframe for their consideration and implementation.

Recommendation 19
Within 24 months of receiving this Report, the Government should table before Parliament a report detailing how it has dealt with each of the Commission’s recommendations.