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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Thursday, June 15, 2006**

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**Chair**

**The Honourable Diane Marleau**

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## Standing Committee on Government Operations and Estimates

Thursday, June 15, 2006

• (0905)

[English]

**The Chair (Hon. Diane Marleau (Sudbury, Lib.)):** I'd like to welcome Madame Barrados, who has appeared before this committee probably more than the Auditor General. You know how many times the Auditor General has been here since we started, but we're talking about previous lives.

Welcome to our committee once more, Madame Barrados. If you would introduce yourself, you know the drill, so we'll go from there. You can give us an update on what's been happening and the great things you're doing, please.

[Translation]

**Ms. Maria Barrados (President, Public Service Commission of Canada):** Madam Chair, thank you for the invitation to appear before your Committee on the Public Service Commission's (PSC) mandate. I have with me from the PSC Linda Gobeil, Senior Vice-President, Policy Branch, and Donald Lemaire, Vice-President, Services Branch.

I would like to discuss the responsibilities of the PSC and our studies and reports to Parliament.

Now approaching its 100th anniversary, the PSC is a unique organization with a long history of protecting merit and non-partisanship in the federal public service. We are independent of ministerial direction and report to Parliament. We also hold an authority necessary for the government to function—the staffing of the core public service under the Public Service Employment Act (PSEA). There are about 185,000 employees. All other HR functions, such as compensation and classification, are the responsibility of the executive branch.

Our core responsibility for protecting merit and non-partisanship has not changed over the last century. However, the way in which we carry out that responsibility has evolved considerably. Recently, I had the opportunity to discuss our system with the Civil Service Commissioner and the Public Appointments Commissioner in the UK, where the human resources management system has evolved differently from ours.

[English]

Under the new PSEA, which came into force on December 31, 2005, we have moved to a highly delegated staffing model. We are no longer running key parts of the staffing system. Instead, we have delegated staffing authorities to the deputy heads. We hold them accountable for ensuring that staffing actions respect the values of

merit and non-partisanship, as well as those of fairness, access, and transparency.

We are the external auditor for staffing. We have a staff of about 1,000 highly skilled and professional employees, located across Canada. Our organizational units are responsible for staffing and assessment services, policy, audits, and investigations, as well as corporate services.

As a result of our long history, we have built up a large concentration of expertise in staffing and investigations, and we are building up our audit and monitoring capacity. We have provided you with more information on our activities, as well as on our organizational structure, financial, and human resources.

We report annually to Parliament on the health of the staffing system. Our report is tabled in both houses, through the Minister of Canadian Heritage. The new PSEA allows the PSC additional reporting authority, with the power to make special reports to Parliament when we deem the matter urgent or important.

At the time of passage, this amendment was taken to mean that we could transmit these reports directly to the speakers of both houses. However, without specific wording in the act, the reporting mechanism was unclear. The absence of a specific tabling provision has resulted in us tabling our reports through a minister, potentially restricting timely action as envisioned.

I would like to share with you the results of some of our recent work.

Last month we released two statistical studies. The first was on the use of ministerial priorities to staff positions in the public service. Our second study, on time to staff, provides a benchmark that will allow us to assess progress, as we modernize the staffing system under the new PSEA. These statistical studies are the beginning of a series, based on analysis of our data holdings.

We also issued two special audit reports, which we tabled and which stand referred to this committee. Our audit of the Canadian Space Agency found shortcomings in the management of staffing operations. I was particularly concerned about the lack of impartiality in staffing, the quality of the rating tools and assessment methods used, and the fact that human resources advisors and managers had conducted staffing transactions with a poor understanding of the framework governing staffing activities. In addition, the agency did not respect the merit principle and staffing values in 48% of the staffing files we audited. Consequently we imposed conditions on its staffing delegations.

Our audit of the Office of the Privacy Commissioner, OPC, determined that significant improvements in staffing systems and practices have been made. The OPC has a staffing strategy in place, supported by plans and policies. It has established communications strategies for management and employees, initiated a self-monitoring process, and is ready to conduct staffing under the new act. Accordingly, we have removed the restrictions previously placed on its staffing authority and established a standard delegation agreement with the deputy head.

[Translation]

We are currently conducting audits of acting appointments to and within the EX group, student programs and readiness for the new PSEA. We are also working on statistical studies in a number of areas such as the extent to which casual employees subsequently become employed under the act. In early October, we will be tabling our Annual Report.

Our recent studies and reports are the result of our new emphasis on oversight as the means for carrying out our responsibility to protect merit and non-partisanship. We would appreciate hearing from your committee on its areas of interest and how we might better serve Parliament in the exercise of our responsibility on its behalf.

We are an independent agency supporting Parliament but because of our staffing authority, must work closely with the executive. However, we look to our relationship with your committee as an important means of maintaining our independence from the executive branch.

I would be happy to answer any questions you may have at this time. Thank you.

• (0910)

**The Chair:** Thank you, Ms. Barrados.

We will begin with Mr. Bains.

[English]

**Hon. Navdeep Bains (Mississauga—Brampton South, Lib.):** Thank you very much, Chair.

Thank you very much for coming out this morning. I appreciate the opening remarks. It allows me to get a better understanding of some of the responsibilities in the reports you've tabled in the past.

I have a few questions to begin with. I understand that overall there's been a fundamental change, according to the new act, in how you operate. You indicate in your closing remarks that it's basically

become an oversight. Do you think that's the best approach, and has it been effective thus far?

**Ms. Maria Barrados:** There was a lot of debate and discussion when the legislation was changed, and the preoccupation at the time was to ensure that we had a system that was more flexible and more agile and more responsive to a changing workplace and a changing work environment.

I believe that the right direction was taken in that piece of legislation. The fundamental piece of the legislation is that we want managers fully engaged in staffing, and that includes the senior managers of organizations, to make it one of their preoccupations to be fully taken up with staffing and HR issues. That is the direction in this legislation. It has been in place now since January. It's a short period of time. We're watching closely and doing everything we can to support this change, but I think we have to wait and see.

**Hon. Navdeep Bains:** Also, you mention in your remarks that in your studies, in addition, the agency did not respect the merit principle and staffing values in 48% of the staffing files that were audited. When you say audited, how many files did you audit? Is this a figure that you feel is consistent throughout?

**Ms. Maria Barrados:** Your question relates to the audit of the Canadian Space Agency. It was a sample of over 100 files, and when we see a number that high, that 48%, it is far too high and is a worry. Errors do get made, but that was a consistent pattern of problems.

**Hon. Navdeep Bains:** Exactly.

What kinds of errors were there and what was the root cause that drove the number to be so high? Forty-eight percent is a significant number. Ultimately, what processes did they have in place, or what means did they have that they were following, when they were engaged in these hiring practices?

**Ms. Maria Barrados:** We go into quite a bit of detail in the audit about what we saw was a problem there. But as I said earlier, what we expect in the new legislation, and it was an expectation that was there before, is that people who are the heads of an organization take the responsibility for HR management and take it on fully. This means that they have to respect the values that are there in the legislation.

What do we expect to see? We expect to see a framework that is in place. We expect to see integrated planning. We expect to see managers trained and knowledgeable, and then we expect, in everything they do, a follow-through in respect of what we have stated in the legislation. We didn't find that. What we have here is we have problems with the results, problems with the framework, problems with the planning. We have an organization that was not seized and engaged in what is expected in managing human resources.

**Hon. Navdeep Bains:** What was the response to this? Because they must have had some justification in their response to the audit. I don't have the audit before me, but how did they justify hiring practices that were not consistent with the merit-based approach?

**Ms. Maria Barrados:** At the time the audit was being completed, there was a change in the management of the organization. The current acting head of the organization and their management team has put in responses in the audit, and they have accepted the audit findings and they have accepted the recommendations that are in the audit to make improvements.

• (0915)

**Hon. Navdeep Bains:** You indicated here in your opening, and this number has always intrigued me, that there are about 185,000 employees. Is that full-time, part-time, contract? There's always a misunderstanding of that figure, and I want a further elaboration of it. My view is that the number is far greater than the number reported because it just includes core departmental-related employees. Is that true, or is this number accurate?

**Ms. Maria Barrados:** There is a confusion in terms of what is the size of the public service. There are many different numbers. It depends upon the definition you put to it.

**Hon. Navdeep Bains:** What definition is entailed in this 185,000? This number comes across very consistently, but I want to know what it excludes and what it includes.

**Ms. Maria Barrados:** What we're including in that number is the number of full-time and term employees. We include casuals as well. So it's all the people who are employed, but in the core public service. We're distinguishing between the core—and that essentially is those employees who fall under the Public Service Employment Act—and the non-core, which are other public servants such as the Armed Forces, the armed police, and crown corporations. That brings you to a number over 400,000.

**Hon. Navdeep Bains:** Yes, that's the number we've heard, but that's non-core. You're saying core—

**Ms. Maria Barrados:** “Core” means those who fall under the Public Service Employment Act.

**Hon. Navdeep Bains:** Okay.

You mention as well in your recent study that you looked at two reports. The first was the use of ministerial priorities to staff positions and the second one was to allow you to assess progress as we modernize the staffing systems. Could you elaborate on that? What does “modernizing staffing systems” entail? Is it simply hiring practices? Could you elaborate on that component?

**Ms. Maria Barrados:** The new legislation, which we were discussing, that came into force December 2005 was called the Public Service Modernization Act. Under that legislation there was a strong suggestion—I guess is the best word, because it wasn't “must”, but “may”—that the Public Service Commission delegate staffing authorities. Given the debate and the approach that was taken with that legislation, we have taken this to mean that we fully delegate.

Before we did that delegation, we went through a process of assessing readiness, because we wanted to make sure there were the basic pieces in place so that we had some of the training, had the policies, had the delegation framework and a receptivity to the framework. That's the first step of readiness.

We did that first assessment to determine that there was a readiness to do the delegations. And at that time, already we

conditioned the Space Agency delegation, because we were already concerned with what we were finding in that audit. So there are some that have conditions imposed on them, where it's not a full delegation.

Now what we have to do is continue to ask, as did your earlier question: how ready is the system to take on this new approach to human resource management? That's what we're going to continue to do, because once you get past the policies and the framework, you really do have to get to the behaviours, and you want to see behaviours and practices that have been changed.

**The Chair:** Thank you.

Thank you, Mr. Bains. You've gone further than your seven minutes.

Madame Thibault.

[Translation]

**Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ):** Thank you, Madam Chair.

Ms. Barrados, I wish to thank you and your colleagues for being here. I will be talking about the PSC's revenues during the next round.

Like my colleagues, I think there should be a cost recovery system and that organizations that do not comply with the act should be forced to pay. I, like other parliamentarians, find the non-compliance with staffing principles in 48% of cases to be appalling. Regardless of whether we are talking about 48 cases out of 100, or 480 cases out of 1,000, the figure is absolutely appalling.

Under the Public Service Employment Act, the PSC delegates staffing authority to deputy heads. Under section 15, the commission may revise or rescind an authorization granted under this section.

I would like to come back to the last question. You said that you make sure that an organization is ready and willing to receive a staffing authority. Yet, you said in your report that of the staffing files audited, 48% did not respect the merit principle, and managers do not consider themselves as important actors in human resources management. Either managers are not ready to have staffing authorities because they do not understand their role in human resources management, or else the organization has undergone a complete and total change.

During the 1970s and 1980s, it was believed that human resources management was the responsibility of human resources. A staffing agent simply had to be called to resolve a problem. However, the staffing agent is not responsible for drawing up manpower plans.

Was the agency ready to receive staffing authorities when the commission delegated them? Things happen, and then all of a sudden, there are cracks and everything falls to pieces.

I'm very interested in what precedes the delegation of authority, because 48% is unimaginable.

• (0920)

**Ms. Maria Barrados:** The case of the Canadian Space Agency is a serious one. We developed a process to determine whether or not organizations are ready to receive the new authority, which gives agencies and departments more powers.

The preliminary results of our audit showed that the CSA did not comply with the delegation conditions, and from the outset, we rescinded some of the staffing authorities, including the authority to staff senior management positions. We imposed very strict conditions with regard to the authority before tabling the report, as soon as we noticed problems.

**Ms. Louise Thibault:** Did you have to revoke any appointments? Non-compliance with the merit principle is serious. If everybody starts appointing somebody they know, favouritism can quickly turn into nepotism.

**Ms. Maria Barrados:** We have revoked appointments in other situations. By way of its new approach, the PSC has strengthened its decision-making process. A decision concerning the Privacy Commissioner is one good example. We had imposed conditions and rescinded authorities. At the time, this committee was very much involved in these decisions. In two cases, and in one third case which was rather minor, we imposed conditions after our audits.

We are ready to do so, and we will do so.

**Ms. Louise Thibault:** Your 2003-2004 report recommended that departments look into certain issues. It is surprising to read that they will be looking into the lack of planning in human resources. According to studies, and specific chapters in the Auditor General's report, there are shortcomings in financial management. Yet, studies continue to be done as to whether or not we should act.

As President of the Public Service Commission, even if you have not held your position for a long time, do you believe that organizations are assuming their responsibilities? Are they integrating human resources planning into their activities as they should be doing, such as in the case of financial management?

• (0925)

**Ms. Maria Barrados:** Most members of this committee know that I was at the Office of the Auditor General before taking up my position here at the Public Service Commission.

Neither the human resources planning framework nor the financial planning framework is very solid, and we would like to integrate these two frameworks. Some departments and agencies devote nearly three quarters of their budget to human resources. Having a truly integrated planning framework is major challenge.

The question as to whether or not organizations were ready to receive staffing authorities was important when we started making decisions on the delegations. The assessment allowed us to note a preliminary planning process. That is a beginning. Consequently, we will be devoting more efforts to oversight.

We will be carrying out more audits, because our role is to push and encourage people. Managers are responsible for the implementation of this process. That is not our job.

**The Chair:** Thank you.

Mr. Kramp.

[English]

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC):** Thank you, and welcome to all.

I have a number of questions. I know I can't get to them all in my first round, but we'll see where this will start and go.

I'm really pleased that you bring so much auditing background to your position. Specifically, I'd like to know what audits are in process right now, the number of them, and the type of audit, and also what you have planned to audit.

**Ms. Maria Barrados:** We have our annual report coming out. We are aiming for or working on a date for the first week in the month of October. It depends, of course, whether Parliament is sitting, so we have to be flexible.

We are also looking at the appointments in the EX group, which is an audit we expect to have come out. We are looking at the student program, which is one of the ones we expect to be part of the package.

**Mr. Daryl Kramp:** I'm sorry, I'm not familiar; could you just give me a little background?

**Ms. Maria Barrados:** The federal student employment program is the summer student employment. There was an audit done three or four years ago that raised a lot of concerns about targeting, not giving students fair access. This audit has gone back to make sure there are improvements.

Our strategy is that we identify problems and keep coming back. I like a term Sheila often uses, that we "specialize in nagging". We identify something and we have to keep coming back. That's the case in the student program.

Of course, there are our issues in readiness, because as the other questions suggested, we have some of the essential pieces in place, but this is a huge change managers have to go through. We want again to keep at this to make sure these changes occur.

• (0930)

**Mr. Daryl Kramp:** the second question I have concerns your selection process and the areas people come from. There's been a great deal of concern in many areas across the country from people who suggest they don't have the opportunity to contest an available job because they don't live in that area or they're not of the right demographics. What I'd like to know is whether you have completed any studies on this, from the point of view of the demographics of the actual individuals hired—in other words, from in-house or the exterior, from the different regions, by race, colour, creed, geography, etc. Has any of this factored into your study, or have you completed a study on that?

**Ms. Maria Barrados:** We're quite concerned about all of those things, and I can address some of the issues without starting to pull out all the specific numbers—but we can get you specific numbers.

Under the previous legislation, there was the requirement that public service jobs first be posted within the public service. There had to be a justification before you went outside the public service to staff a new job, hence giving promotion opportunities to people in the public service.

That particular clause is no longer in the legislation. We now have a different system beginning to take shape, which means that people can advertise outside much more than they had in the past to fill some of the jobs that are there. That's a significant change.

We watch fairly closely representativity numbers, and we continue to be concerned about the gap in work force availability of, the actual people represented in, and the rate at which we're hiring visible minorities in the public service. We are doing better than many other organizations, but there's still a significant gap between what is available and what we find in the public service.

**Mr. Daryl Kramp:** Do you know how much of a difference in cost there has been in going to this new approach? Has the effort been onerous in cost to come up with a more comprehensive national program, rather than simply an in-house one?

**Ms. Maria Barrados:** Now you're getting to the really tricky part. Your question is anticipating my next comment a bit.

In the past—and we're in a transition now—there was a restriction. There was an ability to restrict the geographic area of competition. So any public service manager could decide to allow jobs, if there was one in Ottawa, only from Ottawa-Gatineau, for example, or if it was in Toronto, from only around Toronto. This has raised a lot of concerns, particularly from members of Parliament, who saw a lot of jobs come up that were advertised for outside the public service but restricted geographically. So that meant that their constituents couldn't apply for those jobs.

We had always done that to limit the volume of applicants, because in the public service we have a lot of people interested in the generalist jobs. We have hundreds of applications. For the specialty jobs, it's a different situation. For specialty jobs, we have to compete with everyone else, and we often don't do so well. So specialty jobs are not the same as the generalist jobs.

We have now initiated a process and changed our policy by broadening it. Starting April 1, all jobs for what we're calling the officer level are now open to national competition, so anyone in the country can apply for those jobs. Two things have had to happen with that. One is we are putting in information systems that will allow us to deal with the large volumes of applications. That is now all in place; we're beginning to roll this out.

Your second part of the question is what the costs are. This is a bit unknown, because this is now at the discretion of the managers, as to what they're paying for this. We are providing facilities and support, so that you can do interviews in other ways apart from having people come directly. But there is discretion as to whether you pay moving and relocation costs. That's one part of the cost equation.

The second part of the cost equation is we have to put the information systems in place, so that when people apply their application gets treated and they get treated in as fair a way as everyone else.

● (0935)

**Mr. Daryl Kramp:** As you're going through this transition process, there are obviously difficulties. You said one of the most difficult things is following up. You start a process, but then to ensure that you're going to get the desired results you have to have some form of assessment of the process all the way through.

We've seen a classic example. This committee has been struggling with recommendations that the Auditor General made back in 2001 for accrual accounting. Yet we've never seen a full implementation, and every time we do a small degree of follow-up, there doesn't appear to be the proper emphasis.

My concern is that we have an adequate means of follow-up to ensure that this is working and effective as we go to the new process within your department.

May I be so bold as to ask you for your opinion on how could Parliament be most effective in giving you the tools necessary to ensure that we are getting a process that works, that's cost-effective, and of course that suits the national identity of what we are as a society?

**Ms. Maria Barrados:** Mr. Kramp, this committee is exactly the kind of process I look for. It is very important for me and my organization that we have the dialogue with this committee, because having members of Parliament ask questions on the record focuses the mind, the minds of all the people, and the subjects, which you touch here. You may not be quite aware of the impact this has on the system. People watch what is said at these committees very closely.

It's the system, and it works. In organizations like mine and the Office of the Auditor General, it is important that we continue to have that link with Parliament and maintain our independent point of view. So we will do the follow-up and identify the issues.

Regarding some of the issues I look for, one is strengthening the independence of my office. One of the big issues has been in the process, in the way in which I was nominated. It was through this committee. My nomination was a vote in both houses. The only way I can be removed is through a vote in both houses. This gives me a tremendous independence as to who my boss is. I know who my boss is: it's the people around this table.

I do have concerns about our budgets. I have not had any issues where people have tried to take money from our budgets. One way you control the watchdog, if you like, and the ability for me to organize my organization the way I want is to reduce the money.

Now, the minute I feel that I am in trouble, I can assure you I will come to this committee. But I'm always trying to make sure that we maintain that independent point of view and that ability to function independently.

[Translation]

**The Chair:** Ms. Nash, you have the floor.

[English]

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Good morning, and welcome to our committee. It's a pleasure to meet you.

I have questions in two areas. I assume that like the rest of our society the public service will be affected by a generational change, where a number of people will be retiring and there will be all kinds of openings for new people coming on stream. I know for many organizations this poses big challenges about how they are going to accommodate that change.

What are you anticipating in the public service, and what plans are you putting in place to deal with it?

**Ms. Maria Barrados:** We have the same issues in the public service that many have. We had large numbers come into the public service in the seventies; they have moved their way through, and they're all beginning to retire at about the same time.

In my organization, we have moved from the actual doing of the staffing to providing a staffing service to try to help departments deal with this issue. Mr. Lemaire is responsible for it, so maybe I could ask him to give a few comments.

**Mr. Donald Lemaire (Vice-President, Services Branch, Public Service Commission of Canada):** Thank you.

One bit of good news, based on the study that has just been completed by D-Code, a private sector organization, which has surveyed 27,000 college and university students, is that they have a very strong interest in joining the public service, either provincial, municipal, or federal. From that perspective, there is a strong interest in joining these organizations.

What we're doing now is working with departments to identify where there are specific gaps, because it's not every place that faces the same challenge. If we take just human resources, which is our main concern, there is a big shortage and already a big gap. What we're doing is launching with our partners, the other departments, recruitment at the entry level. We put in place also a two-year development program to make sure they have proper mentoring and training so that they can achieve the level of performance we expect more senior officials to arrive at.

Also, we're working with different departments now with more specialized targeted recruitment among different communities. The first phase is basically to do the diagnostic, because starting from a general premise that everybody will face the same type of shortage is not a very effective way to identify a proper strategy to meet and close the gap. That's basically the process we have engaged.

● (0940)

**Ms. Peggy Nash:** Thank you.

Just out of curiosity, you said there were about 185,000 employees in the public service. What percentage of those do you anticipate will, over the next five years, say, be taking their retirement?

**Mr. Donald Lemaire:** Generally, the numbers we have up to the year 2010 are that about 40% will be eligible for retirement. Are they going to take it? We don't know. Depending on the group, there are some who stay on a bit longer than the others. But if my memory serves me correctly, those are the numbers that stick in my mind.

**Ms. Peggy Nash:** Forty percent eligibility—that's a huge challenge.

**Mr. Donald Lemaire:** Yes, by 2010.

**Ms. Maria Barrados:** That's not to say they will all retire. We see some very interesting patterns in the public service. Human resource management specialists hit 55 and retire. Maybe they know something; I don't know, but they may. A lot of the others leave over a five or six-year period. It depends really on the work they're doing.

**Ms. Peggy Nash:** Thank you.

I think it's very positive that you're reporting that among students today there is a desire to go into public service. I think there was a period of time when there was a lot of disparaging of public sector staff.

I personally have a lot of respect for them. I think it's a valuable contribution. A key to our public sector is that there not be the accusation of partisanship, and I note in the report that there has been a strong emphasis on being non-partisan and protecting merit, which I think we all value.

One particular issue I'd like to raise—this came up in my riding in Toronto—is about the federal student employment program. I was asked to come in and approve not hirings but the authorization to fund positions that were going to be offered for the summer. I asked about the criteria for this program.

I see you shaking your head. Maybe that's not usual, but I was asked to come in, and it seemed to me highly unusual that I would be looking at these, because we don't want them to be partisan.

But I also had questions about how the program works. I was told that the goal is to offer students workplace experience, summer work experience, especially targeting disadvantaged students. When I asked what it was based on, they said it was the census data from 2001, the number of students in the riding and the percentage of those who are unemployed—which seemed to me a very gross yardstick five years down the road. This is what I was told.

When I asked whether there was a requirement that these students be hired from within the riding, I was told there wasn't, and there was no particular outreach to the especially disadvantaged areas in my riding. Maybe I was misinformed, but it just seemed to me a strange way to go about implementing this kind of program.

I don't know whether I was misinformed. Maybe you could explain the goal of this program, because it does involve hiring.

● (0945)

**Ms. Maria Barrados:** I'm a little puzzled by the explanation that you were given. Maybe we can follow up with your office and get some of the details, because that's not the way the program is to operate, and my understanding is that's not the way it operates.

Students apply individually, so there's an application to this program. We get large numbers of students applying—9,000 students who apply for these jobs. What we then do is get a request from a department for a particular type of job, whether they're looking for somebody with a background in science or whether they want a statistician, or usually what kind of background they want.

We, the Public Service Commission, will then look at the databases. We will give them a match of five people, and they can choose one of those five people. That's how it's done.

There may be another process in departments in terms of saying how many students we're going to hire, but we're not involved in that part of it. We're involved in the part of having students apply. They apply directly. We're there to be non-partisan and not have any part in a manipulation of that, to give students an equal chance.

Where we had the problem in the past was when you looked at some of the requests and you would have a request—I'm making this up, but it's the kind of thing you'd have—for a BA in something like anthropology, somebody who had done lifesaving as well, and knew some obscure language. By the time you pulled out those out, you'd have a unique individual. That's what we were so against and we identified in the last audit.

We've gone back to make sure that wasn't continuing, because it is supposed to be an equal chance. But we'll follow up with your office for—

**The Chair:** I was just wondering whether there are two different programs. The one that Ms. Nash is referring to is employers getting grants to hire summer students. They're not hired through the public service. So that's the difference.

**Ms. Maria Barrados:** Okay, I'm relieved, because we've been there for 100 years being non-partisan, and we take that—

**Mr. Chris Warkentin (Peace River, CPC):** It's for different charities and things—organizations within a constituency—so there's a little bit of a difference.

**Ms. Peggy Nash:** And you're not involved in helping set up criteria or making sure the process is a transparent one? That is not something you become involved in, in the program I'm describing?

**Ms. Maria Barrados:** In the other program, when it's a government outreach to the private sector, no, but in programs where any department is involved in setting up criteria for hiring public servants, absolutely, yes, because we are very preoccupied that those not be biased or introduce bias.

**The Chair:** Mr. Alghabra.

**Mr. Omar Alghabra (Mississauga—Erindale, Lib.):** Thank you, Madam Chair.

Good morning, everybody, and thank you for being here today.

I have a couple of questions. First, I'm sensing a reservation from your remarks about the way your commission reports. Could you please elaborate on the mechanism and how you see it could be improved?

**Ms. Maria Barrados:** Yes. When the Public Service Modernization Act was going through, there were a couple of decisions made to strengthen the independence of the Public Service Commission. One was the appointment of the head and the dismissal of the members of the commission. The second one was to provide a clause that would give the commission a direct report, allowing the commission to report at any time it felt it was important to report to Parliament. Everyone at that time took that to mean it was a report directly to the Speaker, not by way of a minister. There's quite a procedure set out for how you report through a minister: you have to give notice, and you have to work with the minister's office.

When the act was enacted, I had these two reports that I thought had timeliness and urgency to them. Certainly I thought it was very

important to get the space agency report out, the message being you have to get a new head of the space agency in there, and you have to solve a problem. I thought it was important to get the privacy commissioner report out because a previous committee in Parliament had been very preoccupied about the privacy commissioner not getting full delegation back.

When I went to see about how I could do it—because I thought I could just go to the Speaker and table with the Speaker—I was told that the absence in the drafting of tabling to the Speaker meant it had to go through the minister.

**An hon. member:** Who told you that?

**Ms. Maria Barrados:** The Clerk of the House of Commons and the law clerk.

• (0950)

**Mr. Omar Alghabra:** How do you see us helping to improve the process?

**Ms. Maria Barrados:** I would like to see an amendment to the Public Service Employment Act. I suggested it be done as part of Bill C-2, the Accountability Act, but since it didn't really deal with the Public Service Commission it was ruled out of order. So that wasn't a vehicle. I'm going to suggest it be put through miscellaneous amendments. If that doesn't work, at every opportunity I can I will come back and ask for it, because I think it's important.

Having said that, I got no interference from the Minister of Canadian Heritage in tabling these reports when I wanted and in the way I wanted them.

**Mr. Omar Alghabra:** Thank you for that.

The second question I have is because we talk about the commission's responsibility in protecting merit and non-partisanship, and I'm curious also about the importance of diversity. What's the perception the commission has towards diversity? Has there been any diversity, especially of gender or visible minorities? Are there any statistics, especially at a senior level and not just a generalist level, and are there any plans to get improvement if improvement is needed?

**Ms. Maria Barrados:** Yes, we have actually a specific charge under the Employment Equity Act to be responsible for removing barriers to employment in the public service. So we have been watching this fairly closely in terms of what kinds of barriers there are and what the numbers are looking like.

On the representivity side, if you take a number that reflects workforce availability, we are seeing overall that women are fairly represented, mainly a little bit over, in total, and the disabled are fairly represented, as are aboriginals, but there's a special issue with the aboriginal people. But visible minorities are under-represented from workforce availability.

If you look at the senior executive ranks, the representivity issues are more severe. I think there is under-representation across the board. So we have under-representation across the board in the senior executive ranks.

On the question of visibility minorities, it is one that bothers me in particular, in large part because of the extent to which our society is changing, and I think it's very important that our public service is reflective of the society it's there to serve.

We have initiated a study that we are terming the drop-off study, because what we have found is that in terms of applications to the public service, visible minorities are over-represented, and in terms of the actual jobs they get they are under-represented. We have undertaken a statistical study that shows what we're calling this drop-off. Now we are moving to doing more analysis on that to try to determine exactly where the barriers are and what it is that is causing this phenomenon of this high interest in the public service and yet when it comes to getting the jobs they're not getting the jobs in the proportions.

Linda is responsible for the work in this area. She might have something to add.

**Ms. Linda Gobeil (Senior Vice-President, Policy Branch, Public Service Commission of Canada):** To add to what the president just said, it's also interesting to note that in addition to the efforts we make in terms of having overarching policies that deal with employment equity and so on—talking to the department, having conferences, making sure that all the tools are available to departments—the new legislation, the new Public Service Employment Act, in its preamble made the reference to—I don't have the exact words here—the importance, of course, of having a public service that represents very well the Canadian population.

I would like also to take this opportunity to talk about one of the processes we recently launched with respect.... The president alluded to the fact that on the executive side we still have a gap when it comes to visible minorities. We just launched a selection process to establish a pool. We qualified, if I'm not mistaken—that was last March, so it's fairly recent—something like 41 candidates, highly qualified people, in that pool. Again, if I'm not mistaken, I believe that so far departments have appointed five individuals, and I think that by the end of the month we expect five more people to be appointed. So we have those programs to help departments to meet their objectives when it comes to employment equity and cover the gap that we still have with respect to that designated group.

• (0955)

**Mr. Omar Alghabra:** Could I make a short comment?

**The Chair:** I think we're way over time. You'll get it again.

Mr. Wallace.

**Mr. Mike Wallace (Burlington, CPC):** Thank you, Madam Chair.

Welcome. You answered some of my questions already through the process.

What's an EX? What does that mean? I don't understand EX. Executive branch? Okay, thank you.

**Ms. Maria Barrados:** Just to clarify a little bit, you have the executives. This tends to be your directors, your directors general, your assistant deputy ministers. Your deputies have a different classification. They're DMs. Deputies do not fall under the Public Service Commission, so we're not responsible for their staffing, but

we're responsible for all the executives and down. Underneath the executive group you have a great variety of classifications.

**Mr. Mike Wallace:** My first question is on something you said in your presentation this morning, that you hold them accountable for staffing actions. You can audit them, but what teeth do you have after you've done the audit?

**Ms. Maria Barrados:** We have an unusual set of teeth, and that's what makes us unique. Unlike the Auditor General, whose role it is to audit and make reports, we are actually in the business of auditing and taking corrective measures. That's why in our reports to Parliament we have to say what we found, but also what we did.

We have a couple of instruments. One is the actual delegation; we put conditions on delegations and we can intervene in the staffing processes. Some we'll remove; other times, we do a combination. In the case of the Canadian Space Agency, we removed some and then we imposed some very strong conditions whereby there have to be approvals by us for all future staffing actions.

The other thing we have is the power to revoke positions, so that if there has been an incorrect staffing action, we can actually go in and take the position away.

Under the old legislation we had the power to do that for all positions. Under the new legislation there is a new staffing tribunal set up, and they do that for the internal competitions, but we do it where there is fraud, inappropriate political activity, and for any of the external appointments that were incorrectly done we can revoke the position.

**Mr. Mike Wallace:** I have a question about finances. What you've told me today—and I'm new, so I don't know—is that you've downloaded a lot of the hiring and staffing responsibilities. From a practical point of view you may still set policies, but the departments have to look after their implementation. But then we are still spending \$64 million on recruitment and assessment services, and the one I really don't understand is \$47 million on activities designed to safeguard the integrity of public service staffing and political neutrality. What are you spending the money on? What are you doing?

**Ms. Maria Barrados:** That's a good question.

Part of the \$67 million on the recruitment and assessment services is for grouping these things together. That's a block of activities.

A single piece in there is what we call the psychology assessment centre. These are the people who do the language testing, who do all the psychology assessment, do any of the special needs in assessing employees. That is part of it; it's about \$10 million.

I talked to you earlier about the systems we needed to put in place for national area of selection. Those systems are something we are doing overall for the whole of government; it's not uniquely for us. It has brought up our expenditures for the last years by about \$10 million to \$12 million a year. These are overall systems costs.

The costs you have in there are fully loaded. They now include the student programs we run for government, the post-secondary recruitment program we run for government, the specialty recruitment programs we run for government, the jobs.gc.ca website we run for government. All of these we run, to keep them unbiased and fair and with integrity. And there's our regional office structure

What is changing with the new legislation is that some of those components are going to be discretionary, whereas before they were compulsory. If they are not used, the expenditure and usage are going to go down, and you will see the expenditure going down in those areas.

But a number of those things are being done for the whole system, so we're talking about activities for 170,000 people.

As to the other \$47 million, you're asking what we are doing with the \$47 million, what's in that box. What we have in that box is the individual investigations we do and the appeals investigations we are currently running. We're looking at running about 500 to 600 individual investigations that could result in people losing their job. Those have to be done in a quasi-judicial kind of manner; they are administrative tribunals.

We have an audit function and those audits have to run to the standards of the Auditor General's.

We have delegations to 80 departments and organizations, so we have delegation agreements over which we have a monitoring function.

We have to give advice and counsel to try to keep the system running, because we're in this major transformation.

So we have that whole package of activities in addition to running a commission. When you cost each one of all those things out, they end up giving you that kind of cost.

• (1000)

**Mr. Mike Wallace:** Do you have about 1,000 employees in the commission itself?

**Ms. Maria Barrados:** Yes.

**Mr. Mike Wallace:** So their salaries are paid out of the \$47 million side of the equation here?

**Ms. Maria Barrados:** No, they're paid out of the whole. Of the 1,000, we have about 250 direct on the recruitment and assessment side. Then the systems side is in addition to that, because those are fully loaded costs.

**Mr. Mike Wallace:** On the recruitment side there's advertising and promotion of openings. With the change in how it's structured, did that not get downloaded to the departments or into their budgets for them to do, or do you still do the overall advertising and promotion of openings?

**Ms. Maria Barrados:** We do it for the corporate programs. So there's the student program, as I was saying, the post-secondary recruitment, and we run the job system, the www.jobs.gc.ca system, which is for the whole government.

The big change in what has occurred was under the previous legislation departments were obliged to come to the Public Service Commission, so it was obligatory; we had to do it. Under the new

system, it's discretionary. What we're finding is our workload hasn't dropped off. I had expected the workload would drop off. We had actually laid off close to 90 employees in anticipation of this shift to reallocate it to auditors, because when I came I had no auditors, so I have to rebuild the audit group and I have to rebuild my corporate services to line up with that. And it hasn't quite happened, so these people are very busy.

**Mr. Mike Wallace:** From a financial point of view—

**The Chair:** I think you're just about done. Thank you.

**Mr. Mike Wallace:** I'm going to have to get a clock, because I swear my time—

**The Chair:** Eight minutes.

Mr. Bains.

I've been particularly lenient with most.

**Mr. Mike Wallace:** Thank you, Madam Chair, for your lenience.

**Hon. Navdeep Bains:** Thank you very much.

I have a quick follow-up to the line of questioning. You indicated that departments still are coming to you and that you anticipated there'd be a reduction in work. What's the reason for that? They've been given authority, they have a framework to work within, and they understand the processes. They should be experts in this, because this is an area of their jurisdiction. The new legislation empowers them, and yet they still come to you. So what's the reason for that?

• (1005)

**Ms. Maria Barrados:** They in fact don't have the expertise in running the processes. The decision-making is with the department. So what happened before is, for example, the executive appointments were all made by the commission, so we made the appointments. Now what's happening is we may run the processes for them but it's the department that is going to be making the appointment. In the work that goes through in working the process properly, people are still coming very much to us.

**Hon. Navdeep Bains:** Again, in terms of the audit component—I know the questions were asked before as well—I just want a clarification. You indicate that there are two components, the audit—and we'll talk about the Canadian Space Agency—and then after you complete the audit there's a notion of compliance as well, saying, look, if 48% are not based on merit, therefore you have to correct that system. Then you indicated that you might even revoke positions. Have you done that thus far into your mandate?

**Ms. Maria Barrados:** Yes.

**Hon. Navdeep Bains:** Okay.

For example, there have been managers who have made those decisions, they've hired people. Have those certain individuals in management been revoked?

**Ms. Maria Barrados:** The way the act is structured, we can revoke the appointment, but we cannot revoke the manager. If the appointment is incorrectly done, we can revoke the appointment. We have, and we do. This goes back to what my costs are: all the decisions of the Public Service Commission are subject to judicial review—and I'm in court quite a bit.

**Hon. Navdeep Bains:** Are you able to indicate the number of individuals who have been revoked? Are you able to disclose that?

**Ms. Maria Barrados:** Yes, I can disclose that. I don't know the number right off the top of my head, but maybe I could come back to the committee and give you the numbers.

**Hon. Navdeep Bains:** Going back to the line of questioning my colleague was asking with respect to hiring practices for visible minorities, you've indicated that there have been more applications yet fewer jobs. This is basically the trend that you've seen, according to your data. Can you indicate, of the jobs that have been offered, are they more at the entry level or senior level? Do you have that kind of statistical data breakdown of the types of jobs and where the visible minorities are being placed? Is it more at the entry level or at the senior level in terms of the various job opportunities that are presented to them?

**Ms. Maria Barrados:** We know we have a problem at the senior level, in that they're not sufficiently represented. The high volumes in the numbers we have are below the executive level for all appointments. The number of the appointments at the executive level are running at six hundred a year, whereas below they're running at thousands and thousands and thousands.

So I don't know whether you have much in terms of the different kinds of groups.

**Hon. Navdeep Bains:** The argument was previously made that people aren't applying; I've heard that many, many times. You want society to be reflected in the public sector, but people aren't applying. That was the common response received. Now that people are applying, what are some of the obstacles they're facing? I know you haven't conducted an audit, you're just working on a report, but based on that report.... First of all, have you set a deadline for this report, for this particular analysis?

**Ms. Maria Barrados:** We would like to do that, not for the annual report that's coming, because that's now being written, but for the one after that.

Some things are obvious. There is a lack of understanding of how to fill in the applications. It's a technical process in government; government people say they require the following and they expect somebody to respond against each one of them. If you don't respond against one of them you're not going to be screened in.

A lot of the screening is done automatically. We're going to the system, so it's not a person intervening; the screening is an automatic process. So that's obviously one area we have to look at.

I want to see where the drop-off is taking place, because that explains.... I think there are different explanations. If you have people not filling in the application forms, one of the looks we had showed a number of people were not Canadian citizens, and we give preference to Canadian citizens. This takes out the numbers. So we really have to do the work on this.

**The Chair:** We're down for five minutes now, and you've hit your five-minute mark.

Madame St-Hilaire.

[*Translation*]

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Thank you, Madam Chair. Good morning, Ms. Barrados.

Are you responsible for staffing at the Department of National Defence?

• (1010)

**Ms. Maria Barrados:** We are only responsible for civilian employees.

**Ms. Caroline St-Hilaire:** If I understand correctly, the problems that we have heard about recently concerning the use of French at the Department of National Defence for the last 30 years do not fall strictly under your purview. Are we to assume that you could not simply revoke staffing authority?

**Ms. Maria Barrados:** No, that is not what should be understood. If I recall correctly, the problem is more widespread among military employees. We are only responsible for appointments and the staffing of civilian members. In such cases, language is one criterion that must be met in order to obtain a position. The level of language proficiency required for the position is therefore one factor in assessing candidates.

**Ms. Caroline St-Hilaire:** Have you ever cancelled a delegation?

**Ms. Maria Barrados:** Yes, but it was not because of language issues. Rather, it was related to merit. Language is just one element in evaluating merit.

**Ms. Louise Thibault:** I would like to come back to that question, Ms. Barrados.

In my opinion, when filling a position under the terms of the human resources plan, essential requirements must be determined.

If managers decide that bilingualism is a core requirement, that means that the person hired must be able to operate just as well in French as in English. We cannot wait for them to go through one year's training, no matter who it is. It doesn't matter if the person is anglophone, francophone, or allophone, they must be bilingual and fluent in both languages.

It therefore becomes a matter of principle: one must have both languages. We cannot simply overlook the principle and say that a certain biologist, researcher, or a statistician is excellent, even if he or she is not bilingual. The person must be bilingual.

When a department is staffing positions—and I know that you are not responsible for the armed forces, but only civilian members of the armed forces—and systematically does not respect this basis principle, something has to be done, does it not?

**Ms. Maria Barrados:** Yes.

**Ms. Louise Thibault:** This is your responsibility, isn't it? In the case of the armed forces personnel, whose responsibility is it? We want to be well informed so that we can question the right person.

**Ms. Maria Barrados:** We don't deal with those appointments. A member of the armed forces must handle that.

**Ms. Louise Thibault:** That is fine, thank you. We will be addressing that question to the right person.

I believe that this issue is very important. It does not only concern the Commissioner of Official Languages. It is a broad issue. This principle hasn't been respected for 30 years, and it is one that is very important for all Canadians and Quebecers. We feel that enough is enough.

**Ms. Maria Barrados:** I should add that the system that allows us to determine the requirements of a position also allows us to determine whether or not requirements for a position are imperative or non-imperative.

**Ms. Louise Thibault:** Of course. I agree with you, Ms. Barrados.

In the document we received this morning, it says that your budget will be decreasing. For 2006-2007, your budget is \$112 million, that is \$106 million plus \$6 million in revenues. I may have the opportunity to ask you a question about the \$6 million. For 2008-2009, your budget will be \$91 million, but the number of your full-time equivalents will increase.

There must be a very good reason for that, Ms. Barrados, and I would like to know what it is. It is very rare for a budget to decrease when the number of full-time equivalents increases. Usually, employee salaries are very costly.

**Ms. Maria Barrados:** It is due to the amount allocated for the entire computer system, for the first two years.

•(1015)

**Ms. Louise Thibault:** Therefore, our researcher was right.

**Ms. Maria Barrados:** It is the computer system for the entire government. It is an amount earmarked for consultants and contracts. The other figures are estimates. The PSC will encounter the same difficulties as others do. Many senior employees will be retiring and new ones will be hired at lower levels.

**The Chair:** Thank you, Ms. Barrados.

Go ahead, Mr. Albrecht.

[English]

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Thank you, Madam Chair.

Thank you for being here today.

One of my concerns is that we seem to be continually adding layers of monitoring and auditing functions. I know that's a function of our society, unfortunately. It's certainly one of my concerns, in terms of how many watchdogs do we need to watch the watchdogs.

Having said that, I can see with the example you gave us this morning of the Canadian Space Agency, with 48% non-compliance, and then the Public Works and Government Services Canada example. On page 21 and 22 of your 2005 report, you mentioned a group where out of 25 appointments, 100% of them were non-compliant. So that's obviously a major concern.

Then I noted as well that with the commission for public complaints against the RCMP, there are significant complaints. It would seem to me that a group with that name, "commission for public complaints", would do all in their power not to have any complaints against them.

**Some hon. members:** Oh, oh!

**Mr. Harold Albrecht:** Having said that, I have two questions. First of all, what triggers an audit? Is it one complaint, a hundred complaints? Is it a random thing? Is it done everyx number of years?

Secondly, if my math is right, I notice you currently have one for every 185 people, because you say you're responsible for 185,000 staff, and there are roughly 1,000 staff. I realize those are not all management staff; that's the total. But could you give me an idea of what would be an ideal ratio, or a number of staff required to do this job adequately in our current culture?

**Ms. Maria Barrados:** Okay, I'll start with your question on audit and what triggers an audit.

We are setting up a system that I would like to see entirely risk-based and risk-driven, which does mean that we come forward with the problems. The idea behind our monitoring system and the monitoring of our delegations is that we start looking for the early warning signs that we have issues. So the approach we're taking is that if departments and agency heads have a problem, fix it, because I will be writing to them.

So when I talk about the overall health of the system, this reflects the results of our monitoring. We write to the departments and say to them, you have a problem.

**Mr. Harold Albrecht:** How would you identify a problem in the first place? That's my question.

**Ms. Maria Barrados:** It's part of the delegation agreement we have. We're saying these are the responsibilities to staff, this is how we expect you to run it, and these are the kinds of measures we expect you to monitor.

We're looking at how many competitive processes you're running; we're looking at how you're advertising these things. Are you advertising them? Are you doing a lot of staffings and not advertising? We're looking for the kinds of complaints you're having. We're looking at employee satisfaction. We're looking at representativeness. A lot of these things can be reasonably non-intrusive, if we get the systems working right so that we have systems that give us these numbers as the first warning signs.

In the case of one small organization that has ten staff and where we can see there is a big problem, I will sit down with that person and ask: what are you doing to fix it? We expect it to be fixed. We have people coming in to tell them how to do it, and then we'll go back to make sure they've fixed it. So it's a risk-based system that we want in place.

You cited examples: the military police complaints commission was one; PWGSC was another, where we were actually asked to come in. At PWGSC, the deputy had a problem. They were working with unions, the unions were not satisfied with what was done, and everyone agreed to have us come in. In the case of the military police complaints commission, it was a lot of staff complaints and some union complaints. We go in and we do the audit.

On your question about what is the ideal size, I'm not sure I have a really good answer.

**Mr. Harold Albrecht:** I just wondered if you had a thought on it.

**Ms. Maria Barrados:** It's a very good question, and I worry about it, and that's because the system is in such transition, and I'm not quite clear what the end point is.

On the audit side, I have to benchmark myself against the Auditor General, and I know I don't have the audit capacity I need to have. Her universe is different, and her mandates are different; I understand all that. But I don't have the audit capacity I need, because to do the kind of work we do, where I'm conditioning delegations and revoking jobs, I want to make sure we're absolutely right. And what I'm not sure is what the extent of that service component will be and what shape it's going to take.

At this point, I'm sorry, I can't give you a good answer.

• (1020)

**Mr. Harold Albrecht:** This was more a philosophical question. I hope we're aware we don't want to come to a situation where we have five people monitoring five people, or that sort of thing. I know that's extreme, but....

**The Chair:** Mr. Alghabra.

**Mr. Omar Alghabra:** Thank you, Madam Chair.

I want to continue my line of questioning from when I ran out of time earlier. First, I want to go on the record as saying I don't necessarily believe arbitrary quotas are the right way to go about ensuring that the public service represents the makeup of society, but I do believe we have a responsibility, and the public service has a responsibility, to perhaps work harder to ensure that we do a better job of reaching out to visible minorities or underrepresented people and ensuring that they have an equal footing or a level playing field when it comes to applying for jobs.

You've said everything we say here is important, so I wanted to go on the record to say that.

The question I have for you is this. Do you automatically table the upcoming reports you're expecting this year and perhaps next with this committee, or do we need to request that you do so?

**Ms. Maria Barrados:** My understanding is that it automatically gets referred to this committee.

**Mr. Omar Alghabra:** And I'm not sure whether this was answered earlier: do you know which reports will be issued this year?

**Ms. Maria Barrados:** Yes, I expect a package of reports to come that would be our annual report, which gives the concerns of the commission. Some of our concerns are obvious and already reflected in this committee—the state of readiness and the types of changes

we have to make, concerns about non-partisanship. We raise those and put our findings together. We also give an overview of what is happening in the public service in terms of hiring and the size of the public service. Then we expect these three audits on EX staffing, on readiness, and on the student program.

We are not tabling the statistical studies to Parliament. We will be releasing them on a routine basis. I'm happy to talk about them, but this is going to be a routine thing that we release.

That will be the package we have coming in October.

As to the process by which we release the annual reports, we do a little more than we did in these two special reports. When we send those, they get tabled, we release them, and there's some information around them. But usually for the annual report and that package, we do the press conference. We offer to brief this committee before, if they would like, or have a meeting on the day. I'd be talking to your chair to see what the possibilities are for that.

**Mr. Omar Alghabra:** Do you oversee or examine the compensation structure of public service workers?

**Ms. Maria Barrados:** Yes and no. Strictly, we're not responsible for compensation. But once we started looking at promotions and movement of people, we found that we have to look at classifications, which then leads you to compensation. Because some of the problems you're seeing in staffing are actually in moving people, then reclassifying and moving them again. These then become problems. So we do look at that.

**Mr. Omar Alghabra:** Just to elaborate, what I'm trying to say is do we examine the compensation in relevance to that classification—in generic terms, not for individuals.

**Ms. Maria Barrados:** No, that's the responsibility of the employer.

**Mr. Omar Alghabra:** I'm hearing there's tough competition, that the public service, especially at the executive level, faces tough competition from the private sector. One of the reasons is perhaps because some of the compensation is not as competitive as the private sector's. I was wondering if this is something you would even look at.

• (1025)

**Ms. Maria Barrados:** We would not look at that. But being one of those people who is compensated that way, I obviously have some interest.

Most of the studies I have seen show that at entry into the public service in the more junior levels it's more than competitive, and often more generous than the private sector. As you go up it is less competitive. But what we haven't done a good job of is looking at the whole compensation package, because there are benefits in the public service you don't get in the private sector. So the employee benefits like sickness, like the pension, like the kind of leave, that has to be looked at as a package. Still, the higher up you go, the less competitive they are, even when you put that in the package.

**The Chair:** Mr. Goldring.

**Mr. Peter Goldring (Edmonton East, CPC):** Thank you for appearing here today.

You mention here in the report that the military police complaints commission comes under your authority. Does your authority also extend to the RCMP public complaints commission as far as staffing requirements are concerned when they have specific projects that are coming up for investigation and they're hiring staff to conduct the investigation?

**Ms. Maria Barrados:** Yes, we are also responsible for the RCMP public complaints commission—they've changed their name, and I tend to confuse the name. We're responsible for them. We did an audit on them, and we were not very happy with their staffing practices either.

**Mr. Peter Goldring:** That leads me directly to your comments about the impartiality in staffing and how that manifests itself. In other words, what types of concerns do you have in how they hire and bring their staff in? There's a general feeling, even at the lower entry-level positions in the public service, that they're very difficult. The general public conception is that many of the jobs go to friends, go to other people who have priorities ahead of them on any type of a possibility to even be considered. These might be political, they might be friends, they might be family, they might be many other things. What did you find in your investigation? Was there a common thread, or what types of impartiality examples were there?

**Ms. Maria Barrados:** Are you talking about any one of the specifics, or are you talking in general?

**Mr. Peter Goldring:** I suppose the RCMP public complaints commission, and as well, as you did mention it, the Canadian Space Agency.

**Ms. Maria Barrados:** What we're finding is that in those two cases we didn't find political influence. That's an important consideration here, which we didn't find. That's not to say it doesn't exist, but we didn't find it. What we found was a lot of hand-picking people and saying, "We're going to use the system and get you into that job." That's where we get very worried. There was a using of the system to manipulate the system to get pre-chosen people into the jobs.

So we're very concerned about that. That's not what we expect, because we have the system that says fairness, access, and transparency.

There are a couple of other things that go on in the public service. One is that we do have a priority system, and we expect it to be respected. If you get laid off or you're on leave without pay as a public servant, you have a priority for a position. The expectation is that you go to those people first, so you expect that to function.

One of the areas I have been concerned about, and continue to be concerned about, is the movement from casual employment in the public service into full-time, and the movement we see from part-time to full-time. What we see going on is people moving in and learning the job. So you come in as a casual, you have the opportunity to learn the job, then you have a competition and—surprise—this person knows all about the job. That's not really very fair, because not everyone's in a position where they want to take casual employment to learn the job to get into a permanent job. So some of those moves are really not very good. You can have small numbers of them, but you don't want large numbers of them.

That's why I've been concerned about the speed it takes to do things, how efficient we are, and how flexible we are, because what you want is a truly competitive process in which you're not relying on entry through the casual and part-time route. This is how you hear the comment that somebody got a job because they knew somebody. It wasn't that they were all of a sudden put into a permanent job; it was because they were given the opportunity to work as a casual to learn the job and then they would compete.

• (1030)

**Mr. Peter Goldring:** Do I still have a little time?

**The Chair:** You have 30 seconds.

**Mr. Peter Goldring:** In your information kit it says, regarding candidacy for elections, if elected to federal or provincial office, "public servants will cease to be federal employees", but if elected municipally, they "may cease". It sounds as though it's very discretionary. What types of circumstances might those be?

**Ms. Maria Barrados:** It is discretionary; it's left to the commission. I haven't talked about all of that in my list of responsibilities, but what was added in the new legislation was the responsibility for non-partisanship, specific direction in the legislation about public servants being candidates, and the discretion on the "may" for the municipal side.

You have some very small municipal councils where it's a small town, and those kinds of people may be very important in that small town. But it doesn't affect their ability to do their job, any views of partisanship for the job, and much of their time.

But when you look at being a councillor for a city like Ottawa or Toronto, it's hard to envision how those people could be doing those jobs full-time.

[Translation]

**The Chair:** Ms. Thibault.

**Ms. Louise Thibault:** Thank you, Madam Chair.

I do not want to be defending managers, but earlier I said that there's obviously a lack of financial planning. I believe that it is because of this lack of financial planning that some people were hired temporarily or casually, at least this was the case in the past. There's uncertainty surrounding how long funds will last. Given the fact that programs and initiatives had to be set up, people were hired on a part-time basis in the hope that later they could be hired permanently through a competition. I'm not defending managers, but I believe that there must be, first and foremost, some sensible financial planning and integration.

You carried out a statistical study on the length of the staffing process within the public service, which was reported to us in May 2006. According to a survey conducted on the appointment process, between January 2000 and December 2003, the average length of a competition for a permanent position was 22.8 weeks and the median duration was 17.3 weeks. It seems to me that the average time it took to staff a permanent position was rather long.

Ms. Barrados, has progress been made since then? Where are we now in terms of execution time?

**Ms. Maria Barrados:** For a process involving only five people, on average, it takes half the time. In my opinion, it is too long. That is an average. Sometimes it takes less time, and sometimes it takes more time. We have to carry out an evaluation on processes that took place before the act was amended, and I intend to re-evaluate when the new act comes into force, in order to determine the extent to which we have made progress, as well as determine the type of progress accomplished.

**Ms. Louise Thibault:** You are an auditor by profession so I'm sure you'll take into account all the staffing operations pushed through extremely quickly without consideration for the principle of merit. I could staff a position very quickly by asking my cousin to start work tomorrow on the basis that I think he has the necessary qualifications. That skews the data, but still needs to be considered as records in speed and extreme slowness are sure to be set.

Ms. Barrados, the Public Service Commission apparently has \$6 million in revenue. Can you tell me the nature of this revenue and where it comes from?

Earlier, I was a little sarcastic, but does the Public Service Commission make money by recovering some of its costs?

• (1035)

**Ms. Maria Barrados:** This is a process we are currently reviewing.

Mr. Lemaire may be able to give you further information on the \$6 million amount.

**Mr. Donald Lemaire:** The revenue is tied to the Personnel Psychology Centre's work, especially in administering simulation tests for the recruitment of managers, etc., and it is in addition to the funding we receive under a parliamentary appropriation for language and other tests.

As part of their large-volume recruitment strategy, departments are looking for tests they can use to screen candidates. There is cost recovery associated with those activities particularly. For example, when departments want to recruit CR-level employees, and they receive between 5,000 and 10,000 applications, they are often

looking for the right test they can get candidates to sit for. This may include writing or comprehension tests, for example. And then there are tests for managers at various levels. This is why we are developing specific tests and testing methods for various departments. It's at that point that we recover our costs.

So, this revenue primarily comes from the Personnel Psychology Centre.

**Ms. Louise Thibault:** Is that the only area in which you recover your expenses?

**Mr. Donald Lemaire:** For the time being, yes.

**Ms. Louise Thibault:** I will give you a call because I would like to hear about your vision for the future.

I was being facetious earlier, but there should be a cost for wrongdoing. These wrongdoers need to know how much they're costing the Public Service Commission in terms of audits for failing to comply with guidelines. It must be worth something. They have the resources, but you are the ones doing the audits and catching them out. Given the resources at their disposal, they don't do the work they should be doing.

**Mr. Donald Lemaire:** They should even have to pay a premium.

**Ms. Louise Thibault:** That's exactly what I'm saying. Thank you, Mr. Lemaire.

**The Chair:** Ms. Nash.

[English]

**Ms. Peggy Nash:** Thank you, Madam Chair.

As I'm listening to your report, I'm remembering how difficult it was for me to hire my staff as a new member of Parliament, so the thought of hiring tens of thousands of staff seems pretty daunting.

There are two areas I'd like to ask you about in my remaining five minutes. The first one is on the issue of employment equity. This is the 20th anniversary of employment equity legislation in our country. It is a goal we hold to make sure that our hiring is fair and democratic and that we're getting the best talent possible. We discussed earlier that there is a generational change taking place starting now, I guess, and over the next few years in the public service. You talked about a report that's going to come later this year.

What I'd like to know is how you will proceed to develop a strategy to take full advantage of the full range of talent we have and make sure we are diverse and fully representative in the public service, and that where barriers are identified there is a strategy to deal with them as quickly as possible.

**Ms. Maria Barrados:** Among things we have done to date in the kind of strategy we've followed, one is that there obviously has to be a lot of information, so we did a lot of work initially to provide information on availability of people and on how to apply, and in working with groups to encourage them to apply. I think we see some of the results of that in the volume of applications: we have the people applying, which may not have been the case in the past. But we did a lot of work on it.

On the executive side, under the old legislation, where we were making the appointments, we looked at the representativeness in each department and challenged departments on why they were not considering targeting some of these positions specifically to members of visible minorities to try to get the numbers up. The decision was finally always in the hands of the managers about that kind of targeting.

As Linda was saying, we developed a pre-qualified pool of EX-1s for entry into the public service, who we tested. We advertised, we tested, and they're executive-ready. We are encouraging departments to make use of this pre-qualified pool, because certainly you can reduce your time to staff when you have a pool of people to draw from. So we're doing that.

Your question about going forward is about what it is we do because the world now has changed. I'm going to be looking a lot to that study to pinpoint for us where the problems are, because I think our strategy has to be developed in this area. We will continue to be very active on that file. We take every opportunity we can to discuss it. We report regularly on where the numbers are. We make it one of the things we always talk about that people have to take into account.

But in terms of specific things, I need to be a little more informed about what the problem is, because I think we have them now coming in. We just have to worry about what level it has reached, and what it is about the process that is taking them out, and what it is you can and should do to try to keep more of them in the process.

Having said that, we still expect appointments to be merit-based and non-partisan.

• (1040)

**Ms. Peggy Nash:** I hear you saying that once you get that information you will develop a new strategy based on the barriers that are identified in the upcoming study.

**Ms. Maria Barrados:** That's right.

**Ms. Peggy Nash:** I mentioned earlier that I think the goal of non-partisanship in hiring is critical to an effective public service. I think generally there's a sense that we do fairly well on this as a country. We've talked about the rights of public servants to run for office or to hold office. Can you describe for me, though, what the rights around partisan activities of public service staff are—the right to engage in the election process and that kind of thing?

**Ms. Maria Barrados:** That's a very interesting question and a rather complicated one, because under the previous Public Service Employment Act there was a prohibition. Public servants were not allowed to be involved in political activity, until a case went to the Supreme Court in the early nineties. It said this was too severe a prohibition, and that public servants still had rights, and rights to be politically active, but that it had to be appropriate to their job, and it discussed what the risks were for the public service.

That meant those sections of the old PSEA were struck down. Under the new PSEA we have a new section that gives direction on non-partisanship in the public service and that has left it to the judgment of the Public Service Commission. What that means for us is that we have a role in providing guidance. We have little self-administered tests public servants can do.

It's a function of the nature of their job, the profile of their job, and how closely they may be working with the political level. As I tell people all the time, it's actually a very easy test. If you're working with one party that is the government and you have a change in party in government, does it give you a problem? That's the simple test.

So we provide a lot of guidance and a lot of direction. We have a system now that is directional and informative, and we've been doing a lot of training with people. We give advice, but then we also hear complaints. And if there is a complaint of non-partisanship, we can investigate through this administrative review process, and we can revoke and punish.

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

We thank you for coming before the committee. I know we'll be seeing you again in the fall, when you table your reports. We wish you well.

**Ms. Maria Barrados:** Thank you very much.

**The Chair:** Thank you.

I don't think we'll end the meeting right away. There is a motion. Does everybody have a copy? It has been translated.

I believe there is consensus.

Mr. Alghabra.

**Mr. Omar Alghabra:** Thank you, Madam Chair.

I submitted a notice of motion last meeting, and the original motion was that the committee report to the House that it calls on the government to implement accrual-based budgeting before 2009. We had several discussions, and I think there is a friendly amendment that was submitted by my colleague from the Conservatives.

Mike, do you want to read the amendment, the whole thing?

• (1045)

**Mr. Mike Wallace:** Everybody has a copy of the amendment, including the translation piece?

[Translation]

**Ms. Louise Thibault:** All that I'm asking is for the motion to be read in both French and English so that it goes on the record.

Thank you, Madam Clerk. It is very well written.

**The Chair:** That's good.

[English]

**Mr. Mike Wallace:** Madam Chair, do you want to read that motion so it's on the record?

**The Chair:** Do we have to read it so it goes on the record?

**Mr. Mike Wallace:** We have to read it.

**The Chair:** We have to read it, okay.

The amended motion is that the committee report to the House that it calls on the government to evaluate how to implement accrual-based budgeting and appropriations by 2009; and that the committee's fall agenda be set aside to extensively study the implementation of accrual accounting with a view to make a recommendation to the House prior to December 2006.

[*Translation*]

Do you want me to read it in French as well?

That the Committee report to the House that it calls on the government to evaluate how to implement accrual-based budgeting and appropriations by 2009; and

That the Committee's fall agenda be set aside to extensively study the implementation of accrual accounting with a view to make a recommendation to the House prior to December 2006.

[*English*]

Do you want to debate this, or do you just want to call the question?

**An hon. member:** Call the question.

(Motion agreed to)

**Mr. Daryl Kramp:** We're moving forward.

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

**Ms. Louise Thibault:** I've told you time and time, and I'll tell you again, it is a non-partisan committee.

**The Chair:** I will advise you that next Tuesday, after our regular committee meeting, we will have an executive committee to plan this study for the fall.

Thank you very much, and have a great weekend.

The meeting is adjourned.

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