



House of Commons  
CANADA

# **Standing Committee on Access to Information, Privacy and Ethics**

---

ETHI • NUMBER 012 • 1st SESSION • 38th PARLIAMENT

---

**EVIDENCE**

**Thursday, February 17, 2005**

**Chair**

**Mr. David Chatters**

All parliamentary publications are available on the  
``Parliamentary Internet Parlementaire'' at the following address:

**<http://www.parl.gc.ca>**

## Standing Committee on Access to Information, Privacy and Ethics

Thursday, February 17, 2005

• (0905)

[English]

**The Chair (Mr. David Chatters (Battle River, CPC)):** I see a quorum. I call the meeting to order. We'll proceed with our study, pursuant to Standing Order 108(3)(h), on the funding mechanisms of the offices of the Information Commissioner, the Privacy Commissioner, and the Ethics Commissioner.

We have with us today representatives from the Treasury Board Secretariat, led by Stephen Wallace, the acting assistant deputy secretary. I would ask Mr. Wallace to introduce the guests with him and proceed with a presentation. We'll go into questions and answers after that.

[Translation]

**Mr. Stephen Wallace (Acting Assistant Deputy Secretary, Government Operations Sector, Treasury Board of Canada Secretariat):** Thank you, Mr. Chairman.

[English]

Mr. Chairman and honourable members, good morning. Thank you very much for the opportunity to appear before the committee today to discuss the funding mechanism for agents of Parliament.

Accompanying me is Wilma Vreeswijk, executive director in the government operations sector; and Bob Mellon, who is the director of our estimates production group at the Treasury Board Secretariat.

[Translation]

I propose to provide a brief overview of the budget process, to refer specifically to the current funding and oversight relationship with agents of Parliament, and suggest for discussion some principles that could provide the foundation for new approaches as we move forward.

As you may know, the two main components of budgeting and resource allocation involve both executive and legislative processes. The executive process is managed by Cabinet, the Department of Finance and Treasury Board. It begins with the development of the budget proposed by the Finance Minister and its tabling in Parliament. It involves a multi-year forecast of revenues and planned expenditures, including planned spending allocated to departments, agencies and reserves.

Translating executive level recommendations into legislative spending authority requires two things: the estimates, which are information documents, and supply, which are legislative proposals.

[English]

So both the main and the supplementary estimates support the government's request to Parliament to spend public funds, and they're the basis of the government's accountability to Parliament. They're tabled each year by the President of the Treasury Board. The first two parts of the estimates provide an overview of federal spending, including the link to the budget, as well as proposed spending authorities and amounts to be included in subsequent appropriation bills.

Part III of the estimates provides information on departmental priorities, strategic outcomes, related program activities, expected results, and resource requirements. This is the report on plans and priorities tabled normally in late March.

The performance report is tabled in the fall and reports on accomplishments achieved against performance expectations and results commitment.

The supply process, in contrast to the estimates process, governs the spending authority from Parliament through annual appropriation bills. Parliament approves and controls spending through individual appropriations. These bills normally allow for main estimates interim supply in March, full supply after detailed parliamentary review in June, and supplementary estimates supply usually twice a year.

[Translation]

It is clear therefore that, under the current system, a large part of the responsibility for assessing and determining the budget of agents of Parliament rests with the government prior to the tabling of spending proposals in Parliament. While this has generally worked in practice, agents of Parliament, and indeed parliamentary committees, have expressed concerns about potential conflict of interest as the government is subject to oversight and audit by these agents.

[English]

As the President of the Treasury Board has stated, the government also shares a number of concerns about the current budget determination process for agents of Parliament. Indeed, part of the sensitivity derives, in fact, from our system, which relies heavily on ministerial responsibility and accountability for financial decisions.

The fact is, no government wishes to inadvertently influence, or appear to influence, the substantive work of agents of Parliament. The government recognizes and supports the critical work of these agents, their role in relation to Parliament, and their public policy importance. Our responsibility, therefore, is to ensure they have the right resources to carry out their work.

The committee may be aware that discussions have been going on for some time—principally with the Auditor General, but involving other agents of Parliament as well—on potential changes to the budget, accountability, and oversight relationship with agents of Parliament. In this regard, we would very much welcome the work and the advice of this committee. We are hopeful that new approaches can be formulated in time for the next budget cycle.

In renewing the approach to funding and oversight of agents of Parliament, we are conscious, above all, of the need to strike the right balance between the degree of independence of agents of Parliament, the critical role of Parliament, and the responsibility of the government for sound stewardship of public resources. This suggests to us that budget determination and accountability are inextricably linked.

The government is conscious of its responsibility to propose budget parameters, to establish sound financial and management policies, and to ensure their effective implementation. This applies fully to agents of Parliament, a view that has also been echoed by parliamentary committees themselves.

We know that agents of Parliament, because of their degree of independence and role in relation to Parliament, are also conscious of the special duty of care they owe in managing their offices to the highest standards and to demonstrate this through a robust accountability regime. We have a number of suggestions in this regard as we move forward.

In considering new approaches to funding and accountability, we've also been concerned about ensuring that any mechanisms that might be developed fit within Canada's constitutional and statutory framework and can be broadly applicable to all agents of Parliament while taking their distinctiveness into account.

Over the coming weeks, we are hoping to work closely with Parliament, and agents themselves, on a new funding and accountability process that could apply, as I said, on a pilot basis for the next main estimates process.

We believe there is a shared willingness to develop a consistent, predictable, and transparent funding and oversight mechanism, with appropriate accountability provisions, that respects the critical importance of Parliament, the particular status of agents of Parliament, and the role and responsibilities of government.

Thank you, Mr. Chair. We would be very pleased to answer your questions and to provide you with whatever information you need for your work. Merci.

● (0910)

**The Chair:** Thank you very much.

We'll go to questions, beginning with the opposition.

Mr. Epp.

**Mr. Ken Epp (Edmonton—Sherwood Park, CPC):** Thank you very much, Mr. Chairman.

I'd like to welcome you here. Thank you for coming and giving us your insight, your wisdom, and all that other good stuff you came with.

I would like to begin my questions in the accountability section. I've been here for a number of years, so I sort of understand the estimates process, the budgeting, and all that. One of the things that intrigues me is the role you have in terms of accountability for.... We're specifically studying officers of Parliament now. Do you actually do almost an audit-like function? What is the nature of your oversight of the expenditures of the different officers of Parliament, including the Auditor General?

**Mr. Stephen Wallace:** The Treasury Board is, in effect, the management board and the budget office of the government, and in undertaking that role it establishes financial and management policies for the conduct of public expenditure. That conduct of public expenditure applies equally to agents of Parliament as it does to other federal institutions. So the role of the Treasury Board is, on the one hand, to establish the right kind of policy framework for management and expenditure and to determine the right kind of reporting and accountability structures that flow from that, including accountability to Parliament. That accountability relationship with Parliament is through the main estimates process, so we work with Parliament on that. And we work with each of the individual entities that make up that budgetary process to see whether or not their annual reporting, their planning processes, their reporting and audit function, and their compliance with those policies are indeed clear and complete.

**Mr. Ken Epp:** Do you audit the offices or do you simply require that they have an independent audit?

**Mr. Stephen Wallace:** The Auditor General is the auditor of these entities, sir, not the Treasury Board. The Treasury Board's responsibility is to help ensure compliance with financial and management policies. Therefore, the Auditor General, the Public Service Commission, the work of the Treasury Board itself, the work of a number of other entities—for example, the Commission on Official Languages—are some of several players that take a look at whether or not management and financial policy is indeed followed and complete.

● (0915)

**Mr. Ken Epp:** Let's say I'm the Privacy Commissioner and let's say I decide to spend some money on certain things. What do I have to do to get that approved? Is there anybody looking over my shoulder as I spend that money?

**Mr. Stephen Wallace:** I explained a little at the very beginning how the budget process works in the parliamentary process with the estimates and the supply process. In practical terms—and I'll ask Mr. Mellon to bring you through a typical example—it works on an annual cycle and starts with the agents themselves preparing what we call an annual reference level update. For a brief snapshot of exactly how that works and how it applies, perhaps I could ask Mr. Mellon.

**Mr. Robert Mellon (Director, Estimates Production, Expenditure Operations and Estimates Directorate, Treasury Board of Canada Secretariat):** Essentially what happens is in the fall of every year we ask departments to come in and, based on their previous year's estimates, do what we call a reference level update. In other words, they make adjustments to spending requirements for the upcoming fiscal year. Those adjustments are ultimately translated into the blue books—the main estimates—and the associated appropriation bill, which are approved by the House. Once a department has its basic appropriations, which are manifested in the form of votes and controlled at the Treasury Board through allotments, the departments are then free to spend within the votes and within the allotments.

**Mr. Ken Epp:** Subject to Treasury Board guidelines.

**Mr. Robert Mellon:** That's correct.

The normal policy suite that would apply for expenditures with respect to professional special services, capital, and contracting apply. At the end of the day, it's the department that's essentially making the expenditures. Every time a department or agency makes an expenditure it doesn't have to come back to the Treasury Board for permission to do so.

**Mr. Ken Epp:** You probably can detect where I'm coming from, if you look at the history of about the last two years or so. How come these individuals in charge of their little fiefdom, if I can use that term, can get away with spending money that's inappropriate and do so over a long period of time without somebody noticing it and saying, oops, you can't do that? How can that happen? Have you corrected that? Obviously that happened two years ago. Is it still the case or has that been corrected?

**Mr. Stephen Wallace:** Part of the reason why we believe the issue of budget determination and the issue of accountability are inextricably linked addresses in some respects the question you've asked. In respecting the degree of independence of agents of Parliament, that is not license to not comply with management and financial policies. They still are required to be implemented in their fullest, and we believe in particular with respect to agents of Parliament because of their degree of independence. They would share the view that they have a special duty of care in doing that.

There have been failures in the past on this. Those failures have I think to some degree resulted in confusion over what this independence meant. Did it mean independence from compliance with management and financial policies? Decidedly not. Part of what I think we need to do, as we go forward on the budget determination process, is to make absolutely clear what that means.

**Mr. Ken Epp:** I want a specific answer. In view of the mismanagement we had in that one office two or three years ago now, is there now a different mechanism? Are there now different

people? Is a different process gone through so that there's an annual check-up and an annual accountability?

**Mr. Stephen Wallace:** It has been considerably tightened over the last two years. You'll see, for example, that the Auditor General has carried out financial audits of all agents of Parliament over the course of the last year. We have looked at all of the reporting regimes and gone over them in some detail. The Public Service Commission has been very active on the staffing front and the use of delegations. A number of corrective measures have been taken both internally with respect to the agent and externally with respect to the oversight functions of government.

● (0920)

**The Chair:** Thank you.

Mr. Laframboise.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Thank you, Mr. Chairman.

In your presentation, on page 4 of the French version, you state that:

At an operational level, Treasury Board Secretariat reviews individual estimates in the context of the overall budget process, and makes recommendations...

If I have understood you correctly, you review the requests and needs of the various agents of Parliament, and then make a recommendation to Treasury Board as to how much money they should receive.

Am I right in thinking that?

**Mr. Stephen Wallace:** You are indeed, sir.

**Mr. Mario Laframboise:** Excellent.

As agents of Parliament, be it the Privacy Commissioner, the Information Commissioner, or the Commissioner of Official Languages, are accountable to Canadians, complaints that are made are often filed by the general public.

Have you analyzed the capacity of each agent and his or her office to deal with these complaints?

**Mr. Stephen Wallace:** Yes. There are two stages to the budget review process.

On the one hand, there is the total annual budget, and Mr. Mellon explained that the reference level process is subject to a comprehensive review.

On the other hand, we have the actual submissions which are made to Treasury Board. Each time that an agent of Parliament submits a funding request a review process is initiated by Treasury Board Secretariat. This process aims to determine whether the information provided is both fulsome and accurate; whether the needs have been clearly outlined; whether the management policies are consistent with current financial policies, and whether the proposed projects correspond to the requested budget and desired outcomes. We carry out what we usually refer to as full case analysis both within the context of the overall budgets and by means of individual submissions to Treasury Board, to ensure that requests are well founded. We analyze the requests that we receive and we ask questions of agents to ensure that we have all the necessary information to be able to meet recommendations to Treasury Board.

As is the case with other bodies, it often happens that an agent of Parliament will make a submission which requires further work. There may well be information missing in terms of the needs analysis, specific details of proposed activities and their ties to the desired outcomes; or, it could be that there is information missing regarding the business case or references to our management and financial policies. As a result, there is a lot of back and forth between us and the agents of Parliament until we have all the necessary information. Following that, it is simply a matter of making a recommendation to Treasury Board saying that we have a submission which is clear, adequately detailed, and for which we would recommend giving the green light.

• (0925)

**Mr. Mario Laframboise:** This whole process may seem rather complicated for Canadians.

The Information Commissioner has to be able to deal with complaints within a reasonable timeframe. The commissioner told us that there is a one-year backlog in terms of dealing with complaints. That is not a reasonable timeframe. The commissioner feels that a four-month timeframe would be acceptable. He therefore requested further funding from you to be able to meet Canadians' needs, but you turned him down.

**Mr. Stephen Wallace:** Thank you for that specific question.

When we review annual budgets, we do so on a multi-year basis. That includes examining, for example, forecasts made by the agents of Parliament regarding the tools required to meet Canadians' needs during the mandate in question.

When these forecasts are erroneous, the agent goes back to Treasury Board and requests further funding, explaining that the case load has increased and that the timeframes are therefore no longer acceptable.

That is why we have what we call the supplementary estimates. At different times throughout the year, often in the Fall, later on in the financial year, we use a mechanism which allows us to top up the budgets of agents of Parliament precisely to deal with that kind of situation. Several agents of Parliament find themselves in this situation. We topped up budgets last year, and believe me, we will do so again this year.

**Mr. Mario Laframboise:** You recommended that five further investigators be employed for an 18-month period, yet training these people takes time. As a result, the measure which you proposed has

proved useless. Are there specialists analyzing the situation? When you hear that sort of thing, you say to yourself that somebody somewhere fails to comprehend that the complaints will never be dealt with because there will not be enough time to train the new investigators who, consequently, will not be able to do their jobs properly. As a result, the backlog will be even greater than it was the year before.

**Mr. Stephen Wallace:** Mr. Chairman, the member is referring to a specific case which we could discuss in more detail to understand what is really going on. I would like to ask Ms. Vreeswijk to speak about this issue at greater length.

**Ms. Wilma Vreeswijk (Executive Director, Government Operations Division, Treasury Board of Canada Secretariat):** It is true that the commissioner appeared before the committee last year to request additional funding. His request was twofold: he requested additional funding to deal with the backlog, and he requested additional funding in light of expected changes to the legislation. We reviewed the two parts as separate requests.

In terms of dealing with complaints, we granted a 20% increase in the number of investigators available to the commissioner. In one year, the number of investigators in his office increased from 23 to 28.

We also increased resources for training investigators and for their training manual. We also told the commissioner that, over the course of the year, we will be delighted to carry out an analysis of the impact of the interim resources on the number of complaints and the backlog.

We said that we would like to work closely with the commissioner's office to ensure that we fully understood the root causes. Several factors have to be taken into consideration when discussing the number of complaints. We factor in the number of investigators, the caseload of each investigator, the increase in the number of complaints received throughout the year, and the increase in the complexity of the complaints. We also carry out comparisons among the various agents of Parliament to ensure that we fully understand the degree of complexity and the particularities of each office. It is very important that we work in close cooperation with the commissioner. In the end, we decided to increase the number of investigators by 20%.

**Mr. Mario Laframboise:** Yes, but only for 18 months, which brings about its own set of problems.

[English]

**The Chair:** We may want to pursue that line a little further, because I'm not sure you've cleared up the conflict in explanations on this issue.

We'll go to Ms. Jennings.

**Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.):** Thank you.

Thank you very much for your presentation. I do have a few questions.

On page 6 of your presentation in the last paragraph you state:

We know that Agents of Parliament, because of their degree of independence and role in relation to Parliament, are also conscious of the special duty of care they owe in managing their offices to the highest standards, and to demonstrate this through a robust accountability regime. We have a number of suggestions to make in this regard.

What are the suggestions? You don't mention them.

Also, in the last paragraph on page 7 you talk about hoping over the coming weeks to work closely with Parliament and agents themselves on a new funding and accountability process that could apply on a pilot basis for the next main estimates process. What is it? If you're talking about the next main estimates process, it means that your pilot project, in terms of the concept, must be pretty advanced. So I'd like to know all of the details on that.

The last thing is the question that was raised by Monsieur Laframboise on the issue of funding to Commissioner Reid's organization. Ms. Vreeswijk, I appreciated your answer, because I had a concern when Commissioner Reid was here and talked about how the request for increased investigators was not approved in total, and what was approved was *dérisoire*, because, according to him, it takes three years for a new investigator to actually become efficient.

I found that really difficult to understand. If you hire someone with investigative training and experience, why would it take three years for that individual to get up to speed and be able to do investigations into the complaints lodged before his office? You talked about having looked at the complexity of the complaint and the kinds of skills and competence required in order to conduct the investigation, and you looked at comparisons. I would like you to expand a little bit on that, because I questioned the commissioner on it, and he didn't give me very adequate responses, from my point of view.

If someone's claiming it takes three years, they had better be able to show why it takes three years, when in other agencies it doesn't take three years. It takes three years to train a police officer, in Quebec anyway, so why would it take three years to train someone who should have investigative skills to begin with?

Thank you.

• (0930)

**Mr. Stephen Wallace:** Thank you very much.

That last question, if you will allow me, I will refer to Madam Vreeswijk. I will respond to the first two.

With respect to the accountability regime question, I just bring the committee back to the principle here. This is a relationship that needs to be worked out in striking the right balance between agents and their status, the critical role of Parliament, and the responsibility of government for stewardship of public resources. So the accountability question is not simply a government question; it's a collective question.

We have a number of suggestions, but they need to be looked upon as suggestions that very much have to involve Parliament in the process of accountability as well.

Here are some of the suggestions that we would make, Mr. Chair, and Madam Jennings.

**Hon. Marlene Jennings:** Thank you. I was getting ready to jump in.

**Mr. Stephen Wallace:** Yes, we will get very practical; that's where we come from.

One is the application of the Access to Information Act. Work is already under way on that.

I think there should be a dialogue on a stronger role for parliamentary committees with respect to oversight and accountability. That is more your matter, but it is one that we think is an important element in striking the right balance. That's two.

Three is more regular external audits. Financial audits are one thing; performance audits are another. Again, consistency and regularity of external audits are, in our view, critically important. What these imply are periodic resource and management reviews. So we believe we need to have this structured in a way that allows for high levels of confidence that whatever budgets are determined are being spent appropriately.

We believe that the annual reporting process with respect to performance can be strengthened in some cases, and we have some suggestions on that.

We have developed across government over the course of the last couple of years something called the management accountability framework. That management accountability framework, we think, is quite applicable to agents of Parliament and can be a robust framework for dealing with management accountability. Above all, some of the suggestions include a consistent application of financial and management policies across...and a way to be able to track those and link those to performance reporting and the role, indeed, for parliamentary committees with respect to the oversight function.

Now, with respect to the new process, you are absolutely right that if we are to be able to move forward on a pilot process for the 2006-07 main estimates, this is soon. This is having to move along a process that is complex and that will result in changes in a system that has served Canada for many, many years.

Here are some of the suggestions we would make. We have taken a look—as well as the committee, and I think other agents of Parliament—at a range of federal and provincial models and at other Westminster jurisdictions. We have taken a look at the current system and how it's working and at the kinds of perceptions, as we looked at the costs concerned, with respect to issues of inadvertent influence and the perception of conflict of interest, and so on.

We think part of the way forward is to collectively take a look at the basic models that are in line with this principle of striking the right balance between a degree of independence of agents, a critical role for Parliament, and the responsibility of government for sound stewardship of funds. If you take a look at all of the models out there, a number of them get close to striking that right balance. I think the committee has heard testimony on a number of these. They all require, we think, some refinements. But clearly, in other jurisdictions—and in view of the principle, if you accept it, in the background—I think one conclusion you would draw with respect to models is a much stronger role for parliamentary committees in budget determination processes and accountability, a stronger budget rigour and stronger budget challenge through some form of parliamentary process. Different jurisdictions do that, sometimes through committee, sometimes through the equivalents of the board of internal economy and the Speaker's office, and sometimes a combination of both.

● (0935)

We think those are helpful reference points in being able to take a look at different models. Clearly, what you want in the end is to have something that's sufficiently interactive so that it's complete and rigorous.

For example, what are some of the things the executive can do? The executive can help in establishing budget parameters and in providing strong technical inputs on performance and individual budget analysis. It can be a resource for parliamentary committees and Parliament itself in taking a look at different elements, much as we are resourced right now for agents of Parliament when they're formulating budget proposals, where we can challenge them on some, ask questions on others, and make sure that what comes out in the end is sound and is responsible spending.

Those are some of the suggestions that could help guide the way toward some of these models. We've actually examined quite a number of them. We'd be prepared to go through some of these with you if you'd like.

**The Chair:** Thank you. You're well over your time, so we'll get to the last part of your question in the next round.

**Hon. Marlene Jennings:** With regard to the models, they must be in written form. Perhaps Mr. Wallace could provide us a compendium of all the different models with comparisons. If that is available, perhaps you could provide it to the committee through our clerk and the chair.

**The Chair:** That would make it much easier for us to understand the changes, if you could kindly give us the list as compared to the existing list.

**Mr. Stephen Wallace:** We'd be delighted to do so.

**The Chair:** Mr. Tilson.

**Mr. David Tilson (Dufferin—Caledon, CPC):** One of the purposes here is to talk about an independent mechanism for the funding and the approval of the funding for the different commissioners. We've met, as you know, with a number of commissioners and the Chief Electoral Officer.

Further to Ms. Jennings' question, is this a report that includes different suggestions? Is that what this is?

● (0940)

**Mr. Stephen Wallace:** No, this is ongoing background analysis. We would collate it for the committee, sir.

**Mr. David Tilson:** At the end of the day, the funding for these commissioners is controlled by the minister. Members of Parliament can't increase or decrease budgets. We really can't do anything. When it comes to parliamentary committees, on one day you may have a minority government and on another day you may have a majority government. But at the end of the day, with the system we have, the minister controls the funding. Is that appropriate?

**Mr. Robert Mellon:** When you say the minister, I presume you're referring to the President of the Treasury Board.

**Mr. David Tilson:** I am.

**Mr. Robert Mellon:** As you know, sir, the Treasury Board consists of more than just the president. A number of ministers sit on the Treasury Board. The Treasury Board submissions go forward with recommendations from the secretariat. That collectivity makes a decision on what recommendations will go forward in the estimates.

**Mr. David Tilson:** Ministers of the crown then.

**Mr. Robert Mellon:** Yes, sir.

**Mr. David Tilson:** These investigative bodies are generally investigating these ministers. That's what this is all about. Is there a conflict of interest? It has been suggested that there is. The Chief Electoral Officer came before us, and we essentially got the message that his accounts are never challenged. The Information Commissioner came before us and said, as questioned by Monsieur Laframboise, that there's a big problem. He's a year behind because he's not getting adequate funding, although I gather a phone call was made after that. I'd like you to talk about that. That's what this is all about. Is there a conflict of interest?

**Mr. Robert Mellon:** I've been in the estimates business for 25 years, and I have yet to see a real or perceived case of conflict of interest in the Treasury Board Secretariat's review of spending proposals and its recommendations to cabinet ministers on spending.

Departments always complain about workload. That is standard. There is nothing special about the agents.

**Mr. David Tilson:** That's not true, sir. Mr. Reid came and said he was a year behind. The Ethics Commissioner has, of course, really just got started, and he doesn't have a backlog. The Privacy Commissioner doesn't have a backlog. Mr. Reid does have a backlog. He suggested here several weeks ago that it's because of a lack of funding. The other people didn't complain about that.

That's why we're asking this question, particularly because we're talking about investigative bodies investigating the government, yet the government approves the funding.



**Mr. Stephen Wallace:** I think there is a lot of basis in the argument that's just been put forward. We have worked for many years in ways that in practice have worked fairly well for agents of Parliament, with open communication, with accommodation for and understanding of particular roles, and with a commitment to ensure you provide the right resources to do the right job. There has not been a great deal of difficulty in practice.

There sure is a problem—

**Mr. David Tilson:** Sir, I'm going to interrupt you there because we've been told there is.

**Mr. Stephen Wallace:** We can count now over a very long period, reaching back to some of the constitutional bases, for how spending is looked at. Whereas you have a general pattern of this working well in practice, from time to time there are specific problems that do arise.

The first thing to put into perspective is that the funding for agents of Parliament has, generally speaking, grown faster over time than the program spending budget of the government as a whole. That's one piece of information to take into account.

The second piece of information to take into account here is, notwithstanding the fact that we have operated for a very long time under the current system, there is a collective will to do something to attempt a new approach here. Part of that is indeed related directly to the point you're making. So I would say on that particular point that in fact we share a similar level of concern.

We think the way forward in dealing with this level of concern is to deal with more upfront work before the estimates process has actually got to the parliamentary stage. That's where, in discussing some of these models, we think there are some promising leads.

• (0945)

**The Chair:** One of the answers might be to have a more formalized role for an all-party committee in the process somewhere.

**Mr. Stephen Wallace:** Certainly, that's a U.K. model. There's a little bit of constitutional complexity in that particular one, but that's certainly one of the models.

I'm conscious of the fact that we have not fully answered the question with respect to the Information Commissioner. With your indulgence, could we address that now?

**The Chair:** We'll get back to that, hopefully.

Mr. Powers.

**Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.):** I have a question for you, Mr. Wallace, and then one for Ms. Vreeswijk on the continuation about the investigators.

Ms. Jennings asked you about the proposal you're contemplating, the new funding and accountability process. Is there anything about that that you can share with us?

Then we'll go on to Ms. Vreeswijk for the investigators.

**Mr. Stephen Wallace:** Thank you.

Very briefly, we do not have a proposal to put on the table. What we would like to do, however, is to seek your guidance and help on it. Frankly, we need your help to develop what we think might be the

right balance, one that involves a very strong role for Parliament in it.

We do not have a proposal to put on the table. We have some suggestions and ideas. What we would like to do is to engage with you, with agents of Parliament, and with the speakers over the course of the next several weeks to work out some of these models and some of these possibilities. At this particular stage we see our role as being able to provide input, to examine some of these other models, and to have a dialogue on what kind of balance can be created. The actual proposal should emerge from the consultations involving these key players.

**Mr. Russ Powers:** Are there a couple of issues you feel are basically triggering the need for this new funding and accountability process?

**Mr. Stephen Wallace:** Yes. The perception that has been articulated here is that the perceived conflict of interest is a concern.

**Mr. Russ Powers:** Thank you.

Ms. Vreeswijk, please.

**Ms. Wilma Vreeswijk:** In terms of the Information Commissioner and all the other agents of Parliament, the way we proceed is through an iterative discussion and substantiation of requests. We do look at the trend lines on complaints; we look at the number of complaints per investigator, and those influence our assessment of the nature of the request and whether it is fully substantiated.

Last fall we indicated to the Information Commissioner that we were able to be confident in recommending an increase of 20% on the investigators and that we would work with the Information Commissioner over the next year to undertake more of a workload analysis and also to assess whether there are processes that could help him in managing the backlog.

We have had discussions with other agents of Parliament and independent commissioners who have had backlogs. What they have done is to review their processes for managing and setting priorities, and they have been able to work down the backlogs they've experienced. That's why you see differences in terms of the nature of backlogs. Sometimes it's a resource issue and sometimes it's a priority-setting issue.

We had indicated to the Information Commissioner that while we were providing temporary resources, we would be happy to work with him over the course of the next year to do that kind of work and also to assess best practices and benchmarking across agents of Parliament and independent commissions to ensure we have a better understanding of the very issues that have been raised today.

**The Chair:** From the questions I sense some frustration, particularly on the government side. Clearly, you've looked at all these different models, but you have decided on a model; you have a model you're ready to put in place.

I think what the committee is asking for is to see that model. What sense does it make for this committee to do a report and make recommendations when you already have the model designed and ready to put in place? You're being very vague about that. If it is possible, be a little more specific so our recommendations are not in conflict with what you've already decided. I'm not sure you need to go into it in length at this point, but I'll give you an opportunity, perhaps, if other members don't pursue it, to clarify that.

Mr. Boulianne.

• (0950)

[Translation]

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Thank you very much, Mr. Chairman. A very warm welcome to Mr. Wallace and his team.

I would like to come back to the issue of conflict of interest, which my colleague raised earlier. You yourself mentioned this issue on page 5 of your brief. You note that while things are actually working fairly well, both you and the commissioners have concerns about conflicts of interest.

Over the course of our last few meetings, we have heard the commissioners raise the same concern, with the exception, of course, of the chief electoral officer. The last election cost \$271 million, although it would not have mattered to him if it had cost \$300 million. The other commissioners did, however, raised this concern.

Mr. Mellon also mentioned it earlier. Is it really such an issue? Are there concrete cases where you have felt that there was a conflict of interest, that you were unable to go ahead with a submission or grant supplementary funding?

**Mr. Stephen Wallace:** No. To the best of our knowledge, there has been no such cases. Furthermore, Mr. Chairman, we share the concern about perceived conflicts of interest. It is for that very reason that we want to study alternative models.

What concerns us is that Parliament does not currently have an active enough role in terms of the budget and accountability processes for agents of Parliament. We believe that a better balance has to be struck in terms of Parliament's role in both the oversight and budget determination processes. This is what is driving us to consider alternative models. We do not yet have an alternative model, that would be getting ahead of ourselves, because there has not yet been any real consultation on this subject. However, we do have some ideas in mind and are keen to discuss the issue.

In the case of Election Canada, as is true of the other officers of Parliament, the particularities of its mandate are specified in legislation and in its terms of reference. Elections Canada differs in terms of the legislation governing it and in terms of the use of statutory draw for elections.

The oversight and control processes relating to Elections Canada come partly under parliamentary jurisdiction. However, oversight and control are also enshrined in the legislation itself, as it sets out Elections Canada's expenditures in a fairly detailed manner. Furthermore, both the reports produced by Elections Canada and the parliamentary reports which accompany the estimates, constitute

further oversight mechanisms to deal with this particularity of Elections Canada.

**Mr. Marc Boulianne:** You said that things are going fairly well. What does that mean? Are there any major problems?

**Mr. Stephen Wallace:** No. Thank you for that question, it will allow us to clarify certain points. Even although, in general, there have always been some fairly good practices in the oversight and budget determination processes, we feel that it is time to change the system. Fairly well is not good enough.

**Mr. Marc Boulianne:** Thank you, Mr. Chairman.

• (0955)

[English]

**The Chair:** Mr. Bains.

**Mr. Navdeep Bains (Mississauga—Brampton South, Lib.):** First of all, again, thank you very much for coming out today.

We're all trying to focus on the budget process, and we recognize the importance of budget development and sound management. My understanding of how the budgets work is that you have the previous year's budget, and then there are certain adjustments made to that. So that's how the budgeting process works. You have, say, the 2004 budget, and then you make subsequent adjustments for the 2005 calendar year, or whatever the case may be, for that fiscal year.

Have you looked at other ways of developing the budget—say, zero-based budgeting or budgets whereby you have to start from scratch in the departments, where the various areas have to make a business case as to why they need the funds, to really force them to evaluate how they conduct business?

We have these expenditure reviews or we periodically have these challenges that are given to various departments to evaluate how they can find efficiencies. Is there an ongoing internal procedure for that as well, whereby the challenge is made to the departments, that over a period time, due to the way business has changed or due to how business is conducted, there are certain efficiencies that are achieved, and are they reflected in the following year's budget?

Lastly, very briefly, when we develop the budget, do we look at the actual expenditures and do variance analysis and say, that made sense; we had a certain amount allocated in certain areas and it worked out well?

**Mr. Stephen Wallace:** Thank you very much for the question. I think you have described well a lot of the process that actually takes place here.

Mr. Mellon talked about how you use the annual reference-level update process on the basis of your existing reference levels and your proposed new activities and the pressures that go along with it. From time to time we do what we call A-base reviews or reference-level reviews, which actually start off at zero again.

In response to the question on accountability earlier, we have suggested that periodic resource and management reviews be part of that accountability regime to do exactly what you're talking about. So that is one process of budget determination.

The second one is with respect to specific proposals that are made. Yes, we do specific budget analysis, and we do a budget challenge function for those individual requests. Sometimes we are informed by a whole-of-government view, for example, if the committee is taking a look at an issue on caseload management. The fact is across government there are 20 entities that are under pressure right now for caseload management, and we have to figure out some of the best practices out there on how to try to sustain an organization that really has to function on the basis of a caseload system.

We try to collate that kind of information, bring these best practices to the table, and see if, in the context of individual submissions, we can make these as strong and as sustainable as possible.

**Mr. Navdeep Bains:** I have a question with respect to accountability of the Comptroller General position and how that interacts with the departments. Is the interaction starting to take place yet or is that still in its early stages?

**Mr. Stephen Wallace:** It's already starting to roll out. There are very strong efforts with respect to the senior full-time financial officer community, strong efforts with respect to looking at certification regimes, and with respect to an overall look at our suite of policies dealing with comptrollership, to make them clear and doable. So you have a number of things that have already started in this respect, including capacity building in the community, which is also a need here that has to be strengthened.

**Mr. Navdeep Bains:** Thank you.

**The Chair:** Time is up.

Go ahead, Mr. Allison.

**Mr. Dean Allison (Niagara West—Glanbrook, CPC):** Thank you, Mr. Chair.

Thank you for appearing before us. I want to go back to what the chair had to say in terms of suggestions.

I sit on the Standing Committee on Public Accounts. Part of the issue we had to deal with earlier this year was maybe not so much the funding mechanism as it was the timeliness of when we would find out whether we'd have funds available for the Auditor General. When I hear you talk about increasing the role of Parliament, I automatically assume it means all parties, but that's not necessarily the case.

Go back to the original thought of our chair. What is your recommendation? You laid out a few possibilities for this funding. What would be your suggestion? I realize you have many options, and you're looking for input, but you must have a favourite one. Could you explain in the three minutes I have just what that may look like?

• (1000)

**Mr. Stephen Wallace:** We don't have a favourite blueprint, but we'll tell you what we think looks promising as an area of investigation that we should take a look at collectively.

When you see the range of models that are out there, in some of them clearly the executive predominates. If you have the status quo, the executive predominates. In the formula funding, the executive predominates. There are a number of those particular models,

looking at a relationship between the program budget of government and the budget for agents that predominate. Those are models that are all out there and are used in some jurisdictions, and the executive dominates. We don't think that's particularly consonant with the kind of balance you want.

When you take a look at purely parliamentary processes, where you have no inputs from government itself and therefore no way to interact on the issue of sound stewardship of public resources, we think those purely parliamentary models are ones that have some flaws in them.

The third category of models is third-party models, in which you actually take the budget and accountability mechanism out of the orbit of the executive and of Parliament and invest it, for example, in a blue-ribbon panel or some sort of third-party mechanism. We have some concerns about that, because it is in fact moving off to a third party something that should be a real balance involving direct engagement of Parliament, the executive, and the agents themselves.

Those are the three broad categories that are out there. As you narrow in on those and try to strike the right balance, try to do it within our constitutional and statutory framework, try to do something that can be applicable to all agents of Parliament, and try to do something that's not too complicated, not too weighty, and not too expensive, you start to narrow some of these options. When you do so, you start to find that some of these options start focusing on a strong role for parliamentary committees, with interaction with the executive when it comes to things such as budget parameters, performance information, and some of the budget analysis work of individual entities.

There are the actual machineries of parliaments around the world and the way in which those machineries can play a very useful budget role. In other jurisdictions you see this. Obviously the budgets of the House of Commons, the Library of Parliament, and the Senate also have their own particular machinery with respect to budget determination. These are things that can perhaps be very helpfully applicable to this kind of situation.

In the end, whereas we don't have a model, we think there's a hybrid there as you start narrowing down these options that should provide a good basis for discussion as we go forward, but these are not fully developed. There are a lot of questions around these, and we have a lot of work to do collectively to try to make sure we can come up with something that's doable and practical and is actually going to work.

**The Chair:** Mr. Epp.

**Mr. Ken Epp:** I would like to refer again to your report, if I could. At the bottom of page 6 and at the beginning of page 7, in the English version, you talk about basically self-reliance on the part of the officers of Parliament. They're conscious of a special duty of care that they owe in managing their offices.

I still want to somehow pursue this idea that I started before, in my previous round, on actual accountability from your office. Do you actually send a person or persons to these offices physically to look at their books, to see how they've accounted for things, to make sure there is supporting documentation? Does the Auditor General do that? If the Auditor General does it, you are also providing funds for the Auditor General, so in that sense it is indirect. How do you find out about it, and how can corrective action be taken if things are not right?

**Mr. Stephen Wallace:** Thank you for the opportunity to provide further clarity on that question.

The Treasury Board does not audit. The Auditor General audits. The Treasury Board, however, does undertake management reviews. A number of the accountability mechanisms I talked about earlier that could be part of the strengthened accountability regime would involve, for example, the application of what we call the management accountability framework. And essentially what that management accountability framework does is it amasses evidence on the performance of an entity, including agents of Parliament, in ten key areas—human resources, finance, results-based management, the overall soundness of the audit and evaluation function in general. So the key elements of management, we believe, are part and parcel of our responsibilities. What we would like to do is be able to apply this in a manner that's consistent and transparent, and to do so in a way where we can also interact with Parliament at the same time. That is probably the biggest tool we have.

However, when you take a look at the broad reports that are currently provided by agents of Parliament, there are literally dozens. They provide reports to the Treasury Board on staffing, on finance, on compliance with policies and regulations. We look at these and we do a triage based on levels of risk. Then we focus additional attention on where we see problems. So our overall role is management review as opposed to the Auditor General's role, which is an audit function, but indeed we do have a strong role to play in that.

• (1005)

**Mr. Ken Epp:** Since most of us react rather negatively if we're treated as criminals or as guilty before there is any investigation of the facts, I would think you walk a bit of a tightrope when you do that accountability and the management reviews you call up, because the officer in question, or the department—the people in the organization—might feel threatened when they think you should be trusting them. But that is a necessary role of oversight.

You mentioned in the last sentence in that paragraph that you have a number of suggestions to make regarding accountability. I wonder whether you have anything more to share with this committee on what those suggestions are.

**Mr. Stephen Wallace:** Indeed. In fact, we will be prepared to provide some additional information as well to the committee on this one. We talked already about the application of the Access to Information Act. We talked about regular external audits. We talked about resource and management reviews. We talked about strength in reporting including reporting to Parliament. We are suggesting perhaps a more structured process for parliamentary committees in their oversight function of agents of Parliament. These are a half a dozen areas of accountability where we can perhaps suggest some

refinements, so that when you do have a more independent budget determination process, you have a strengthened accountability regime to go with that more independent budget determination process.

Those are some of the practical suggestions we were making today, and we are prepared to provide further information on that.

**Mr. Ken Epp:** My time's up.

**The Chair:** Mr. Laframboise.

[Translation]

**Mr. Mario Laframboise:** Thank you, Mr. Chairman.

I would like to come back to the issue of access to information. In my view, it is a striking example of conflict of interest: on the one hand, Canadians file complaints and expect an answer within a reasonable timeframe and, on the other hand, the Commissioner has told your department that he does not have sufficient resources.

Ms. Vreeswijk, based on what you said in answer to a question raised by one of my colleagues, I can surmise that you have suggested to the Commissioner that he ought to reconsider his practices, which, in your opinion, are not necessarily as they should be. You also mentioned that the problem had to do with the budget, and you authorized supplementary funding to employ investigators for an 18-month period. The Commissioner, however, told us that investigators were not interested in an 18-month contract. As one of my colleagues said earlier, specialists with a stable job are not interested in going to work for the Commissioner's Office for 18 months.

It seems to me, that in this case, the situation was not analyzed correctly and, as a result, the list of complaints is continuing to grow. If some people thought that the liberal sponsorship scandal would not serve to increase the number of access to information requests made of the Office of the Information Commissioner, then they were sadly mistaken. In fact, it has all served to increase the number of requests that are made. In many Canadian provinces, and in many departments, people want to know how the government has been behaving itself.

Today, you are saying that you want to try to resolve this situation, because you believe there is a problem. You are right, there is a problem, and it has to be resolved. However, you seem to be dismissing out of hand the idea of enlisting the help of an expert panel. Personally, I feel that we need the help of an expert to solve this problem. Unfortunately, I am not an expert in the field. The Information Commissioner, however, is an expert. You said that his practices are perhaps less than exemplary; yet, he has been in office for the past six years, and no such complaints have ever been made about him. You are saying this today because there has been an increase in the number of complaints, yet you are refusing to invest the necessary funds to remedy the situation. I am not at all happy about that. I would like to see your model.

Are you aware that there's currently a conflict of interest within the Office of the Information Commissioner?

• (1010)

**Ms. Wilma Vreeswijk:** We adopt the same approach towards the Information Commissioner as we do towards any agent of Parliament. We study the business case which the Commissioner submitted along with his presentation. There was extensive dialogue between Treasury Board Secretariat and the Information Commissioner in an effort to fully understand the whys and wherefores of the request.

There is one point which I would like to clarify. I do not believe that I said that the Commissioner's practices were less than exemplary. I simply raised the possibility of agents of Parliament and independent commissions sharing best practices. This would allow them to gain an understanding of the strategies employed by others to manage their workload and the complaints that they receive. That would perhaps help the Information Commissioner to manage the complaints which his office receives.

Furthermore, we clearly stated our desire to work with the Commissioner's Office over the course of the next year, in other words before the end of the 18 months, in order to analyze and fully understand the situation. If by the time the Fall forecasts are upon us, our analysis shows an improvement in the situation, we will be in a stronger position to recommend that Treasury Board approve the request. It is a matter of dialogue. We are analyzing this particular case in the same way that we would any other. We want to make sure that we are giving Treasury Board the best advice possible.

**Mr. Mario Laframboise:** The problem is that that is not his understanding of the situation. He is requesting that he be given an additional \$2 million in the next budget. He says that he has put this request to you, but you are saying that, come Fall, you will determine whether he requires additional funding.

Is that tantamount to saying that he will not be granted additional funding in the next budget?

**Ms. Wilma Vreeswijk:** There were two components to the Commissioner's request. The first pertained to the volume of complaints, and the second, which happens to be the more substantial component, is to do with possible changes to the Access to Information Act. It is very difficult to analyze a piece of legislation which is not yet in force; we do not yet know the extent of its scope.

However, we acquiesced to his request by increasing the number of investigators available to his office by 20 per cent. I recognize that this was at a time of greater belt-tightening, but, nevertheless, we did clearly state our desire to improve the situation.

**Mr. Mario Laframboise:** But the Commissioner told us that such a budget is insufficient for things to run well, that is why he is asking for recurrent funding. That is what he has requested. New models are all well and good, but we first have to remedy the Information Commissioner's problem.

You have a real problem if nobody in your department realized that the volume of access to information requests would increase with all the scandals in which the government is mired. The conflict of interest boils down to the fact that you are defending the government and telling yourself that there has been no increase in the number of requests for access to information. However, the list is

growing, and taxpayers, journalists, and political parties, to name but a few, are unable to get answers to their requests. The bottom line is that Canadians are being ill served.

**Mr. Stephen Wallace:** With your permission, Mr. Chairman, I would like to point out that, clearly, the new model will not solve the current situation faced by the Information Commissioner. Two stages have to be followed.

It will be very helpful to define the model for the 2006-2007 estimates. Nevertheless, short-term solutions are going to have to be implemented for the Information Commissioner. The government has made a commitment to provide the Commissioner with sufficient funding to meet his immediate needs. The Office of the Information Commissioner has real needs, we recognize that and accept it. Furthermore, we want to be in a position to meet these needs in a tangible and sustainable fashion. For these reasons, Treasury Board recently granted the Commissioner an appropriation. In doing so, Treasury Board expressed their desire to review the issue during the course of the same financial year in order to be able to do more, should certain information which was not entirely clear earlier lead them to believe that it is necessary.

We are confident that these appropriations will be followed by others, once we have received additional information concerning the legislation, progress made in case management, and certain developments which are underway in government regarding shared services.

There is no doubt that those offices, which are relatively small, face very high operating costs. It is a question of economies of scale, and not good management. Personally, I believe that the Information Commissioner has adopted fairly sound management practices, but, obviously, pulling certain services, for example, among different parliamentary bodies, would result in reduced operating costs, thus freeing up additional funding for investigators.

There are, therefore, reasons to be optimistic. Treasury Board has been asked to broach these issues, and I think that there is a general commitment to ensuring that the Commissioner receive the necessary funding to fulfill his mandate. There is no doubt about that.

• (1015)

[English]

**The Chair:** Mr. Tilson.

**Mr. David Tilson:** The Treasury Board Secretariat essentially controls the purse strings of officers of Parliament. Does the Treasury Board prepare an annual report, and if not, should it?

**Mr. Stephen Wallace:** On agents of Parliament in general? On individual institutions, yes, and that accountability is reflected in particular through part III of the main estimates where you have the planning on the front end and the performance on the back end. That applies to all agents of Parliament as well. That reporting is very much there.

In addition to that—

**Mr. David Tilson:** I didn't mean that. I'm getting back to commenting on a particular commission, which may be backlogged to a certain degree and the funding may or may not be given to pick up that backlog. Is there a report that explains why such-and-such a commission doesn't get the funding even though there's a backlog? Do you provide that detailed type of report?

**Mr. Stephen Wallace:** No. What we do provide is advice to ministers on whether or not the case that's being presented is clear and complete, and therefore that the resources that are being looked at and subsequently proposed to Parliament through the main and supplementary estimates processes are solid. That is the particular process that takes place.

**Mr. David Tilson:** Can others see those reports? Can members of Parliament and members of the public, members of the media, see those reports?

**Mr. Stephen Wallace:** We provide advice to ministers in the context of their function as a cabinet committee under the Treasury Board.

**Mr. David Tilson:** I understand.

To what extent have officers of Parliament met with the Treasury Board Secretariat to discuss this independent funding mechanism?

**Mr. Stephen Wallace:** We have had meetings for quite some time, led, as I mentioned, generally by the Auditor General. But those meetings have taken place periodically, involving the President of the Treasury Board, the Secretary of the Treasury Board, and working-level meetings over the course of the past two or three years.

•(1020)

**Mr. David Tilson:** I understand that this issue was to have been put to the Treasury Board in December of last year.

**Mr. Stephen Wallace:** Yes, there was a commitment that we would do so, and that was done, sir.

**Mr. David Tilson:** Can we see that?

**Mr. Stephen Wallace:** The advice to ministers as part of the Treasury Board is advice to a cabinet committee, sir.

**Mr. David Tilson:** Okay. I guess I'm getting back to this whole issue. If you do something and make some recommendations, but the only people who can see it are the Treasury Board people or the members of cabinet, doesn't that spell out that there is a conflict? Doesn't that explain right there, on that fact, that we have a problem?

One could say all of your submissions are submitted to a minister and therefore, I understand, that's cabinet confidentiality. But that's the whole point.

**Mr. Stephen Wallace:** I think the commitment we are making today is that with respect to this issue of budget and accountability relationships with agents of Parliament, that is an issue that has to be dealt with openly, involving all the principal parties—and that means Parliament, sir. It means parliamentary committees. It means the Speaker. It means agents of Parliament themselves.

We will bring to that discussion, to those consultations, all of the information we have on models, on accountability considerations, on anything that we, from our analysis, can bring forth to help with that

collective discussion to come forth with a model. That is our commitment to you.

**Mr. David Tilson:** Now I'm confused, because you gave that commitment to an answer that Ms. Jennings asked—

**Mr. Stephen Wallace:** Correct.

**Mr. David Tilson:** —and yet there seems to be other information that we can't see.

**Mr. Stephen Wallace:** The only question, sir, that you've asked had to do with advice to ministers in the context of a cabinet confidence.

**Mr. David Tilson:** Okay.

Dealing with the funding mechanism, can you comment whether one should have an independent mechanism for all officers of Parliament, or should there be a funding mechanism for each individual officer?

**Mr. Stephen Wallace:** I think that is a matter of debate. It is a question that we certainly have thought of, and it's quite understandable that the committee would do some thinking on that one as well.

Our suggestion would be to try to do something that is as broadly relevant as possible to all agents of Parliament, but taking into account some of the distinctiveness of each of the individual agents and their statutes.

The reason for that just has to do with simplicity, practicality, and doability here. We think that might be a useful objective to try to attain.

**Mr. David Tilson:** The reason I ask that is because the Ethics Commissioner seems to have one process and the Privacy and Information Commissioners seem to have another process. These are the people who have come before us. Elections Canada, the Chief Electoral Officer, seems to have yet a completely different process.

That's why the question is asked, whether there should be a general mechanism for all officers, or whether that's impossible.

**Mr. Stephen Wallace:** I don't know the answer, frankly, to the question, but I certainly would like to try. I'd like to try to see if collectively we can come to something that might be broadly relevant but take into account some of those distinctions you're talking about.

To go on a completely disparate set of ways of operating may in fact become both complex and confusing over time.

**Mr. David Tilson:** This isn't something new. You—not you personally, sir, but the Treasury Board—have been thinking about this issue for a considerable period of time. What are Treasury Board's thoughts to date?

**Mr. Stephen Wallace:** Well, if we'd had a solution, we would have put it on the table before now, and we did not.

•(1025)

**Mr. David Tilson:** When are you going to have a solution, or a suggested solution?

**Mr. Stephen Wallace:** What we've said is that we think we actually didn't take the right approach. The approach we had taken was to have a number of discussions individually with agents of Parliament and a number of, from time to time, collective discussions with them on funding and accountability.

That really, frankly, hasn't given the result that we had all hoped here, and part of it, we believe, is that it is not the right approach. The right approach would have been a much stronger engagement with parliamentary committees and more generally with Parliament itself, in this process.

Our recommendation is to let us deal with this, to let us approach this in that particular way, because we think we may be able to get to a solution that has been elusive up to this point.

**Mr. David Tilson:** Can you give us a timeline?

**The Chair:** You're way over.

Mr. Laframboise.

**Mr. Stephen Wallace:** It's 2006-07, sir.

[Translation]

**Mr. Mario Laframboise:** Thank you, Mr. Chairman.

I would now like to discuss a different Commissioner's Office, and come back to the model that you have in the pipeline, and on which subject you are probably, as you mentioned, going to send us some information.

In your brief, you appear to dismiss the idea of enlisting the help of an expert panel. However, the Privacy Commissioner told us, among other things, that she too would face problems in terms of staffing and the volume of complaints over the upcoming months. Indeed, the Office of the Privacy Commissioner is currently being restructured; we know that there is a staffing shortage and that remedial measures are being taken.

As you know, as a result of certain government decisions, some information is being made available to other countries. At the same time, privacy protection has become an extremely technical and automated field. The Commissioner said that she would need the help of a committee of experts to draw up recommendations, even if only for parliamentarians. There will perhaps be a Parliament executive model.

In my opinion, even the Office of the Information Commissioner could benefit from the help of experts, for example, cutting-edge professors, particularly in the field of human resources. Why would anyone reject such an idea?

**Mr. Stephen Wallace:** Thank you very much.

We are not dismissing the idea out of hand, but rather to debating its merits. There is perhaps a way for us to incorporate certain elements of the idea; for example, the involvement of an expert panel could prove advantageous in the budget process. We were wondering whether Parliament and the executive would be comfortable with delegating the budget-setting process to an expert panel. Would it not be preferable, for example, that Parliament and the executive be actively involved in the budget-setting process and that an expert panel support them by providing information?

We would have considerable reserves if it were a matter of delegating responsibilities, however, if it is a matter of an expert panel providing input to support a budget analysis process steered by Parliament and government, then I think we would be agreeable to studying the idea. We should perhaps take care to draw a distinction between the two models.

I believe that is why we were questioning the wisdom of the idea. Nevertheless, we are not at all dismissive of the concept, we simply feel that we must work out how it can be integrated into a sustainable system.

**Mr. Mario Laframboise:** Personally, I feel that, provided the process was transparent, seeking the advice of an expert panel would present and explain their recommendations before a house committee would probably be a good idea. We do not all have the necessary expertise. The same could be said of you; yes, you have your areas of expertise, but you also have gaps in your knowledge.

I would like to return to the issue of privacy protection. Nowadays, technology is omnipresent in the field of privacy protection. The information commissioner informed us that he found it difficult to find qualified investigators willing to accept an 18-month contract to carry out the required work. Somebody must have carried out a poor analysis of the situation.

Earlier, when speaking about the information commissioner, you said that agencies ought to pool certain resources. While I would not want to see your department gaining centralized control of resources, I would like to know which agencies you believe could pool resources in order to be more efficient and reduce their operational costs.

• (1030)

**Mr. Stephen Wallace:** Thank you very much for your suggestions. I would like to add a point to what has been suggested. In terms of the expert panel, another possibility would be to have the panel support a parliamentary committee in its study and thought process, for example, and also, to have it directly involved in the actual process by working within a group of officers of Parliament to set the budget. In this way, the expert panel could be involved in the process at various stages.

As regards the pooling of resources, we are monitoring and evaluating a process which was implemented government-wide by the President of Treasury Board just over a year ago. All corporate and IT services are currently undergoing an operational review. The rationale driving this review is that they will all be able to benefit from a degree of streamlining.

We are studying some very technical issues. For example, in the case of an IT system, we are asking whether each entity requires its own training centre, its own technical advisors, and its own help desk to answer users questions. We are trying to determine whether it is possible for several entities to share the same service. If so, when a problem arises, it will be possible to call a help desk on a toll free number where an expert would be on hand, rather than having to contract an IT specialist to deal with the problem. IT is an example of where resources could be pooled.

The same is true of financial systems; there is room to wonder whether everybody needs to set up their own accounting system. At a transaction level, and not a strategic level, it may well be possible for bills to be paid by means of a common process. It will have to be determined whether for payments, for example, procurement, funding and human resources could be pooled in order to reduce indirect costs, in particular for the smaller offices. We know that indirect costs are sometimes very expensive, sometimes making up more than 25 or 30 per cent of the overall costs. I'm referring here to indirect administrative costs. There may well be a means of reducing these costs so that funding can really be invested in the work which needs to be done.

**Mr. Mario Laframboise:** You also spoke about investigators.

**Mr. Stephen Wallace:** That is an excellent example, and I believe that the Information Commissioner supports such an approach. He is very interested in reducing his general administrative overhead, as he knows he would then be able to reinvest the savings in dealing with, for example, the backlog and the matter of the investigators. Overall, I think that this is an avenue which is worth exploring and which offers considerable potential.

**Mr. Mario Laframboise:** What do you have in mind? Would you set up a central pool of investigators for all the agencies?

**Mr. Stephen Wallace:** No. I believe that it is a matter of reassigning resources rather than reassigning investigators. Investigators are specialized in their field, and it would perhaps be rather difficult to maintain that level of specialization in a centralized pool. It might be a possibility for legal counsel, but I really do think that in the case of professional services, there would need to be case-by-case analyses. As you said yourself, it really is a fairly specialized field.

[English]

**The Chair:** Thank you.

That completes our list of questioners. We have a little time. Is there anything you would like to put forward?

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** It is a never-ending list, Mr. Chairman.

There's been reference to a panel of experts to undertake the task of saying no, there's only so much money to go around and you have to work within this kind of budget.

While it's an interesting concept, creating a panel of experts to do Parliament's work in saying yes or no to budgets—right now Treasury Board has the job—the only panel I could see would be a panel of cronies of the Ottawa bureaucracy, who would want to say yes all the time, because the buck's not going to stop at their desk; right now the buck stops at Treasury Board.

Conceptually, with your knowledge of the field, do you see an ability for Parliament to create its own counterpart of what Treasury Board does now by pooling all of the half dozen or so officers, functions, and agencies of Parliament and bundling the parliamentary budget, the parliamentary allocation, including in it all of the officers of Parliament—the information function, the privacy function, the ethics function, the official languages function?

You must have seen some sketching of these ideas up to now. And outside of this darn confidentiality thing, how about some confidential advice to Parliament?

• (1035)

**Mr. Stephen Wallace:** Indeed, sir, thank you very much for the question. Your remarks with respect to panels of experts are well taken. Part of our series of questions in these cuts across some of those points as well.

With respect to the information we have committed to give to the committee on different models, one of the models you could look at is the idea of a much broader parliamentary envelope. You could, in fact, decide to pool in.... Right now you have several hundred million dollars in the parliamentary envelope that goes for the House of Commons, the Senate, and the Library of Parliament. If you added agents of Parliament to that, you'd be somewhere in the order of \$600 million in a parliamentary envelope.

You'd have to build the machinery around that for budget rigour, and administration, and so on. You would have some very significant legislative, perhaps even constitutional, issues to try to sort out on this one. The ability to construct this would certainly not happen overnight. But the idea of a broader parliamentary envelope is certainly one of the things that we will, in our list of about ten of these things that fall under either Parliament or the executive or a third party, provide you a little bit of data on.

That is a far-reaching concept, sir. It has enormous questions to go around it. In any kind of overall plan to look at all of the options, that is certainly one of them.

**Mr. Derek Lee:** In your own mind, do you have any sense of the critical mass of dollars, of budgeting, necessary to justify a parliamentary function analogous to your own Treasury Board function? Is it \$1 billion, \$10 billion? What size would we have to be before we could justify going out and creating our own little bureaucracy to do what Treasury Board does now?

**Mr. Stephen Wallace:** No, we don't have an answer to that, but it is a very good question. The answer lies to some extent in some of the models you see out there.

The Ethics Commissioner, for example, has a very simple process enshrined in its statute on budget determination operating through the Speaker. That's fine and manageable when it's a very small office. But as soon as you get into orders of magnitude, both from a budget and a mandate and scope situation, you are into a completely different issue with respect to oversight, budget challenge, and accountability.

So we would hesitate to recommend internalizing a rigorous budget function challenge without the requisite resources and capacity to do so.

One of the suggestions we've made here is in fact we probably need to work together on this. If you accept that there needs to be a balance between the critical role that Parliament has to play vis-à-vis agents of Parliament, but also the government's responsibility for public stewardship of funds, then in fact perhaps the answer lies in trying to work together in a more interactive way on it so we can make the best use of all the resources we have here to come up with good decisions.



● (1040)

**Mr. Derek Lee:** Thank you.

**The Chair:** Mr. Tilson.

**Mr. David Tilson:** Mr. Chairman, I have one final question. As you know, we met with the Ethics, Privacy, and Information Commissioners. I think it was on February 10, last. Out of that, two statements were made that bothered me, at least. One was that the Treasury Board is not transparent at all. The other statement was that commissioners don't have an advocate when they're going to Treasury Board to make their request for financing. Could you comment on those statements?

**Mr. Stephen Wallace:** Yes.

I don't know the specific case and what is motivating the particular comment in question.

**Mr. David Tilson:** This is a general statement, sir, that was made by one of the commissioners. There's no transparency at all. This was just a bold statement that was made. This statement that was made was about the relationship between the commissioners and Treasury Board.

**Mr. Stephen Wallace:** I would respond to this by saying that the relationship we have individually with agents of Parliament is an open one. It has free-flowing communications. The issues are described in full detail. We have a framework against which we assess the validity of proposals, the business cases that are put forward. We have published policies, criteria, guidelines, and we apply those. We have a process that is known and a process that is followed, so in terms of the exchange of information with respect to agents of Parliament, I think there is a great deal of interaction.

With respect to Parliament, when it comes to outlining what are plans, what are government estimates, what are government spending proposals to Parliament, those are part and parcel of reporting and transparency on which we in fact agree with Parliament, that we refine continually with Parliament, and what is at the basis of this is indeed transparency.

One of the things we would like to deal with, for example, as part of the accountability regime is the extension of the Access to Information Act to all agents of Parliament, because that will be transparent. We are already subject to the Access to Information Act at the Treasury Board, and we have probably put in place, both for our secretariat and also for the government as a whole, measures on disclosure and measures on information sharing over the course of the last year that haven't been seen for a while.

**Mr. David Tilson:** I leave that with you. At least one commissioner doesn't agree with you.

**The Chair:** Thank you.

Mr. Laframboise, a short one.

[Translation]

**Mr. Mario Laframboise:** I just have one simple point to add, and that is we are not privy to the recommendations you make to Treasury Board. The Commissioners themselves are unable to share with us the content of documents passed between your office and theirs. That presents us with a problem in terms of transparency.

I have already told you that, among others, we have a problem in terms of access to information. As a result, we are unable to process complaints made by Canadians in a reasonable timeframe. We are not privy to the content of discussions that you have or recommendations that you make to Treasury Board. Furthermore, the Commissioner is not authorized to share with us the content of discussions that he has with you. Mr. Tilson is right, that is where the problem lies.

Will the new model allow for a degree of transparency? Either the committee or the Parliament have to be involved so that we can have access to the documents which you draft. Currently, we are privy neither to your recommendations nor to the dialogue that you have with the Commissioner about the budget.

**Mr. Stephen Wallace:** Thank you. The issue that you raise will be a major factor for consideration in the continuation of our dialogue on this new model.

For the next budget, should we endeavour to develop an accountability and budget determination process which will allow us for the greatest possible degree of information sharing and transparency? I am very aware of these issues which should perhaps guide us in our consultation process.

● (1045)

[English]

**The Chair:** Mr. Lee had a short final question.

**Mr. Derek Lee:** As a follow-up, do you accept that Treasury Board, in terms of our system of government where you have the legislative branch, the judicial branch, and the executive branch, is in a sense a subcontractor here for Parliament in dealing with these budgets of the parliamentary officers?

The parliamentary officers aren't really a part of the executive of government at all, but Parliament has decided we are going to subcontract the business of budget planning over to Treasury Board, which is another branch of government. We could do it ourselves if we wanted. All of the judges' salary budgets go through Treasury Board, but Treasury Board wouldn't dare micro-manage them; they just rubber stamp them.

The same thing is conceptually true of Parliament. Parliament can say, we will run it through the pipeline and please have a look at it as a subcontractor. Do you accept that paradigm as being part of your job?

Having said that, and this is the second part of my question, when one of our parliamentary officers submits something to Treasury Board, I would like to know from your point of view why it is alleged to be confidential and why our parliamentary officer can't make the same information available to Parliament, to which he or she accounts, in any event. What is it about the transmission of information to Treasury Board that suddenly makes it confidential and the officer can't transmit the same information, or even send a copy of it to Parliament?

**Mr. Stephen Wallace:** Thank you. I'm not sure I have a full answer to the question, but I will respond perhaps in part to it.

I would respond by saying I don't think the subcontractor analogy works particularly well. Our Constitution states that spending proposals originate with the executive and are proposed to Parliament. That confers, on the part of the executive, a primary responsibility—not a subcontractor responsibility—for the stewardship of public resources and the solidity and integrity of the proposals put to Parliament. I would say that as the first element.

I would also say, however, that in the particular case of agents of Parliament—a concept not yet even subjected to judicial review—we have, as more or less statutory watchdogs with a focus on Parliament, a very strong interactive role to play. We're more comfortable with the analogy of a balance than with an analogy of subcontracting on that one. With respect to the information provided by.... As I said, that may not be a particularly full answer, but it is in fact a very broad question.

The second part of your question deals with the way information is provided for Treasury Board decision-making. When you have an agent of Parliament, like any entity, going in front of the Treasury Board, they don't just send letters and data and all the rest of it. What they do, typically, is formulate an actual Treasury Board submission. They put all their business case and argumentation and everything as part and parcel of an actual document submitted in the cabinet context of the Treasury Board.

That is perhaps what some agents of Parliament are alluding to. The format of submitting proposals to the Treasury Board is almost always in the context of an actual submissions process, as opposed to other means of sharing information.

**Mr. Derek Lee:** But the documents submitted are not cabinet submissions until they're submitted to cabinet. The back-and-forthing between the agency and Treasury Board is simply business; it's not a cabinet submission. Treasury Board is not cabinet. You are not cabinet; you are functionaries. Just because it has been routine for 100 years for departments to prepare things in a format where it will go to cabinet doesn't mean what comes in the front door at Treasury Board is a cabinet submission. Treasury Board is not the cabinet.

What comes in the front door is a proposal. When our parliamentary officer sends something up, or over, or sideways, to Treasury Board, it's a proposal. You may kick it back, and it may go back and forth two or three times, but that is not a cabinet submission—not yet, anyway—so what's so confidential about it?

I understand you treat stuff as confidential, but I want to know, as a parliamentarian, why you presume to exclude my colleagues opposite, or me, from a document I could get from our parliamentary officer straight up. Just because it comes in your front door in an envelope doesn't mean that suddenly we can't see it. How do you respond to that?

• (1050)

**Mr. Stephen Wallace:** The short reply is that in the now growing list of things we would propose to bring to the committee, we have, first, committed to give you some background information on models; we have, second, committed to give you some details on accountability; and we will also table with you, from legal counsel, the specific answer to this one, which is wrapped up in the definition

of what constitutes cabinet confidence. We will give you, in black and white, the picture on that one.

**Mr. Derek Lee:** That will be helpful. Thank you.

**The Chair:** I think we'd better wrap it up, colleagues. We're about out of time.

In closing, we need to be sure we understand and you understand what we're asking for. Certainly I think we both understand that you're going to attempt to provide for us the models you looked at in developing your proposal. It's a bit confusing because in your opening statement you suggest you have a pilot program ready to put in place for the next budget year and then you tell us that nothing is complete, that you don't in fact have a program ready to put in place. If we could see the models you looked at and the analysis of those models that took place and perhaps the features of any of those particular models that you see as relevant to what you're trying to achieve in the pilot project you will present, it would be helpful to the committee.

Clearly this committee wants to play a stronger role in the process of funding officers of Parliament, and you said on a couple of occasions that you thought it was an important development in this process—to have committees play a stronger role. Our report needs to complement the work you're doing and to make it better rather than to be in conflict. We're only beginning this process, and we need to build some trust and confidence if we're going to be part of the process, and I hope we can do that. If you can attempt to give us that.... I think the information Mr. Lee asked for will be helpful, because that issue has come up a number of times in our discussions.

With that, I think we'll close the discussion, unless you need a few minutes. Sure, go ahead.

**Mr. Stephen Wallace:** Thank you.

We would very much welcome the opportunity to come back to the committee to further the discussion on the basis of information that we can share and as we move toward hopefully what could be a defined pilot. To give some clarity to your statement on this, we think there should be a pilot. We think there could be one for the 2006-07 estimates. We don't actually have a pilot proposal, but we think we should be able to pilot something, and in talking in detail with yourselves and with agents of Parliament and speakers and so on, we should be able to come up with something that makes sense. We're confident we can do so.

When we're talking about a pilot we're saying, why don't we work towards the definition of a pilot. We actually don't have a pilot proposal for you. We just think a pilot would be a good idea.

**The Chair:** Good. Thank you very much. We're looking forward to continuing to work with you as we go forward. Thank you so much for coming and sharing with us.

Colleagues, we have our next meeting in this room on Thursday, February 24. Our witness will be the Auditor General. Because we were unable to get the minister on Tuesday, we're proposing to call a steering committee meeting on Tuesday to talk about future business and maybe have a bit of discussion about where we're going with this particular study. So that's where we're at.

The meeting is adjourned.

---





**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliamentary Internet Parlementaire at the following address:  
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**