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MEMORANDUM / NOTE DE SERVICE

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**TO / DEST:** The Honourable A. Anne McLellan,  
Deputy Prime Minister - Minister of Public Safety and Emergency Preparedness

**FROM / ORIG:** William V. Baker,  
Commissioner of Firearms

**SUBJECT / OBJET:** Update on System Development Contract with Team CENTRA (CGI) and 2003-04 Funding Situation

I am writing to advise you of a significant matter that may impact on the Canada Firearms Centre's (CAFC) ability to operate within its 2003-04 funding allocation [

S. 49(1)(g) re (c)

Over the last two years, the CAFC has been working with Team CENTRA to develop a new firearms registration and licensing system. This development was originally conceived as an ambitious nine-month implementation project with the objective of improving service to Canadians and containing program costs. Delays in the passage of Bill C-10A and subsequent regulatory changes as well as significant changes in our operating environment have stalled and complicated the finalization of the proposed system.

Over the same period, there have been dramatic increases in the anticipated cost of the development and ongoing operation of the system. Solution development has increased from \$32M to \$70M while the estimated 15 year cost of operating the IT and enabling technology has increased from \$96M to \$213M [

S. 18(b)

As recent as November 2003, Treasury Board approved interim funding for continued development of the new solution for the remainder of the year. With the spending authority approved by Treasury Board, we were able to advance work on the project. This led to the realization of deficiencies in the functional capacity of the system. Therefore, at the beginning of January, we undertook a risk analysis of the new solution, which identified the need for significant additional work, and associated expenditure [

S. 18(b)

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s. 18(b)

We have analysed the existing information technology system and concluded that it can sustain us for the next two to three fiscal years assuming a modest investment of \$4M next year and limited new changes to the policy framework.



The situation has been complicated by an accounting interpretation that was just confirmed today from the Treasury Board Secretariat that all costs incurred to date on the project (including those incurred in the last fiscal year) would have to be charged to the current fiscal year. Until this decision, it was planned to stage payments, and thus the charge to the appropriation, over this fiscal year (\$45M) and the next. If the existing contract situation is retained, this change in accounting treatment would mean that the current year budget would be some \$17M short to meet costs incurred to date in developing the new solution.

s. 18(b)

s. 21(1)(a)

s. 69(1)(g) re(c)

Paul McKinstry of your office has been provided with additional briefing material should you require it.

I will keep you apprised of developments and am available to discuss this matter at your convenience.

William V. Baker  
Commissioner of Firearms

- c.c. The Honourable Albina Guarnieri, Associate Minister of National Defence and Minister of State (Civil Preparedness)
- Paul McKinstry, Senior Policy Advisor
- Margaret Bloodworth, Deputy Minister of Public Safety and Emergency Preparedness



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## Liberal Dissenting Opinion

On

### REPORT – Government decisions limited Parliament's control of Public spending of the May 2006 Report of the Auditor General of Canada

The dissenting Members hold that the Committee's criticism of the former Minister of Public Safety and Emergency Preparedness is groundless and insinuates inappropriate conduct where none took place.

Committee Members heard public servants explain the technical process by which officials deliberated as to the appropriate treatment of the CFIS II costs. This included the February 2004 decision by the Deputy Minister of Public Safety to seek a legal opinion on the matter, which with other evidence convinced the responsible officials that the costs should not be charged to the current year appropriation and that consequently supplementary estimates were not required. The former Commissioner of the Canadian Firearms Centre told the Committee that as a result of this error he did not recommend to the Minister that supplementary estimates were necessary. He further explained that as Deputy Head he was responsible for the decision and signed off on the Firearms Centre accounts with an attestation.

The Committee did not establish that the former Minister bore any duty to inform Parliament about the deliberations of her officials. The Committee can not be justified in criticizing the former Minister for failing to inform Parliament about a non-existent supplementary estimate she was never advised by officials to request. The former minister's duty was to refrain from interference, to rely on the expert advice of her officials, and either approach parliament for supplementary estimates or not depending on that advice. That the advice was flawed is not acceptable grounds for a personal indictment of the minister. Furthermore when Committee Members have established by repeated questioning of witnesses that no political pressure or interference was exerted on the officials who took this decision, it is inconsistent to then criticize the former Minister for following that same advice and not approaching Parliament with a request for additional funds.

As a result the dissenting Members find that the Committee's criticism of the former Minister lacks the factual basis appropriate to a Committee report and instead is based on political considerations more appropriate in another arena.

Marcel Proulx  
Liberal M.P. for Hull-Aylmer  
Member, Public Accounts Committee