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—
Chair

The Honourable Diane Marleau

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• (1530)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): I call this meeting to order. As far as I can see, we have a quorum.

Minister Toews, welcome to our committee. You know how it works; you know the drill.

Hon. Vic Toews (President of the Treasury Board): And I'm sure if I don't you'll tell me.

The Chair: No.

Voices: Oh, oh!

The Chair: Sir, could you please introduce the people with you?

Hon. Vic Toews: Thank you very much.

I'm here with the Treasury Board Secretary, Mr. Wayne Wouters, and Mr. Charles-Antoine St-Jean. Both of them are here to assist me in answering your questions. I intend to make a brief presentation and then answer any questions that any members may have, Madam Chair. Again, as I say, if I can't answer them, my officials will provide the information either directly or to me and then to you.

May I commence then?

The Chair: Please do.

Hon. Vic Toews: Thank you, Madam Chair.

I'm happy to appear before your committee for the first time as the President of the Treasury Board.

I have with me, as I indicated, Mr. Wayne Wouters. I didn't indicate the title of Mr. St-Jean. Of course, he's the Comptroller General of Canada.

Today I'd like to update the committee on the activities of the secretariat in four areas: the implementation of the Federal Accountability Act and action plan, the expenditure management system, the accrual budgeting issue, and large IT projects.

I will begin with some brief remarks, after which I'll be open to answering questions.

Improving accountability in government has been our number one priority since we took office. Our commitment to accountability did not stop with the introduction of the Federal Accountability Act on April 11, nor with royal assent on December 12. We've delivered and will continue to deliver by ensuring that all aspects of the act and its companion action plan are implemented. Together they provide

measures to reduce the influence of money in politics, protect whistle-blowers, and improve government contracting.

They strengthen financial management and internal audit functions within departments and ensure more consistent discipline for those who deliberately break the rules. They ensure that agents of Parliament, like the Commissioner of Lobbying and the Public Sector Integrity Commissioner, have the power they need to be effective, independent watchdogs.

But accountability is not just about putting in the right controls and rules to make government work better. It is also about accountability for real results for Canadians. Every year, some \$27 billion is transferred to individuals, corporations, and NGOs through grant and contribution programs. Yet time and money are being wasted administering rules and processes that add little to results and nothing to accountability.

I'd like to take a moment to thank my predecessor, Mr. Baird, for the good work he did in this department and the initiatives he commenced. They have certainly made my transition much easier.

My predecessor appointed a blue ribbon panel to recommend ways to make the management of these programs more effective and efficient. The panel will be making its report public in the next few weeks, and I'll be making the government's response public at the same time.

We are also reforming government procurement policy. There is a new code of conduct for procurement that applies to both suppliers and public servants. There is a procurement ombudsman to review practices across the government, consider complaints, and help resolve disputes. These are just a few of the elements of accountability that we are working diligently to put into effect.

I would like to take a few minutes to explain in some detail how we are implementing the act. Let me begin by saying that officials at the secretariat and across government are doing their part to put the act into effect as quickly as possible.

Getting the act passed into law took a lot of hard work. Implementing this complex piece of legislation will take even more time and effort. This is because we need to ensure that all the pieces are in place to ensure a smooth transition.

Some of the major activities that need to be completed are as follows. We are developing several sets of regulations. Those regulations are evident from the act itself, for example, those around the administrative penalties under the Conflict of Interest Act. Some of these will require significant public consultations, and the regulations around the new provisions of the Lobbying Act are a good example of this.

So it's not simply a matter of the act coming into force and simply proclaiming a regulation; consulting needs to be done to ensure that this is done in an appropriate way.

A number of Governor in Council appointments will need to be made. Most of these, including the appointment of the new Commissioner of Lobbying, will require Parliament's review.

A number of the government's administrative policies will need to be amended, including the government's financial management and procurement policies.

• (1535)

Finally, in some cases organizations will need to put new work units in place to administer the new requirements. For example, crown corporations that will now be subject to the Access to Information Act will need to have personnel in place to administer ATI the day it comes into force.

Communications and outreach will also be critical. We will be informing the public, as well as departments and agencies, of the new provisions of the act as they are brought into force. We will ensure that all interested parties are aware of the implications and have the capacity to respond.

The Public Servants Disclosure Protection Act is a case in point. In order for this to be brought into force, several critical steps need to be completed. These include establishing the Public Servants Disclosure Protection Tribunal; ensuring that organizations are ready to fulfill their new responsibilities; and approving the Public Sector Integrity Commissioner to administer the act.

With regard to the last point, we are doing our part to select a strong candidate. When we bring forward our nominee for this position, I hope I can count on you as parliamentarians to ensure that the vetting process takes place as efficiently and as fairly as possible.

Training is also critical to the effective implementation of the FAA. We will be working with the Canada School of Public Service to update existing courses and to ensure that appropriate training is provided.

We have a lot to do to implement the act, but we are moving forward to implement the commitments in the federal accountability action plan. For example, there are several reviews under way to make government work better for Canadians, especially those who interact with government on a regular basis. These initiatives include the ongoing renewal of the government's management policies and the blue ribbon panel review of grants and contributions that I mentioned earlier.

In summary, we are working hard to bring the act into force as expeditiously as possible, but each of these activities will require time and resources to ensure that every organization is ready to

properly administer the new activities and to comply with the law. The timetable for implementation will be finalized soon, after consultation with affected stakeholders. In the next few weeks, Treasury Board will begin the process of considering the enabling regulations that will implement the act. We will keep working at it until it's done and done right.

Madam Chair, the Federal Accountability Act was this government's first step in enhancing accountability in government. Improving how spending is managed through a new expenditure management system is the next step to ensure Canadians' hard-earned tax dollars are well spent. That's why, in November, we announced the directions for a new expenditure management system. Our goal is to ensure that every tax dollar spent is well spent. For new spending, that means making decisions in the context of other spending in the same area. For existing spending, it means an ongoing systematic review to make sure programs are still relevant and are achieving the intended results and that funding is adequate.

Simply put, our new approach to expenditure management will support managing for results by establishing clear responsibilities for departments to better define the expected outcomes of new and existing programs. Secondly, our new approach will support decision-making for results by ensuring that all new programs are fully and effectively integrated with existing programs by reviewing all spending to ensure efficiency, effectiveness, and ongoing value for money. Finally, we will support reporting for results by improving the quality of department- and government-wide reporting to Parliament. Ultimately, this new system will ensure that all government programs are effective and efficient, focused on results, and provide value for taxpayers' money.

In the time I have remaining, I'd like to address some of the committee's other concerns: the use of full accrual accounting for departmental budgeting and appropriations and our approach to large IT projects. I have received perhaps more briefing on accounting in the last month than I've received in quite awhile, and I'm beginning to understand how diligently my staff work at these issues. I know they're very much interested in what the committee has had to say on these issues, and I intend to work with the committee and work with the department to ensure that any changes in that respect are implemented carefully and indeed benefit Canadians.

• (1540)

I would like to thank you, Madam Chair, and the members of your committee for your efforts in improving financial management and reporting by the Government of Canada.

The benefits of accrual accounting are well accepted. The accrual method of accounting could improve transparency in financial management and therefore accountability. I'm sure you appreciate the complexities involved in designing and implementing such a system. That's why the secretariat is studying the issue carefully. Our position, which will be included in our response to the public accounts committee, will form the basis of the government's position to be presented in the debate on the concurrence motion for your committee's report. Until that time, I don't want to prejudge the outcome of our deliberations.

Another way we are working to improve accountability in government is by strengthening our ability to manage and implement large information technology projects. Specifically, we have developed an action plan, which builds on the progress made, to address the Auditor General's concerns in this area. That includes developing clear expectations with new policy and a directive on the management of IT projects, providing new guidance and tools, training and development programs, and strengthening the secretariat's oversight of large information technology projects.

Madam Chair, the technology underpins the delivery of almost every program and service we deliver to Canadians. That is why we take the management of these IT projects so seriously.

The theme that runs through every one of the activities I've talked about today is about improving accountability in government. I'm proud of the ongoing efforts on behalf of the people of this country that we as parliamentarians have made. Certainly in passing the Federal Accountability Act, we're working hard, I believe, to restore trust in government by ensuring we have the right measures in place to enhance accountability and manage spending, to provide value for money and real results for Canadians. We won't stop until the job is done.

Thank you. I'm prepared to answer questions.

The Chair: Thank you very much.

We'll go directly to Monsieur Simard.

Hon. Raymond Simard (Saint Boniface, Lib.): Thank you very much, Madam Chair.

Thank you very much, Mr. Minister, for being here along with some of the department people.

We've heard the word "accountability" quite a few times in your statements. And I know we've been hearing a lot lately that the Senate was responsible for holding back Bill C-2. It seems to me that a lot of the dispositions have apparently not been put into place—apparently 15 of them. I understand it does take time to put things in place, but it would seem to me that some thought would have been put into that and that some of these dispositions could have been actually implemented a lot sooner. Can you tell me why—I mean, Bill C-2 did receive royal assent on December 12, almost a couple of months ago—we are not moving ahead with some of these dispositions?

• (1545)

Hon. Vic Toews: I think that's a good question. Some of the provisions of the Federal Accountability Act did in fact come into effect upon royal assent—for example, the designation of deputy ministers and deputy heads as accounting officers; the Director of Public Prosecutions Act, which was a very complex portion of the act that I was involved with in my prior portfolio; and the new mandate for the Auditor General to follow the money to grant and contribution recipients.

Certainly when I was in my prior portfolio I saw that the government was moving as quickly as it could. For example, I think they could have sat and waited for the Director of Public Prosecutions Act to be passed and then commence. In fact in that situation it was felt we could proceed on that issue, and we did. Also,

the new electoral financing rules came into effect on January 1. Restriction on gifts to political candidates comes into force on June 12. Other sections either require new regulations or require organizations to perform new functions.

Hon. Raymond Simard: With respect to the Public Appointments Commission, do we have an idea when that will be coming into place? Normally when a new government takes over, logically there are a lot of appointments that get put forward. We wouldn't want the government to put all its appointments forward before this new process has been put into place. Do we have an idea of when that would be put into effect?

Hon. Vic Toews: All I can say is that when I came into the department a little over a month ago, I reviewed these matters. I've been reviewing these for the past month. I'm satisfied that the department officials are moving in a timely fashion. I'm not in a position to release any kind of a schedule. As I indicated in my notes, that schedule is something we're working on. I can say that each one of these issues involves different considerations, and I'm committed, and I know the department is committed, to moving ahead as quickly as possible.

Hon. Raymond Simard: I was here at the public accounts meeting the other day, and I got a bit of information on making the deputy ministers accounting officers. As a matter of fact, that's probably not a bad idea. I think the buck has to stop somewhere. The danger, I guess, is in what that does to ministerial responsibility and that fine line. I think we have to be very clear that ultimately the minister is responsible. So how do you distinguish between the responsibility of the deputy minister and that of the minister in these cases?

Hon. Vic Toews: I guess the short answer to that is that it doesn't change in any substantive way the responsibility of the minister. The minister is still responsible.

Hon. Raymond Simard: So ultimately the buck stops with the minister.

Hon. Vic Toews: Absolutely. We believe it's important for the deputies to also be responsible, and that's why they were designated as the accounting officers.

In terms of ministerial responsibility, nothing has changed. What exactly ministerial responsibility involves is another question. I know we had pretty extensive discussion on that during some of the discussions prior to the last election. I know that in front of the public accounts committee, when I was involved in some of the hearings there, that whole issue.... There were some experts who brought forward different ideas on the extent to which ministers should be held accountable in any particular way. This act has not changed ministerial responsibility, whatever one considers that to be.

Hon. Raymond Simard: Has the act put into place consequences for an accounting officer who does not do his job properly?

Mr. Wayne Wouters (Secretary, Treasury Board Secretariat): Again, at the end of the day, deputy heads or accounting officers are appointed by the Prime Minister and supporting ministers. So the Prime Minister at any point in time could make a decision vis-à-vis his deputy head, based on the advice of a minister or the clerk or otherwise. Any consequences that follow are very much the prerogative of the Prime Minister.

•(1550)

Hon. Raymond Simard: Thank you.

You also spoke, Minister, about procurement. One of the issues of concern, obviously, is sole sourcing, or indirect sole sourcing created by establishing criteria that only one company can meet. That has to be a concern in every department, but mostly in Treasury Board. I wonder what kinds of actions you are taking to ensure competitive bidding, for instance, mainly for these huge defence procurements, and, really, for every procurement.

Hon. Vic Toews: That's exactly the question I asked when I became the minister of this department, President of the Treasury Board—how our procurement policy actually works. The secretary very kindly explained exactly that. Essentially the general rule is that there is a competitive process. That is the main goal of all procurement. In certain situations, for one reason or another—and I'll have the secretary explain that—that is not the practice. There's nothing inappropriate about it. For example, the criteria are well known; those criteria are put out, and we say, “This is what we are looking for”, and then people are asked to match that. I'm perhaps not explaining it properly.

Mr. Wouters can go on.

Mr. Wayne Wouters: As the minister said, the principle is that the procurement should be competitively undertaken. There are exceptions to that. For anything under \$25,000 or any engineering-related work under \$100,000, one can use sole-source.

As well, from time to time, due to the specifications of a particular commodity or good that is to be procured, it is found that, through the exercise of laying out the specifications, there is in fact only one firm that qualifies to meet those specifications. In those instances, there is normally an expression of interest beforehand. There's a meeting that Public Works would undertake to see if in fact there are any other firms. If not, it would normally issue what's called an ACAN, which is the name of the company that can meet the specifications in this case. That is put out for a period of time to see if any other company can come forward. If they do, then Public Works would re-look at the process.

It's only in those unique circumstances in which there is only one firm—it could be for security reasons if there's only one firm—that develops and produces this kind of equipment. In those instances, though, there is still a process to ensure that the public is aware and that other firms can come forward if they feel they can meet those specifications.

Hon. Raymond Simard: Thank you.

[*Translation*]

The Chair: Mrs. Thibault, it's your turn.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you minister for being here with your officials whom we have already had the pleasure to meet in previous meetings. I will start with my short questions and will conclude with those that may require longer answers. You have raised several issues in your statement.

About accrual accounting, the Auditor General has said several times — and I will paraphrase — that the issue has already been looked at many times in considerable detail. You've just told us that

we will get the answer when it is provided to the Public Accounts Committee, which may be understandable but I would like to know — and this is of interest not only to myself but to everyone here — when we can expect a decision from this government on the implementation of accrual accounting. Believe me, you are not the only one to have gone through a period of intensive training or briefing. I had the same feeling when I started learning about it. That is my first question.

[*English*]

Hon. Vic Toews: Thank you, Madame, for the questions. I'm going to let the Comptroller General answer that, by and large.

I do want to say that I certainly saw your recommendations, as a committee, along with the Auditor General's recommendations. I think there is much merit to them.

I was briefed extensively on that issue perhaps about a week ago, about the various types of accounting and the problems with each type. It appeared to me at first blush that the accrual system does provide for a truer reflection of the actual expenditures and the actual state of the government's books at any one time. No doubt, that's why the Auditor General has endorsed that system. All I can say is that I will move in a timely fashion.

Mr. St-Jean.

•(1555)

Mr. Charles-Antoine St-Jean (Comptroller General of Canada, Treasury Board Secretariat): Thank you, Mr. Chairman.

The response from the government is being developed, as we speak.

[*Translation*]

The answer is being prepared. If I'm not mistaken, the protocol requires that it be tabled within 45 to 90 days after the tabling of the report of the Public Accounts Committee, which would take us to the beginning of April. So, things are moving forward.

Ms. Louise Thibault: In any case, I hope that your government will accept it because you and your colleagues in Cabinet constantly use that word — accountability — at Question Period and all the time. I have used the word “imputabilité” in French but it should be “responsabilité”. I think it would be an excellent way to implement this concept of accountability in the management of the taxpayers' money.

About Bill C-11 — like you, I believe there is a link between Bills C-11 and C-12 — you've just said that you want it to be implemented as soon as possible. Your schedule for C-11 is very important because our public servants, our unions and our managers have been waiting for a long time, even if there was no unanimity. Instead of a referring to C-11, I should have referred to the Public Servants Disclosure Protection Act.

Do you have a detailed timetable for its implementation? Also, since you've talked about better management, have you made any serious projections at Treasury Board about the costs not only for central agencies but also for those who will have to implement this necessary Act without delay? That was my question about C-11 and I will have a few about the expenditure management system.

[English]

Hon. Vic Toews: Thank you.

The issue of Bill C-11, or the whistle-blower's legislation, I think is important. In speaking with my staff about that particular legislation, I understand there still has to be some consultation with stakeholders, including trade unions and management individuals. We are committed to moving that through as quickly as possible, but I don't want to unilaterally impose a program or a framework that the trade unions, for example, are not happy with. There needs to be that consultation, and I've discussed that particular issue with the secretary.

In terms of the cost, I can't say off the top of my head what that cost is, but perhaps the secretary can advise us.

Mr. Wayne Wouters: For the implementation of the Federal Accountability Act, the government, in the 2006 budget, set aside basically \$60 million a year to bring in the various provisions of the act. Now that the act is passed, of course, those estimates are being refined, and individual departments will need to bring forward their detailed proposals to the Treasury Board Secretariat for approval.

It's within that overall envelope that PSHRMAC, the human resource agency responsible for this, will be bringing that proposal to the board, and they're finalizing their estimates now. So it's again part of the overall implementation.

• (1600)

[Translation]

Ms. Louise Thibault: Do I have any time left? Thank you, Chair.

In November 2006, when the Auditor General tabled her latest report, she also revealed her findings about the expenditure management system and we have had the pleasure of welcoming her several times since then. She said, among other things, that the expenditure management system has become less effective ever since we've had a budget surplus. Do you agree with her?

Mrs. Fraser added that each year the Treasury Board Secretariat updates the funding of existing programs without any systematic review. By the way, I want to thank the researchers of the Library of Parliament who have prepared the document I am using now. I am interested in this matter because I heard Mr. Wouters say that the government has estimated that the implementation of C-11 would cost 60 million dollars per year and that the departments are now making plans for this. Later on, when the budget is updated, will it be done on the basis of a systematic review? Can we expect that? That was my first question relating to the findings of Mrs. Fraser.

[English]

Hon. Vic Toews: Yes, I'm familiar with that. Thank you for that summary. It's a good summary for all committee members to hear.

The issue of expenditure management is one that I am particularly concerned about, not only because of my experience here in the Treasury Board but also as a result of my role in my previous department. My concern is that when we are initiating new programs, are we also looking at expenditures on programs that are no longer priorities, or that priorities have shifted? I was pleased to see that was one of the Auditor General's concerns as well.

As a result, we as a cabinet have undertaken to make rigorous examinations of all new spending proposals. We are not simply looking at the value of those new spending proposals and assessing the quality and cost-effectiveness of them. We are also taking explicit account of the funding, performance, and resource requirements of existing programs, so that as we're implementing new programs we're also taking a look at how money is being spent in existing programs.

I don't know if most Canadians realize this, but one of the points that was brought to my attention was that in six years, the A-base budget of the Government of Canada went from \$45 billion to \$90 billion. I thought, "That's a remarkable increase in only six years. Is there something we should be doing to make sure that as we're adding certain things to the A-base—essentially the portion of the budget that rolls over every year and is spent almost automatically—we are reviewing those existing programs?"

So the commitment of our government is to do that through the expenditure management review program, as commented on by the Auditor General,

[Translation]

Ms. Louise Thibault: On the same topic, minister, one may ask why there were, from 1990 until about 1994-1995, not just layoffs but job cuts and a loss of human resources. If I am not mistaken, some 15,000 positions were abolished, with all the corresponding costs for severance pay and so on. Today, however, there are more public servants than before the elimination of those 15,000 positions. One may wonder what became of those funds and activities and where was the added value. I believe my time is up but I will try to come back later on. Thank you, minister.

• (1605)

The Chair: Mr. Kramp.

[English]

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

I want to beat a dead horse: accrual accounting as mentioned by Madam Thibault. Of course, I was involved with the public accounts committee where we did the study, and here as well, and certainly I'm not an expert on accrual accounting, but I got my indoctrination or baptism by fire ad nauseam.

The difficulty that I and we and both the committee on public accounts and of course this committee have seen is that there has been a great deal of hesitation for a great many legitimate reasons. I can recall that both Mr. St-Jean and Mr. Maloney, who is sitting in the audience, had some very well-founded, serious concerns on behalf of Treasury Board that would pose some difficulties for implementation. They were well-received and definitely were part of the equation that we have wrestled with as well, so we recognize that it isn't just a total upside. There are problems and difficulties with the implementation process.

But that having been stated, both public accounts and now this committee unanimously have recommended in a very strong manner that we feel unequivocally that there should be an immediate adoption of that principle and an implementation process should begin ASAP.

So my concern with your response, and I'm encouraged, quite frankly, with a 45- to 90-day response potentially coming back—I think that's encouraging, and I would also ask the minister to remain vigilant and see if we can maintain that timeframe, because what we don't want to do is get into another year and another year. This has been going on for years, and there's no doubt that there has been a lack of efficiency or transparency simply due to an accounting system that isn't fully giving us the results we need, and accrual accounting was deemed to be a definite advantage.

With that preamble, I would encourage the minister to respect the will of these committees when they unanimously went forward with these actions and strongly urge the government to give us a quick response. We see we have one coming to public accounts. Should this be in isolation and/or a separate one to this particular committee? Can we act in tandem? What are your thoughts, Mr. St-Jean? Obviously, when we have two committees, we don't want to end up in conflict with ourselves on this issue. How do you see that we best receive this information?

Hon. Vic Toews: I'm going to let Mr. St-Jean answer that, but I do want to reiterate that it is clear that there are distinct advantages to the accrual basis, and I don't think there's going to be much of an argument on that, comparing it simply to the cash accounting or the near cash accounting that is done. Accrual does, in many ways, reflect the whole scope and the size of the organizations, the government's resources and their obligations, their costs. I think it does make more information available to decision-makers.

But I think the question you're asking—why haven't we done more, and when the actual report does come out, are we going to be coordinating it between two particular committees—

Mr. Daryl Kramp: Yes, but, Mr. Minister, I think the committees deserve a full explanation in a number of areas—in costing, as an example. To implement this process to either merge IT technology and/or to deal with the human resource deficiency that potentially could exist is going to present some problems or dilemmas for government.

Will there be recommendations coming from your department that will deal with these issues, or will we just have a report that says we have a problem and then we're going to have to delve into that at the committee level again, or are you going to be coming in with recommendations as to how to implement and the costing allowances that will be given to that?

• (1610)

Hon. Vic Toews: Well, I don't want to state what the report is going to say. I want to say that the government has made considerable progress in implementing accrual accounting in many aspects of financial planning and reporting. As a trend, we see that happening in the Government of Canada. The federal budget and the summary financial statements of the Government of Canada are now all prepared on a full accrual basis.

However, increasing the use of accrual accounting and departmental level budgeting and parliamentary appropriations to departments is a complex one. It will require a significant investment in systems changes. So it's not simply a case of saying, well, we've used this system up until now and tomorrow we're going to use another system. The system changes are in fact quite significant, and

the transition would have to be very carefully managed. It includes not only systems but also training.

Without letting the cat out of the bag, we understand that accrual offers a lot of benefits, but there are significant challenges. I think the government has already demonstrated that it is moving in the direction of accrual accounting and will do so on a timely basis. But we don't want to jeopardize the ability to maintain services and other issues like that.

Mr. Daryl Kramp: But without letting the cat out of the bag, the government in the last number of years has basically adopted a new accounting structure, or a new IT technology, and it cost a lot of money to put it in place. One of the concerns about the adoption of accrual accounting is whether or not the present system could be adapted to meet that criteria, or whether we have to go with a whole new enchilada. Could you give us an indication of where your preliminary investigation has led us to, in what direction you would be heading?

Mr. Charles-Antoine St-Jean: The implementation of such a basis of accounting would require some modification to the systems. Most of our financial systems here are based on a common vendor platform, SAP and Oracle and so on. So there is a strong basis to do it.

That being said, once you introduce that new basis of accounting, you have to amend your chart of accounts and some of the business processes around it. So we would be able to leverage our current infrastructure, but there will be some investment that would be needed to update, upgrade, and generate those numbers. But we're not starting from scratch.

Mr. Daryl Kramp: Knowing that it is quite a daunting challenge, are you personally in favour of the easy, trickle-in approach? Or, as an example, British Columbia, when they were here, said, let's just do it, and they went whole hog. They made a major transformation all at once. They thought, let's get the pain over with. They'd have that initial cost, but it wouldn't be dragging on and on. In other words, it wouldn't be a 10-year process. They could probably do it one, two, three, or four years. What are your thoughts on that?

Hon. Vic Toews: Sometimes you have to move quickly and almost immediately on certain things, because as you know, for example, when you're changing from a right-hand drive to a left-hand drive, you want to do it all in one day as opposed to two or three separate days. And that needs to be, in a way, understood here. Certain things you will have to do immediately. Other things can be done in a more gradual approach. But I'm confident that the departmental officials, working together with the Auditor General and other relevant departments, will make that determination as to what progress we can make. I'm quite familiar with the recommendations and I'm committed to looking at how we can provide more accountability.

The last point that also has to be remembered is when we talk about some of these systems, as I'm learning, when we're talking about accrual accounting, there are many different mechanisms of accrual accounting. Even if you look at Canadian provinces, if I'm not mistaken, there are different systems. So if one simply is to say, well, we're going to adopt accrual accounting, what does that mean? What is the best mechanism or best system of accrual accounting for any one area? It's not quite as simple as saying we're going from right-hand drive to left-hand drive.

• (1615)

Mr. Daryl Kramp: I thank the minister, and I can assure you that we have been exposed to a number of versions of the accrual accounting process. Obviously, it is not up to us to make the decision as to which would be the correct one. Obviously, that falls with our professional people to make that designation, but it's encouraging to have the minister basically state that he's in favour of definitive action, whatever that action may be.

Thank you.

The Chair: Madam Nash.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you, Madam Chair.

Welcome, Mr. Minister, and other witnesses. It's good to see you again. Although we've had many months to study in depth the allure of accrual accounting, I'll leave those questions to others on the committee.

Hon. Vic Toews: Thank you.

The Chair: I thought it was passionate; I don't know about the rest of the committee.

Ms. Peggy Nash: I would like to ask you questions on a couple of different topics. One is on the issue of procurement. I know this is certainly under the auspices of Minister Fortier, but I just want to get your thoughts.

Obviously, with respect to procurement, government best serves the country by getting competitive bids and making sure we're getting good value for our money. But also government procurement is a big source of Canadian jobs and investment, and we've heard a lot of debate around the defence contracts. I don't want to ask you about those contracts, but just in general, do you have any thoughts about the importance of economic development with respect to government procurement?

Hon. Vic Toews: I do, and I'm not exactly sure how much I can say. That's the problem with briefings. You don't know what's public and what's private anymore.

Ms. Peggy Nash: You can trust us. Just share it all with us.

Hon. Vic Toews: I'm always cautious before I speak on some of these issues because I don't want to jeopardize any contractual arrangements that may or may not be in place. Certainly, when we're talking about procurement, the government's first position is that it needs to be done on an open and competitive basis in order to get the best price possible.

Secondly, we recognize that many of these contracts offer opportunities for Canadians to develop their skills, that we retain skilled workers and technicians and professionals here in Canada.

Again, that is important. I know, for example, under the WTO there are provisions to allow contracts under NAFTA that allow work to be done in-country, so it doesn't have to be shipped off to another country. I think there are good, solid, national reasons for doing that in order to develop our own industry, our own workforce.

I'm just wondering, Mr. Secretary, if you want to add anything to that.

Mr. Wayne Wouters: I think in the government's procurement policy it sets out the conditions by which we undertake procurement, which are that it should be competitive, except in areas where for security reasons or whatever, or the size of the contract, there may be only one competitor. As well, the government has built into procurement policy provisions to achieve other objectives for the government, for example, ensuring that aboriginals have a certain percentage of overall procurement, or ensuring that the procurement we undertake meets certain environmental standards, what we call green procurement conditions.

At the same time as the government moves to look at how we undertake procurement, Public Works, for example, has given special attention to small and medium-sized business. As we are looking at reforming our procurement approach, in doing so the government wants to ensure that those businesses continue to receive a fair share of the overall procurement budget.

I think there are ways, while continuing to move to competitive process, to ensure other objectives are being achieved at the same time.

• (1620)

Ms. Peggy Nash: Thank you.

Something that I know I raised with your predecessor, Mr. Minister, concerned some cuts that were made last fall. I know there was a lot of concern in my community about those cuts, specifically the cancellation of the court challenges program.

There was great concern about the impact on human rights and the potential inability of people whose rights might be breached under the Charter of Rights and Freedoms to be able to access legal assistance in order to challenge the law and have their rights protected. Of course, we have lots of examples, whether it's francophones, people with disabilities, or gays and lesbians who have had the ability to have their rights fulfilled because of the court challenges program. That was one area.

A second area was the cuts to Status of Women. I have to say there is great concern among women in my community and across the country about the cuts that have been made, the offices that have been closed in the Status of Women program, and a seeming reorientation of that. I appreciate that the details are best asked of the Minister of Heritage, but it's the cuts that really concern women.

The third area that I heard the most about was on the cuts for touring arts. I know internationally acclaimed writer Margaret Atwood wrote an opinion piece in *The Globe and Mail* about this and how important it is in terms of Canada's projection of its image abroad and our culture and in terms of giving opportunities to aspiring or up-and-coming artists to have our international touring program. The loss of funds to those kinds of programs is really of great concern to the arts community.

We did, of course, ask these questions to your predecessor, but I feel obliged to raise this with you as well, because of course these cuts are ongoing and the funding has not been restored.

Hon. Vic Toews: Well, I've not yet seen areas where we've in fact taken money out of a certain area and simply left it without money. I'm not aware of any.

Ms. Peggy Nash: On the funding for the court challenges program, whether or not it's actually gone at this moment, it has been announced that it will be cancelled.

Hon. Vic Toews: Right. What I've seen in almost every situation I've come across and what people have asked me about is this. For example, we've taken money out of this situation, and yet I've consistently seen in the government announcements that we are simply redirecting the funding. Instead of paying lobbyists to lobby the government to get more money in order to lobby, for example, we wanted to have actual delivery of programs.

For some of the work that I saw, for example, through so-called literacy groups, there wasn't in fact much literacy work being done at all. It was straight advocacy. But I was encouraged to see the actual direct expenditure of money into reading programs and the like. I would prefer that the money actually go to help children, adults, and immigrants learn to read rather than simply paying lobbyists to do it.

• (1625)

Ms. Peggy Nash: Mr. Minister, on that particular issue, I wanted to ask an additional question specifically on literacy.

In my community, there is a lot of concern about the loss of funds for literacy support. Some of this money was going to train instructors in literacy programs. If you don't have instructor training, you don't have support for the instructors, and if you don't have the resources for instructors, you don't have the programs.

I have to tell you that people on the ground who are delivering these programs have expressed great concern. This isn't about people flying around in jets lobbying government. This is about people who are delivering programs on the ground and who have come to talk to me in my community.

Hon. Vic Toews: As I understand it, all of the \$1 billion in savings have been reallocated in those areas to ensure that those kinds of needs are met. In the literacy area, for example, \$81 million is going towards actual literacy programs, as opposed to lobbying groups.

The court challenges program is an interesting example. I believe in the budget there was about \$5 million a year, yet no one is able to tell me who got the money. I first asked who got the money years before I was even in the federal government. When I made those kinds of inquiries, they said "I'm sorry, we can't tell you because it would violate solicitor-client privilege." That was the grossest abuse of solicitor-client privilege I had ever heard of in my life.

For example, when someone is on a legal aid certificate, that's well-known. The source of the funding doesn't in any way violate solicitor-client privilege. So not only did we not know who was getting the money because the group said they couldn't tell us, but we didn't know the criteria under which that money was spent.

If we're going to go down that road in any way, the people who actually receive the money...we have to be clear about that. It has to be open and accountable. Secondly, the criteria.... Those were the fundamental two flaws in the court challenges program that I experienced. It may only be \$5 million, but that's a lot of money to many people.

Ms. Peggy Nash: If I could just say that—

The Chair: You have both gone way over time. You'll have to try again later.

Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Thank you, Chair.

Minister, one of the foremost tools that Parliament has at its disposal in holding the government to account is the Office of the Auditor General, and when leaks of Auditor General reports occur they undermine that whole process. We've had an unprecedented three leaks since January of last year. In fact, the last two reports of the Auditor General have been leaked—unprecedented occurrences that undermine parliamentary privilege and our ability to hold government to account.

On May 12, Mr. Jason Kenney, the Parliamentary Secretary for the Prime Minister, quite clearly stated in the House, and repeated three times:

Now what we are clearly concerned about is that confidential information remain confidential and that people who are responsible for leaking confidential information are held accountable. The government is committed to that, and we will act accordingly.

So he repeated three times that people will be held accountable. Then in *The Globe and Mail* the following day he stated:

I can further assure her that the government is investigating the matter and will hold accountable anybody who may be responsible.

Have you seen a copy of the Treasury Board report on the leaks?

Hon. Vic Toews: This issue was discussed quite fully at the public accounts committee yesterday, and officials who were there—

Mr. Borys Wrzesnewskyj: But have you seen the actual Treasury Board report on these leaks?

Hon. Vic Toews: I'm not going to disclose what I have or have not seen. All I can tell you at this point is that officials were at the public accounts committee yesterday—

• (1630)

Mr. Borys Wrzesnewskyj: That wasn't the question, so I'll try to stick to the questions and hopefully get some answers.

It's quite clear that the government treated this with great seriousness, Minister. Jason Kenney stated that the individuals—

Hon. Vic Toews: Perhaps you can tell me what specific information you would like and I can answer the question.

Mr. Borys Wrzesnewskyj: It would be tremendous if you could provide us with a copy of that particular report.

Hon. Vic Toews: I'll see whether I'm able to do that.

Mr. Borys Wrzesnewskyj: That would be tremendously helpful, Minister.

In the statement, you said yesterday that this was discussed at Public Accounts. In that statement, the Treasury Board official had a review of the report—not the actual report—and he said that it focused on document controls and procedures and on reminding employees of their obligations. The second review looked at receipt and signing procedures. There was nothing about actually trying to get to the bottom of who is responsible for the leaks. And in conclusion—it was quite brilliant, in fact—it stated, “In summary, we have conducted thorough internal reviews of the processes and procedures in place to maintain the confidentiality of the work of the Auditor General”.

There is nothing to hold anyone accountable for the actual leaks. So I think it would be of significance and importance to see the actual report, to see whether the government made any efforts to get to the bottom of these unprecedented leaks of the Auditor General's reports in a quantity that is unprecedented.

But since you'll review whether or not you can provide that for us, let's move on to a different topic that was touched upon: procurement. Minister, you stated that transparency is of vital importance, and especially that \$5 million is a lot. Well, billions of dollars are being spent on heavy-lift aircraft from Boeing, single source. And the minister in charge of this particular file—

Hon. Vic Toews: It wasn't single source, as I understand it.

Mr. Borys Wrzesnewskyj: I haven't finished my question, Minister.

And the defence minister is a former military arms lobbyist.

For the sake of transparency, especially if billions of dollars are being spent, single source—this isn't \$5 million, you said you were concerned about \$5 million—and when the minister himself, in the past, worked and was paid for by arms lobbying firms, it would be of tremendous benefit for the Canadian public, the taxpaying public, to see all the procedures that were followed in making the decision and in setting the requirements for this particular procurement.

Would you, as President of the Treasury Board, be willing to be forthcoming with all the documentation?

Hon. Vic Toews: Well, you've made all kinds of assumptions and statements and put them all together in what is not, particularly, a very neat package.

Mr. Borys Wrzesnewskyj: Maybe you could provide us with a neat package showing all the details of how this particular procurement came about.

Hon. Vic Toews: First of all, to simply suggest that the Minister of National Defence was somehow in some kind of conflict because, I understand, he was a lobbyist for one firm or another... The assumption you're making here is that he was in conflict, which was not in some way detected, and that there was something inappropriately done.

Mr. Borys Wrzesnewskyj: No, the gist is transparency, sir. Once again, you talked about \$5 million, but this is billions of dollars at the same time as other programs are facing cuts.

Can you tell us, for the sake of transparency, especially in the case of single source, how the procurement requirements were set? What

was the process? And will there be transparency provided so that we will actually know how the final decision was arrived at?

Hon. Vic Toews: Perhaps you would want to call the minister responsible for the contract to ask how that was done.

Mr. Borys Wrzesnewskyj: We talked about ministerial responsibility. As Treasury Board—

Hon. Vic Toews: That's right. Well, let me finish now.

I'm prepared to answer questions in respect of my responsibilities in ensuring that there are appropriate Treasury Board rules in place, that appropriate officials are accountable, and that things are done in accordance with that. I don't have all the facts about every contract.

• (1635)

Mr. Borys Wrzesnewskyj: Are you willing to provide us with the facts?

Hon. Vic Toews: You are asking me what the facts of that particular contract are. I don't have all the facts. If you want the facts, bring the minister here. Let him answer. What I am prepared to say is that my responsibility in Treasury Board is to ensure that there is accountability, that there is transparency, and that the business of the government gets done in an effective and efficient manner. So there's all kinds of weighing that goes into dealing with those types of principles.

Now, if you think the Minister of National Defence has done anything inappropriate, please bring that evidence forward, or bring him here.

Mr. Borys Wrzesnewskyj: All I'm asking is for you to bring that information forward.

Hon. Vic Toews: I'm suggesting that you go right to the horse's mouth and have the minister here, and he can explain exactly what he has done. I'm not going to get into any kind of conjecture in that respect. I've heard the minister explain it in the House in the same way that you have. I'm satisfied on the basis of what I have heard. But if you think there is any basis on which to question that, please bring the minister here and have him answer the questions.

Mr. Borys Wrzesnewskyj: Do you have the documentation around this particular procurement available in your offices?

Hon. Vic Toews: I can tell you how procurements generally are done. You've indicated, for example, that this was sole-source. Even that's a matter of debate. As I understand it, it was one of what we call ACANs, so the criteria as to what was required were put out there publicly: who else can meet these criteria?

Mr. Borys Wrzesnewskyj: How were those criteria set? That's the question.

Hon. Vic Toews: I think you would have to go to the military to ask that particular question.

The Chair: Thank you very much.

By the way, we will have the Minister of Public Works here on February 15. That is also a question that he should be able to answer, because he or she does play a role in the actual contracting out. It could be a he or a she. That's why I did—

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): At the moment it's a he.

The Chair: Just in case, you know, having been there.

I just wanted you to know that he is coming on the 15th for sure now. He can answer with more in-depth responses as to the actual process that occurred.

Hon. Vic Toews: I think that would be very helpful.

Mr. James Moore: Also, I think the defence committee is studying this exact contract.

The Chair: That's right.

Monsieur Poilievre, I have decided to let you speak this time, instead of Mr. Moore.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Aren't you kind and generous? I don't know if Mr. Moore will forgive you, though.

My question for the minister is, are you aware of the number of occasions on which an Auditor General's report was leaked by the previous government?

Hon. Vic Toews: I think there have been ten leaks of the report since about 2000.

Mr. Pierre Poilievre: That's right, so seven of them happened under the previous Liberal government. So when my colleague uses the term "unprecedented", he uses it with a great deal of agility. That's the first thing to point out.

Secondly, Minister, I appreciate that the instant you became minister responsible for the Treasury Board, you hit the ground sprinting on implementing the Federal Accountability Act. I note with some interest that a lot of the people who did everything in their power to block the Federal Accountability Act and attack it as going too far are now in a mad rush to see it implemented immediately. I further note that if they had allowed it to pass through the Senate without the extraordinary delay it experienced there, we would be much further along toward complete implementation. So I want to congratulate you for taking up the torch and working as hard as you have been to implement that.

I guess my question for you is, how can we as parliamentarians assist in the implementation of the Federal Accountability Act?

Hon. Vic Toews: There are a number of things. As parliamentarians, you can provide us with ongoing advice.

I do note, just before I answer that question, that when you're working in a line department, for example, that will be affected by an act's coming in, you don't want to spend too much money and time on any particular thing if in fact that act is going to be defeated. There was never any guarantee that the act was going to be passed. So managers are put in a very difficult position.

How much money and time do we invest in something that may never come to fruition? That was one of the problems we faced as ministers in a line department. For example, when we implemented the Director of Public Prosecutions position, we were able to bring that into effect virtually immediately upon the coming into force of the act, but that's not without its risks. I could see there being the criticism that after having done all that work and expended the money, suddenly the act wasn't coming forward, and you had expended money. So it was frustrating that the act was held up, I

think most of us would admit, for an unduly long period of time in the Senate.

Now that the act is, in great part, in force, one of the things that parliamentarians must consider is how you can help the parliamentary vetting process. I think the act gives unprecedented control to parliamentarians in terms of the appointment process for some of these individuals. The appointments requiring parliamentary oversight include those of the Conflict of Interest and Ethics Commissioner as an officer of Parliament, the Commissioner of Lobbying as an agent of Parliament, the Public Sector Integrity Commissioner as an agent of Parliament, and the Director of Public Prosecutions. At the present time we have a temporary person in place for the latter, and there will be a permanent one in place.

Again, the reviewing of all of these individuals and that process requires, I think, if not camaraderie, at least a willingness to work together to ensure that the best individuals are put in place.

• (1640)

Mr. Pierre Poilievre: I think you've been very responsible, as was the previous minister, in recognizing that you cannot begin to implement legislation that is not passed. If the law does not exist, it is not right for a department to start implementing it prior to its existence and incurring costs in the process. So I think you've been very responsible in waiting for the passage of the bill. Frankly, once again, I lament the fact that we could not have had it passed more quickly.

There was a period of time when I believed the Liberal Senate would literally never pass the bill—and I mean that literally. I did not think they were going to pass it at all. If that had happened, and our government had gone ahead and spent a whole lot of resources on implementing it, then we would have been accused of spending implementation dollars on a bill that never came to fruition.

Hon. Vic Toews: More importantly, as important as the money is, it can also be seen as almost a contempt of Parliament to presume that Parliament will do something. In a minority situation, that's a very difficult thing to do. I think you're right.

I have to say that in discussing this matter with departmental officials, I've been very impressed with the timely manner in which they're moving. I've reviewed the entire process. No firm schedule has been set, but I'm satisfied that in each and every area they're moving in a timely fashion and there are no significant impediments to that occurring.

Now, those might develop—I might be unaware of them, and the department might be unaware of them—but I'm very satisfied with how the department is moving.

Mr. Pierre Poilievre: That schedule for implementation was approved by all parties sitting around the table when they finalized the passage of the Accountability Act. There are no surprises here. The dates of coming into force were all considered in the legislation, and all parties voted on that. If there had been any great urgency amongst the opposition to see parts implemented more quickly, they very easily could have amended the legislation to see that happen, but they did not do that. So they passed a bill, and now we're implementing it, just as we were asked to do.

•(1645)

Hon. Vic Toews: There are practical issues beyond the control of the government as well when you're dealing with crown corporations. For example, the access to information that... For example, I know that some of them are coming in April 1, and we assume that those are coming in. But the crown corporation has to hire the staff and has to put the process in place. I trust they will do that in a timely manner as well, but it is something that is beyond the control of the government. We are moving to ensure that what we need to do is being done, and then the crowns will have to move in a timely fashion.

The Chair: Thank you.

Let me remind you, though, that there was Bill C-11, and there were three of us here who were at this table when it was passed. As far as I know, it has not even received royal assent yet. Or has it? But that was setting up the independent office for whistle-blowing, and I haven't seen any movement on that one either. I understand that Bill C-2 came after the fact, but I think there could have been considerable work done on that.

Mr. Pierre Poilievre: On a point of order.

The Chair: I just wanted to point it out.

Mr. Pierre Poilievre: I raise a point of order.

I just wanted to point out that Bill C-11 has been radically changed and toughened, and as a result—

The Chair: That's not a point of order.

Mr. Pierre Poilievre: —there's a new instrument brought into effect by the Federal Accountability Act—

The Chair: That's not a point of order.

We're going to go to Monsieur Simard.

Mr. Pierre Poilievre: —and it was just passed and came into effect recently.

The Chair: I was trying to set the record straight. There's a limit to how much BS I'm going to listen to here.

Mr. Simard.

Hon. Raymond Simard: Thank you very much, Madame Chair.

Minister, I appreciate the fact that you want to ensure that there be accountability and transparency. And if ever there was contempt of Parliament, it's the fact that you would appoint all these Governor in Council appointments prior to bringing in this new commission. It just seems to me that the law was passed. In fact, Bill C-2 was passed on December 12. A substantial amount of time has passed since that time, and we did have an opportunity to put in place some of these programs. So it seems to me that there is a contempt of Parliament that is out there.

[Translation]

I would also like to come back to the Court Challenges Program.

[English]

Hon. Vic Toews: Are you asking me if I agree with you that it was a contempt of Parliament?

Hon. Raymond Simard: You probably do. I would think that by your silence you agree with me.

Hon. Vic Toews: I don't agree. I can explain exactly why I think everything was done in an appropriate fashion. Indeed, had there not been this inordinate delay in the Senate, the concerns you're expressing could have been addressed in an appropriate fashion much earlier.

Hon. Raymond Simard: But it seems to me, Minister, that if you were that concerned with transparency and accountability, you would have wanted to ensure that these appointments were done with the new accountability act in place, with some of these measures in place, and not appoint 150 or 175 people prior to putting in these new dispositions. It seems to me that would be a fair expectation for members of Parliament to expect of you.

Hon. Vic Toews: There are certain things, for example, for which we simply couldn't wait for the act to be passed—and the act might never have passed. So I'm prepared to simply say, look, the act is done. We can start off on a new foot. We can work together, and I'm looking to you and your cooperation in terms of ensuring that we get the best people in place to fill these positions now that this system is in place.

Hon. Raymond Simard: With regard to the procurement ombudsman, I'm wondering what kind of authority that person would have.

One of the major concerns members of Parliament would have, or the Canadian public would have, actually, is political interference. I'm just wondering what kind of authority the ombudsman would have in cases where there may be political interference. Would he or she be able to intervene at the ministerial level? I know we're discussing interference right now with the whole heavy-lift equipment, where the work would go and all that, so—

Hon. Vic Toews: I don't want to get into that specifically. We were pleased to see that the contract was announced. We think it was a good deal for Canadians.

Hon. Raymond Simard: So generally speaking.

Hon. Vic Toews: Generally speaking, I would think that a minister who would interfere with an ombudsman would do so at his or her own peril. It would just be—

•(1650)

Hon. Raymond Simard: Or vice versa.

Hon. Vic Toews: What...that the ombudsman would interfere with the minister?

Hon. Raymond Simard: Yes. It would seem to me that an ombudsman—

Hon. Vic Toews: But that's done every day, and appropriately so. The ombudsman in fact has a role to appropriately intervene and ask questions and try to resolve certain things, whether we're talking about an ombudsman or an auditor general, who obviously performs a different type of a role. They all intervene.

Hon. Raymond Simard: Yes. There is a distinction, though. I'm just trying to understand what the ombudsman's role would be in this case.

Hon. Vic Toews: Well, the role is to ensure that if there are concerns about a particular contracting process, those.... I don't think it's good enough to always say that the rules were followed exactly. If you follow the rules exactly, as a small business person, I will never access these contracts. That is an issue, then. An ombudsman would be able to say yes, the rules were followed, but the problem is that the rules operate unfairly with respect to these small businesses.

In that sense, they advocate for changes, or at least indicate that a change may be necessary. As I understand it, an ombudsman never has the actual power to order the change, but certainly to identify the problem and make recommendations. That's how I see the role of an ombudsman. I'd have to—

[*Translation*]

Hon. Raymond Simard: I would like to ask a last question, madam Chair.

Mr. Toews, you said about the Court Challenges Program that 5 million dollars is not a big amount. You are probably the Manitoba MP whose riding comes second after mine, Provencher, for the number of French-speaking people. You know that it is thanks to that program that French-speaking people have managed to get their school board which has been very important for their development.

Do you really believe that 5 million dollars was not a big amount for them? It is with that program that they have managed to get their rights protected in Manitoba.

[*English*]

Hon. Vic Toews: Well, first of all, I don't know whether the Manitoban societies ever received any money under that program.

Hon. Raymond Simard: They did. That's how they obtained their school division.

Hon. Vic Toews: Well, it's nice that you tell me that, but the program would never tell us who actually received money. So I have no way of saying—

Hon. Raymond Simard: It seems to me you have the second highest number of francophones in your riding. It seems to me you would know that; you would have a certain interest in that community.

Hon. Vic Toews: Well, now, hold on, how would I know that? When I made inquiries, I was told that information could not be disclosed, that it was subject to solicitor-client privilege.

[*Translation*]

The Chair: Thank you, Mr. Toews.

Mr. Nadeau.

Mr. Richard Nadeau (Gatineau, BQ): Good afternoon, minister, Mr. St-Jean and Mr. Wouters.

I have several questions for you.

A debate has been going on since the seventies in the Ottawa area. In 1983, Cabinet decided that 25% of all federal positions in the Ottawa-Gatineau area would be located on the Quebec side and 75% on the Ottawa side.

I could provide you with a copy of a study which has been tabled here — you may not have received it but the previous minister did

— indicating that about 7,000 positions are missing on the Quebec side to implement that 25-75 rule.

We've heard the comments of Mr. Baird and Mr. Fortier but I would like to know the position of your own officials on the steps that will be taken to ensure that justice is done in this matter.

• (1655)

[*English*]

Hon. Vic Toews: Thank you for the question. I'm sorry, but our department and the board does not specifically look at this issue. Mr. Fortier is responsible for this particular issue. I understand he is looking at that, and that's perhaps something you could direct to Mr. Fortier.

[*Translation*]

Mr. Richard Nadeau: If I am not mistaken, Treasury Board is the number one employer for the federal government. However, Mr. Toews — and you now have the document in your hands — I want you to know that this is a very important matter for this area.

On another issue, the temporary employment agencies, i.e. those that provide temporary staff to federal departments and private employers, were terribly shocked last summer when the government tried to change the supply and demand of services. A whole process has been set up and we have been able to get a study from the Conference Board of Canada on this matter.

Mr. Fortier, the Minister for Public Works and Government Services, wanted to cut the number of temporary employment agencies from 144 to 7. He wanted to make sure that there would not be a large number of partners, agencies and temporary employment services, which would have forced several agencies to pull out of the market.

What is the status of that plan? Have you studied the matter? What is your thinking now for helping those agencies?

[*English*]

Hon. Vic Toews: All I can say is that I have not had a detailed briefing on this, but I know that Mr. Fortier is working with these people to address this particular issue. I'm sorry. If there's something my department can give you on that, I will provide it, but the responsibility lies with Mr. Fortier.

[*Translation*]

Mr. Richard Nadeau: Let us now deal with appointments. Bill C-2 has now been implemented. Recently, one of your colleagues who had been a candidate in Mississauga—Streetsville during the last elections — and I am not referring to Mr. Khan, the turncoat, but to Mr. Gill — was appointed citizenship judge at the Department of Citizenship and Immigration.

Was that appointment to as important a position as that of judge a political gift or a legitimate appointment and it was it done according to the rules? Have you been made aware of that situation? What is the process?

[English]

Hon. Vic Toews: I'm certainly aware of the appointment. I heard about it in the House as well as you did. I understand this individual is a meritorious individual. He's qualified, if you look at the qualifications that are required to fulfil this particular position.

I know that several allegations have been made in that respect, but I've seen nothing that would indicate to me that he is any less qualified, for example, than other individuals who have been appointed to that particular position. Indeed, I would say he has higher qualifications than some individuals who've been appointed in the past.

Simply because someone is politically associated doesn't mean they should be barred from being considered for a position, provided they meet the qualifications. For example, in Manitoba—

[Translation]

Mr. Richard Nadeau: If I understand correctly, you have had a close look at this matter.

I will now move to my last question.

The Chair: Thank you, sir, your time is up.

[English]

Mr. Albrecht.

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

Thank you, Minister, for being with us today and also your officials.

I just want to comment for a few minutes and ask a question regarding the expenditure management system. I don't think there is any issue that Canadian people are more interested in than to be sure that their tax dollars are well spent, whether that involves good planning in terms of the program or avoiding duplication or waste and all of those different things that can happen to tax dollars.

I was particularly pleased to see the system put in place for a systematic review to make sure that programs are still relevant. I can remember from my school board days that it's always easy to start a new program. It's much harder to cut one off after it's no longer effective. So I applaud the government in that direction.

You also make a point on page 5 of your notes regarding ensuring that all new programs are integrated into existing programs, and I think that's a great measure.

Do you have a timeline as to when this program will be fully implemented and up and running and producing the kinds of results that really it was intended to do? I know we're all eager to be sure that we're managing our tax dollars well.

• (1700)

Hon. Vic Toews: The comment I'd like to make at the onset is that the program will never fully be implemented in the sense that we have the program and this is what it's going to look like, but we in fact do want to ensure that the system is up and running in a timely fashion.

Work is continuing right now. This is not a simple project, and I know that—

Mr. Harold Albrecht: I just wonder if you could help me understand what's different about this from what had been in place. That might help to at least see what direction we're going in.

Hon. Vic Toews: I think what's different about this is that we actually are looking at past programs to determine that they are still relevant, effective, and efficient, as we're putting new programs in place. We're emphasizing value for money. That was one of the reasons I pointed out in an answer to one of the earlier questions about the A-base budget doubling in six years from \$45 billion to \$90 billion.

It's something that I was faced with in my own department as a minister prior to coming to this department. As our priorities as a government changed when we came into office from the past government, when we were then implementing these new measures and trying to put them into place and identifying how much it would cost in terms of resources, the question I kept asking was, "What about the things that we are no longer doing? What has happened to those resources?" There didn't seem to be a particularly good way of handling that.

It has been explained to me as to why there was never that emphasis on examining existing programs in order to ensure that those existing resources are being used properly. One of the reasons was that back in about 1995 when the A-base budget was cut to its bones, it was always assumed that everything that was there was absolutely necessary to make the government run, when in fact I think it's a mistake to assume that if it's relevant at one point in time it will continue to be relevant.

We have essentially set up a five-year review of this and are attempting to put the new system in place in about a five-year timeframe.

Mr. Harold Albrecht: I'm just wondering what kinds of programs are in place to avoid duplication and waste between different ministries that are sometimes responsible for programs across ministry lines. It's one of the issues I'd like to see us address as a government. Are there things in place to address it?

Hon. Vic Toews: That's something the secretary could answer, and I think it's something Treasury Board is looking at.

Mr. Wayne Wouters: As part of the new expenditure management system, we are working with departments to develop a number of tools, because to move to this new system, we really have to look at new tools or implementing further some of the tools that we have. One of them is a policy that requires departments first to articulate the strategic objectives of that department, and then to be able to allocate its resources, both financial and non-financial, to those strategic objectives, down to a number of different levels.

Our view is that as we continue to work on that, we will be able to make that comparison between departments that have similar programs. What are they trying to achieve with their programs? Here are the objectives. Are they working toward those, whether they're in aboriginal programming or take what you want? We'll then compare them to another department and hopefully begin to align those objectives across departments over time, so that we're managing our resources more effectively.

So there are those kinds of tools that are in fact somewhat advanced. You asked the question about when this will begin. I would say it has begun, but it needs to be pushed a lot further.

• (1705)

The Chair: Thank you.

Mr. Wrzesnewskyj.

Mr. Borys Wrzesnewskyj: Thank you, Madam Chair.

In our procurement processes, I assume Canadian labour regulations and legislation would be adhered to. It's one of the requirements for the procurement process. Is that assumption correct?

Hon. Vic Toews: I would assume that all relevant laws, in terms of laws governing contract or otherwise, would have to be obeyed if they're the applicable laws.

Mr. Borys Wrzesnewskyj: We're into a situation in which we're awarding a contract, and the contractor has turned it around. One of the requirements was that some of the subcontracting occur here in Canada, but there appears to be a loophole. Canadian legislation, labour legislation, and perhaps even the charter are being circumvented by the requirements of the contractor for subcontractors not to use individuals who are dual citizens from certain countries. That undermines our own legislation. In fact, besides the issue of undermining our legislation, it's an infringement on Canadian sovereignty.

How do you intend to close that particular loophole in procurement so that Canadian sovereignty, the sovereignty of our legislation on the territory of Canada, is not undermined by this type of contract in the future?

Hon. Vic Toews: I heard the minister's answer to that question in the House, and I understand he's looking at it. He's committed to the integrity of Canadian law and the Canadian Constitution, so I assume he will work that out.

Mr. Borys Wrzesnewskyj: So there is obviously a problem, an issue, and your particular—

Hon. Vic Toews: I'm not familiar with the case, but the issue has been raised. I have not seen the contract documents. I'm not familiar with that provision. I'm taking the exchange at its face value in the House, but I don't know.

Mr. Borys Wrzesnewskyj: So, Minister, as a former jurist, your hope would be that adjustments will be made so that Canadian sovereignty is not undermined by this type of contract.

Hon. Vic Toews: I certainly hope the contracts we enter into respect our legal framework, including our Constitution.

Mr. Borys Wrzesnewskyj: Thank you.

The Chair: Mr. Simard for two minutes.

Hon. Raymond Simard: I had a briefing from your department this morning, Minister. It was my first briefing, and it was very thorough. I appreciate the fact that they took the time to do that.

You appreciate that Treasury Board Secretariat is a management office, budget office, and they have the whole employer side of it as well. Here's one of the questions I have. There was a task force some time ago that tabled a report or brought forward a report called

Embracing Change. I don't know if you're aware of that in terms of how we should be hiring and promoting public servants. I think the reports lately are saying one in five should be a visible minority, and one in five being promoted should also be a visible minority, and we are not close to achieving those numbers. Are you looking at those as some kind of a benchmark?

Hon. Vic Toews: I'm familiar with the issue, and I have not received a full briefing on that particular issue. But I am familiar with the report; the department has brought that issue to my attention.

Hon. Raymond Simard: Will you give hiring one in five visible minorities and also promoting one in five visible minorities full consideration? Apparently that was the recommendation.

Hon. Vic Toews: I don't think this is something the Treasury Board minister is responsible for, but of course one of the concerns I would ask about—

• (1710)

Hon. Raymond Simard: Actually it is.

Hon. Vic Toews: —is what legal and constitutional provisions impact on that.

As much as we want to see that individuals achieve the best and that there is a level playing field, we want to see that Canadians are well-served by their public service. The quality of the service provided by the public service is the one thing I've been consistently impressed with, first in my prior department and now in the current one. Most of my career was spent as a public servant in the province of Manitoba.

One of the things that has been fundamental to the construction of an independent, non-political public service is the merit principle. This principle is placed in a context in many ways, one of which is to ensure that those who come to our country and are not part of the mainstream fit in as quickly as possible.

The civil service has done some good things in that respect. Are there improvements we can make? As I understand it, there are improvements that we can properly and legally make in order to encourage people.

This might be of no interest to you, but it was fascinating to me. When I spoke at the school for new crown attorneys, what was remarkable was how many women there were. In fact most of them were women. That was an interesting thing for me.

When I started out prosecuting many years ago in Manitoba, it was virtually all male, and not necessarily anything but sort of Anglo-Saxon males. Those were the lead people in the department.

That has changed. I see it changing in our—

Hon. Raymond Simard: Be careful. Some of them may end up in advocacy groups.

Voices: Oh, oh!

Hon. Vic Toews: But the point is that obviously the public service has been able to attract women, for example, into prosecutorial positions. That's a very healthy, very good thing.

Hon. Raymond Simard: Thank you.

The Chair: Thank you.

Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chairperson.

Minister, thank you for being here today.

Obviously we're getting to the end of this and running out of questions.

Hon. Vic Toews: I don't know. There have been very good questions.

Mr. Chris Warkentin: But we're having to go to other departments to look for questions, so we thank you for the thorough effort you have given to the presentation today.

I want to talk to you a bit about the Federal Accountability Act and its implication for foundations, and the grants and contributions that the federal government gives out. Obviously there's a real effort to move forward to ensure we're getting value for money.

My constituents have been specifically concerned about this for a number of years. There has really been this sense that the federal government dished out money. People at the grassroots level often find that there are federal contributions for which they don't necessarily get value. They're given to foundations, arm's-length agencies, or non-profit organizations, and sometimes it really frustrates taxpayers when they see these moneys being spent frivolously.

I'm wondering how you, as Minister, will ensure that there is value for money in these different capacities.

Hon. Vic Toews: A very good question, and they've all been very good questions.

• (1715)

Hon. Raymond Simard: Good recovery.

Hon. Vic Toews: But perhaps I should say that this is a question that interests me a little more than some of the other questions, but that doesn't mean, on an objective basis, that they aren't all good questions.

Just because there are a lot of rules doesn't necessarily mean you're getting value for money. That was pointed out very clearly by the Auditor General, looking into the sponsorship issue. The Auditor General indicated that there are lots of rules in place, the rules were broken, and so the emphasis needs to be not so much on rules but on accountability.

I think we're taking a positive step forward by actually holding officers accountable, the deputy ministers. As you will recall in that sponsorship situation, a mid-level bureaucrat was able to circumvent the deputy minister and report directly into a minister's office. That was not appropriate; it broke the rules. The deputy in that situation was able to say he was not responsible because he was specifically told to mind his own business in that respect. So what we need to do is to emphasize the accountability, without having a lot of unnecessary rules. What I hear from many organizations, and I tend to agree with them—very good organizations that are doing a lot of good work—is the amount of paperwork they are burdened with to get even small amounts of money.

So, again, what I believe we should be doing in the public service is to hold managers and others responsible for the decisions they make. But where honest mistakes are made, we understand that honest mistakes are made and we try to do better in other situations, but we come down hard on situations where there has been a deliberate breaking of the rules.

Again, I'm very encouraged by the passage of the Federal Accountability Act and the new fraud and criminal offences that have been brought into force as a result of the FAA. I think that is going to ensure that there is a stronger measure of accountability generally, that they know they're held to an objective standard and will be measured accordingly. So I think the FAA is going to help us not to simply create more rules—we have enough rules—but to bring accountability into the situation. Also, of course, we are awaiting the blue ribbon panel on the web of rules, as it's called, to see what we can safely jettison without undermining the integrity of the grants and contribution system.

Mr. Chris Warkentin: I appreciate that, because I hear the same thing. Of course, if we had honest people in every place then we wouldn't have to worry about the rules, because we would know that people were following good management. That is the challenge, isn't it, getting the right number of rules without building the bureaucracy to a level where people can't access anything, especially the groups that maybe need it more often than not. But certainly we appreciate your intervention in this matter and your work to resolve this issue.

Hon. Vic Toews: Thank you.

The Chair: Thank you.

[*Translation*]

I will now give the floor to Mrs. Thibault and Mrs. Nash and that will conclude this meeting.

Ms. Louise Thibault: Thank you, madam Chair. There is going to be a vote and the meeting will have to stop anyway.

Minister, Treasury Board is the employer for the public service. Are you in any way concerned, like several of us, by the present situation relating to official languages, forty years after the Act? There are still today in the public service, especially in the ranks of higher management and the mandarinates, people who are not fully bilingual even though they may be the heads of organizations. I am not referring here to governor-in-council appointments but to the positions of assistant deputy-ministers, branch managers and so on. In other words, we still have top-level managers who are unable to work effectively in both official languages. Do you find that acceptable, forty years later? As the new minister, do you intend to do anything about that?

I hope that the president of the Public Service Human Resources Management Agency will come before our committee. That agency has a crucial role to play, especially with the Public Service modernization Act, but we have heard that it is facing difficulties in implementing its mandate because of a shortage of qualified personnel. That is an example.

A few minutes ago, you talked about prosecutors — and I have nothing against them — but are you concerned by what is happening at that level? Do you believe that there has been good enough planning over the past months and years to ensure that there will be enough qualified resources to replace those who will retire?

A while ago, my colleague talked about the need to reach the targets established many years ago. I have just talked about bilingualism but this also applies to visible minorities and disabled persons, whatever the nature of their disability.

Do you intend to change this situation in order to reach those targets established a long time ago?

Thank you.

• (1720)

[English]

Hon. Vic Toews: An aging workforce and increasing competition for the skills and knowledge of people are not something that is unique to the Government of Canada. It's affecting us right across the country. It's a challenge for all of us in terms of finding new individuals to fill the places of those who have retired. We are taking measures to deal with this particular issue.

For example, in some situations, I know that on public safety with the RCMP... Back in 1998, when I was in the provincial government, the federal government at the time shut down Depot, the training centre for RCMP officers. It was at a time when they knew that half of the RCMP officers in Canada would be eligible for retirement within five years. They shut down Depot. That decision had a terrible impact on us, especially in western Canada, where we rely almost exclusively on the RCMP in rural areas.

Those coming into government accelerated the training of RCMP officers from approximately 800 to 1,800. It's put a tremendous strain on the individuals providing the training, and yet we have to provide quality training. Officers are receiving that training. I'm proud to say that my own nephew is going through RCMP training in Regina at this time.

It is a challenge for the public service, particularly the RCMP, in that context. We are responding. We'll continue to respond to that.

The issue of bilingualism in the public service is of course a very important one. We recognize that we are a bilingual nation. There's no question about that. We want to ensure that citizens receive services in the official language of their choice. It is a commitment this government has made.

[Translation]

Ms. Louise Thibault: Minister, our citizens are entitled to be served in the language of their choice, as long as there is a critical mass, but all your employees have the right to work in the language of their choice. Both sides have to be taken into account.

[English]

Hon. Vic Toews: Absolutely. That was the point I was getting to. It's not simply one principle that we apply, as important as that one constitutional principle is. We also have to see it in the context of the employees' rights as well.

I can tell you that one of the things I've been motivated by, or guided by, was a report that came out in Manitoba. Manitoba went through some very bitter struggles on the language issue—very bitter struggles. One report that I especially rely on—and I know it's not particularly relevant, because the constitutional context is a little bit different—is Judge Chartier's report from Manitoba entitled, “Above All, Common Sense”. Our government, back in 1999 or 1998, implemented that Chartier report in Manitoba in order to ensure, as much as possible, that individuals who wanted language services in a particular language received those services. We rationalized where individuals were receiving that benefit. Quite frankly, it has worked quite well.

Has everyone been happy? No, not everyone has been happy, but by and large, the francophone community in Manitoba I think has benefited from the implementation of that Chartier report. That Chartier report continues to be implemented by the succeeding government—the New Democrats—that came into power after our government.

• (1725)

The Chair: Thank you, Minister.

We'll go for our last question to Madam Nash.

Ms. Peggy Nash: Thank you, Madam Chair.

I just wanted to pick up on our discussion concerning the cuts to the court challenges program. Of course, I won't insult you by asking about your support for the Charter of Rights and Freedoms. Of course, we all support that important charter.

You had said that there were concerns about the administration of the court challenges program.

Hon. Vic Toews: It was not the administration; it was the lack of transparency in the program.

Ms. Peggy Nash: Is there a report or a review of that program that you can offer this committee so we can see the kinds of problems you're referring to?

Hon. Vic Toews: There are none that I'm aware of, no.

Ms. Peggy Nash: So you were made aware of this problem with transparency—

Hon. Vic Toews: When I directly contacted them.

Ms. Peggy Nash: Okay. Does it not make sense that if you perceive a problem in transparency or administration or in the application of a program, that there should be a correction to that program, as opposed to the elimination of the program? Was that not an option?

Hon. Vic Toews: It's not a decision that I made in my department. I looked at various other things. I assume that the appropriate principles were applied by the minister in coming to that decision.

Ms. Peggy Nash: Let me ask it another way. Surely we can all agree that not only is the Charter of Rights and Freedoms an important law in Canadian society, but that access to that law is an important principle, especially because those who seek to access it are the very people who might be disadvantaged, and therefore they need the application of the charter. Is Treasury Board, then, looking at other ways to help people access their rights and fully enforce their rights under the charter by replacing the kind of assistance they had under the court challenges program?

Hon. Vic Toews: Well, for example, what I've not yet been able to figure out is the role of legal aid in that respect. For example, in Manitoba, we had an excellent program—the Public Interest Law Centre—that took all those kinds of cases and did a very good job in that respect. That was run through the legal aid program. It was very transparent, all the principles were in place, it was very open, and it was a very good program. Now, I assume the program is still running in Manitoba.

Ms. Peggy Nash: I know here in Ottawa, for example, there was an important case that went through the court challenges program around francophone rights.

Hon. Vic Toews: How did you find out that it went through the court challenges program?

Ms. Peggy Nash: Through the media.

Hon. Vic Toews: The media told you, but you weren't able to actually access that information from the court challenges program?

Ms. Peggy Nash: I didn't need to. I read about it in the newspaper and found out that there was an important decision that enabled francophones, right here in the city of Ottawa, to ensure that their full rights were protected under the court challenges program, under the Charter of Rights and Freedoms.

Hon. Vic Toews: Assuming the media got it...and I don't know how they would get it when no one else has been able to get it. The only way they'd have been able to get it, probably, is through some kind of leak or by someone specifically telling them they had in fact received it. That concerns me, that information about the expenditure of public money is accessible by only some. And I would think you

would agree that where there's an expenditure of public money on an important case like that, the criteria should be public and the amount of money spent should be public, rather than having to rely on discretion.

Ms. Peggy Nash: Minister, we're wrapping up this committee, but maybe I can end with a request.

It seems to me that this is an area on which more information is needed. Would it be possible for your ministry to come back to our committee and help us understand how the goal of the court challenges program, which is a goal of accessing human rights, is going to be complied with given the cancellation of the program?

• (1730)

Hon. Vic Toews: The Minister of Heritage would be able to do that for you because she was responsible as the minister.

Ms. Peggy Nash: So this isn't something the Treasury Board is willing to undertake on our behalf?

Hon. Vic Toews: No. All I'm doing is offering my observations and personal experience that it seemed to me a rather odd application of the principle of solicitor-client privilege. I've never heard of that until I heard about it in that context.

Ms. Peggy Nash: All I know is there's real concern about people being denied access to their full rights because of the cancellation of this program.

The Chair: Thank you very much, Minister. Thank you for spending the time.

Hon. Vic Toews: Thank you.

The Chair: I remind the committee that there is no meeting on Thursday of this week, but there is a meeting on Tuesday with the people from the Mint. There is a meeting on the following Thursday with the Minister of Public Works.

Thank you very much.

The meeting is adjourned.

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