

Notes for an Address  
for  
Sheila Fraser, FCA  
Auditor General of Canada

“What Police Boards can Learn  
from our Audits of the RCMP”

Canadian Association of Police Boards  
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Delivered

## **Introduction**

Good evening everyone. / Bonsoir à tous.

Depuis près de 20 ans, l'Association canadienne des commissions de police travaille très fort pour renforcer la gouvernance au sein des services de police au Canada.

In the past decade, with the increased focus world-wide on governance in both the public and private

sectors, your work has become all the more important.

I am delighted to take part in your conference this year to share my thoughts about police governance, oversight and risk management.

As the federal government's external auditor, my Office frequently conducts audits of the RCMP, and I would like to highlight the most recent ones that relate to risks you also need to manage.

These audits illustrate some issues essential to building public trust and confidence in police organizations: good oversight and review mechanisms; effective management systems; ethics and values programs; and the independence of investigations into alleged police wrongdoing.

Although the context for these audits is specific to the RCMP, I believe many of the lessons could be useful to other police organizations.

First, however, let me give you some background on what we do at the Office of the Auditor General.

### **An Independent AG - The Role of my Office**

The Office has existed since 1878.

As the Government of Canada's external auditor, the Office has almost 650 staff and an annual budget of some \$80 million.

We audit most areas of the Government of Canada, including federal departments and agencies, as well as nearly all Crown corporations. We also audit the three territorial governments and their related agencies (UN).

In total, we carry out over 130 audits of financial statements each year, including the summary financial statements of the Government of Canada, which, with over \$200B in revenues, makes them the largest in Canada. Our financial audits answer the question: is the government keeping proper accounts and records and presenting its financial information fairly and accurately?

Financial audits are important, but they rarely make the headlines.

The reports you hear about are usually our performance audits. These audits go beyond the numbers to answer a different set of questions: are programs being run with due regard for economy, efficiency, and impact on the environment? And do managers have measures in place to determine if these programs are achieving their intended purpose?

Our performance audits examine most areas of government—everything from human resource management in national defence to the protection of the Pacific salmon, and from the education of aboriginal children to border security.

We also look at the environment as a key part of our performance auditing work. The Commissioner of the Environment and Sustainable Development leads a team that audits environmental issues, monitors how well the federal government is meeting its commitments to sustainable development, and administers an environmental petitions process.

But enough about who we are and how we do our work... let me give you some specific examples of audits that relate to police governance and risk management.

## **Importance of oversight and review mechanisms**

I'll start with the question of oversight.

Oversight is particularly important for police organizations. Since governments give police special powers, Canadians need to know that police are using these powers properly. One way to ensure this happens is through an ongoing and independent review process or mechanism.

In our November 2003 Report, we looked at the oversight and review mechanisms in place at several federal intelligence-gathering agencies.

We found that organizations that collect security intelligence are not all subject to the same level of external review. We also found that review bodies provide varying degrees of detail in their reports to Parliament.

The Commission for Public Complaints Against the RCMP, for example, oversees the Mounties. But this oversight falls short on two counts: rather than initiate audits, the Commission can only follow-up on complaints. And, in the process of investigating complaints, it does not systematically review the lawfulness of the RCMP's activities, such as the use of wiretaps.

Another major issue is the Commission's access to information.

According to legislation, the Chair can access "relevant material" to assess how the RCMP has dealt with a complaint. However, if the Chair chooses to investigate a subject that he deems to be in the public interest, the legislation does not specify his right to information.

In fact, the legislation does not provide for random access to RCMP files and operations.

This means the Commission cannot provide Parliament with broad assurance relating to compliance with the law, especially in terms of appropriate use of intrusive powers.

This limitation falls short of the explicit powers given to the body that oversees the work of Canadian Security Intelligence Service, the Security Intelligence Review Committee. The Inspector General has the right to all information held by CSIS, and can request explanations from staff.

The RCMP has argued that providing access to police files might reveal the identity of confidential informants. If that happened, informants might be injured or killed.

The Commission for Public Complaints Against the RCMP and the RCMP are currently in Federal Court on this issue. They are trying to determine if the

Commission should indeed have access to certain information held by the RCMP (that the Commission believes to be relevant).

Before I give you my next example, let me read an interesting quote from Justice O'Connor's recent report on the RCMP's handling of the Maher Arar case.

He wrote, "Providing the review mechanism with the authority to conduct self-initiated systemic reviews will be a major step towards ensuring appropriate and effective review of those activities and engendering public confidence and trust in the review process."

### **Effective management systems**

Let me turn now to a related topic: management systems.

We recently conducted an audit of the RCMP's Forensic Laboratory Services (FLS), including its quality management system. On paper, the system looked like it could detect and resolve any problems that might arise in the labs. In practice, however, we found the system wasn't being used rigorously.

For example, we found the quality management system had failed to identify problems in the new automated process for DNA analysis.

In a number of cases, the automated process had not identified DNA that was probably there. We concluded that the quality management system could not assure senior management about the quality of DNA analysis.

Perhaps the most troubling aspect of all this: scientists working in the labs had themselves raised concerns about the automated process through

internal meetings and email. Because of these concerns, the automated process was suspended for two months. But no quality issue was formally recorded until more than a year later, in October 2006.

The Forensic Laboratory Services has clear definitions of what constitutes a quality issue, and the concerns about the automated process fit the bill. Consequently, the FLS should have identified these issues, taken appropriate action, and tracked and recorded the results. It did not.

To put it plainly, the Forensic Laboratory Services was reluctant to admit it had a problem.

We recommended that, once quality issues are identified, the RCMP should systematically track and resolve them; make them available in consolidated form; and communicate actions to senior management.

The RCMP has agreed to take action on our recommendation.

## **Ethics and values programs**

This brings me to our report of last November, which looked at the proper conduct of public business in three security agencies, including the RCMP.

Specifically, we examined compliance in three areas with a high risk of abuse: employee overtime, contracting, and use of credit cards. In the process, we looked at the impact of programs that support value and ethics, and the disclosure of wrongdoing.

The good news is that the audit found few cases of deliberate abuse.

However, we also discovered that many employees are unaware of values and ethics programs. Only about half of those surveyed believe their organizations would act on reports of misconduct, and many believe that whistleblowers get ostracized.

What this audit tells me is that formal values and ethics programs are not enough. For these programs to work, employees need to trust that management will act on their concerns. And they need to know they will be respected—not vilified—for blowing the whistle.

### **Independence of investigations of wrongdoing**

As my last example, I want to highlight our audit of the RCMP pension and insurance plans.

As early as 2002, several RCMP staff alleged nepotism, wasteful spending and improper conduct of business by management. Those complaints led to an internal audit that revealed management had charged about \$1.3 million to the RCMP pension and insurance plans.

These charges were for work that provided little or no value, and for excessive payments to family and friends who had been hired as temporary staff. The OPP were called in, but the investigators reported to a senior RCMP official. This chain-of-command obviously put into question the independence and objectivity of the findings.

Last November, we published a report of the RCMP's internal audit and subsequent criminal investigation. We noted, that following its own investigation, the RCMP had begun to investigate four members.

However, in view of provisions in the *Royal Canadian Mounted Police Act*, its own rules, and a recent court ruling on a separate case, the RCMP decided that too much time had elapsed to pursue any disciplinary action. In the end, there were no consequences.

We recommended that The RCMP ensure that investigations of its actions are—and are seen to be— independent and unbiased. It also needs to assess the impact of a recent court decision on cases that warrant disciplinary action.

The RCMP agreed with the recommendations made in our Report and is taking corrective action.

## **Conclusion**

So what are the lessons learned?

Good oversight means more than simply responding to complaints. On-going self-initiated reviews,

including a review of management effectiveness, is essential to maintaining public confidence and trust in the organization. And the oversight bodies must have access to all information they require to carry out their work.

When internal problems are identified, the organization must take prompt action to assess and deal with them. Management also needs to respect and act on reports of misconduct.

And finally, wherever there are any allegations of wrongdoing—the investigation must be completely independent and unbiased, and there must also be consequences if the allegations are founded.

I hope these examples have struck a chord with you. Each of our audits is unique, but I think there are general lessons to be learned and shared.

Let me leave you with one final thought.

In our political system, Parliament, the government and the public service are the guardians of public funds entrusted to them for delivering programs and services to benefit Canadians.

While we are, at times, critical, I believe that we play a constructive role and that this constructive criticism helps to build stronger public institutions, a better country and a healthy democratic society.

Police agencies' credibility is crucial to their effectiveness and the public's continued confidence in them.

You have an important oversight role in helping ensure these organizations continue to fulfill and meet public expectations.

I wish you every success in achieving your goals.

Thank you. / Merci.