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Chair

The Honourable Kevin Sorenson

Standing Committee on Public Accounts

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• (1530)

[Translation]

The Vice-Chair (Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.)): Good afternoon, everyone.

[English]

Welcome to the 43rd meeting of the public accounts committee.

[Translation]

We are meeting today to discuss the Auditor General's fall 2016 report on the Beyond the Border Action Plan.

[English]

We have with us from the Office of the Auditor General, Nancy Cheng, assistant auditor general, and Martin Dompierre, who was the principal in charge of the study. We have from the Department of Public Safety and Emergency Preparedness, Gina Wilson, associate deputy minister. We have from the Treasury Board Secretariat, Brian Pagan, assistant secretary, expenditure management. From Privy Council Office, we have David McGovern, deputy national security adviser to the Prime Minister, and from the Department of Transport, we have Laureen Kinney, assistant deputy minister, safety and security, and Catherine Higgins, assistant deputy minister, programs.

Welcome to all. Thank you very much for your presence.

I would invite Mr. Pagan to start us off with his briefing notes. We are waiting for the briefing notes from Mr. McGovern to be distributed to everybody, but they're being photocopied at the moment.

The floor is yours, Mr. Pagan. Thank you.

[Translation]

Mr. Brian Pagan (Assistant Secretary, Expenditure Management, Treasury Board Secretariat): Thank you, Madam Chair.

Good afternoon. Thank you for the invitation to appear before your committee today.

I will very briefly outline how we, at the Treasury Board Secretariat, are addressing the Auditor General's recommendation regarding the Beyond the Border Action Plan, and briefly discuss our approach to managing horizontal initiatives.

[English]

Horizontal initiatives allow the government to leverage the attention, the efforts, and the resources of multiple departments and stakeholders to achieve shared outcomes. Each horizontal initiative has a lead department responsible for coordination and

reporting. In addition, an interdepartmental governing committee is generally established to ensure the initiative is well managed.

While horizontal initiatives can have value, they also come with certain challenges. First, it can be difficult to ensure coordination, consistency, and validation of data collection analysis and reporting across many departments. This effort takes resources, time, and learning to work across different management structures and organizational cultures of the lead and partner departments.

Second, there can also be challenges in developing appropriate performance indicators that measure real outcomes rather than simply inputs and outputs.

Third, horizontal initiatives are often complements to existing programs and it can therefore be difficult at times to separate the results achieved with the top-up or incremental funding from that of the program's ongoing funding.

[Translation]

Over the years, the Treasury Board Secretariat has worked to address these challenges, and improve management and reporting on horizontal initiatives. In addition to requiring lead departments to report on progress in their performance reports to Parliament, we have set up a horizontal initiative database and, more recently, issued a guide on the management and reporting of horizontal initiatives.

[English]

In its fall 2016 report the Auditor General found that there was room for improvement in this guidance. In particular, the Auditor General recommended that TBS clarify reporting roles and responsibilities, clarify guidance for lead and partner departments with respect to reporting a consolidated view of progress, and clarify the requirements of a financial costing framework for horizontal initiatives.

We fully support these recommendations.

• (1535)

[Translation]

As an initial step in responding to the recommendation of the Auditor General, we have implemented a requirement for the 2017-18 departmental plans that requires departments to report on the total spending of each horizontal initiative. This will help to provide a consolidated view of the progress made.

[English]

We are also leveraging the new Treasury Board policy on results that came into effect in summer 2016 to clarify results expectations of programs and improve the quality of program outcomes and performance indicators.

This will allow the secretariat to improve its monitoring function to better track performance and costing information of horizontal initiatives. This approach will also allow us to integrate the horizontal initiatives database with the TBS information base tool, and if you don't know that tool, I commend it to you.

In this way, we expect to present information in a clearer, easier to navigate format that would have the dual effect of increasing accessibility to horizontal information and improving reporting on progress results and costs to Canadians and parliamentarians.

Finally, the Treasury Board Secretariat is reviewing the guide on the management and reporting of horizontal initiatives that was promulgated in 2014 and we are working with departments and agencies to identify critical areas that require improved instruments and guidance. We plan on completing modifications to this guidance this calendar year.

[Translation]

This concludes my brief overview of our progress in managing and reporting on horizontal initiatives, and the steps we are putting in place to improve the quality and transparency of information in response to the Auditor General's recommendation.

[English]

Following additional introductory remarks from my colleagues, I'd be happy to address any questions you have on TBS's role in horizontal initiatives.

[Translation]

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. Pagan.

[English]

Now we go to Mr. McGovern from the Privy Council.

[Translation]

Mr. David McGovern (Deputy National Security Advisor to the Prime Minister, Office of the National Security Advisor to the Prime Minister, Privy Council Office): Thank you, Madam Chair.

[English]

Members of the committee, thank you for inviting me to appear before you today.

My name is David McGovern. I am the deputy national security adviser to the Prime Minister. However, I am here today in my previous role as senior adviser to the Privy Council Office responsible for the border action plan implementation from May 2014 until January 2015, when I was named the deputy national security adviser.

[Translation]

After my appointment, I continued to work on the Beyond the Border initiative while we were transitioning toward the current government.

In the Beyond the Border Action Plan of 2011, over 30 commitments were made to improve security and expedite legitimate movement of people, goods and services across the border.

[English]

Canada and the United States have a long-standing history of co-operation along our shared border, recognizing that we are each other's closest ally and most important security and economic partner. Included in this plan were two specific commitments that I wish to draw to your attention to, related to implementation and oversight. Responsibility for ensuring inter-agency coordination rested with the Prime Minister and the President, and their respective officials.

In Canada, this responsibility was led by the special adviser and a specially created small team in the Privy Council Office. This approach was mirrored in the United States, where it was led by a senior official in the National Security Council in the White House. The joint leads established an inter-agency "beyond the border" working group called the executive steering committee, comprising executive heads or associates from relevant departments and agencies that were implicated in the action plan.

The executive steering committee was also tasked with reporting on implementation of the action plan through the publication of an annual joint Canada-U.S. implementation report. Four such joint implementation reports were released. These documents describe progress in meeting the action plan commitments. Like all key beyond the border documents, they are housed on Canadian and U.S. government websites.

[Translation]

The Executive Steering Committee met five times, the last time being in October 2016.

In Canada, the Committee of Deputy Ministers on Borders was established to complement the work of the Executive Steering committee. The committee of deputy ministers was chaired by the special advisor and made up of deputy ministers or associate deputy ministers from Global Affairs Canada, Public Safety Canada, the Canada Border Services Agency, Transport Canada, Immigration, Refugees and Citizenship Canada, Industry Canada, and other departments and agencies as needed.

The committee of deputy ministers was established to discuss implementation issues, report on progress, identify stakeholder concerns, solve problems and, at a later stage, consider issues related to planning for the 2015 transition.

• (1540)

[English]

The deputy ministers' borders committee was also supported by a shadow assistant deputy minister steering committee, which was chaired by the border implementation team's assistant secretary. PCO received temporary funding in 2012 through the beyond the border initiative to support a small secretariat. This secretariat has since been wound down throughout 2016.

By the time the election was called in 2015, a large majority of the initiatives had either been completed or were on track. Of the issues that were not yet completed or were experiencing challenges, two were considered key from both a Canadian and a U.S. perspective, namely entry-exit and pre-clearance.

In March 2016, several key deliverables were announced at the Prime Minister Trudeau and President Obama's summit, including co-operation on issues that affect our shared border. The two leaders reinforced their intentions to bring into force the Canada-U.S. agreement on land, rail, marine, and air transport pre-clearance.

Building on more than 60 years of pre-clearance co-operation, the new agreement will further enhance both countries' mutual security and facilitate low-risk cross-border movement in all modes of travel. The two countries also agreed to explore the conditions necessary for cargo pre-clearance and to identify opportunities to pilot this approach. Both countries also committed to fully implement a system to exchange basic biographic entry information at the land border. This builds on the process already in place for third-country nationals, and will allow Canada and the U.S. to enhance border security in an effective and responsible way.

[Translation]

This will be done in a manner that respects our respective constitutional and legal frameworks, and protects our citizens' right to privacy.

The legislative provisions related to entry and exit, in this case Bill C-21, were tabled in the House of Commons on June 15, 2016, and are currently awaiting second reading.

The legislative provisions related to preclearance, in this case Bill C-23, were tabled on June 17, 2016. They are also awaiting second reading. President Obama signed the necessary U.S. legislative provisions for the entry into force of the Pre-clearance Agreement on December 16, 2016.

[English]

Canada and the U.S. intend to continue our robust relationship. Prime Minister Trudeau has committed the Canadian government to improving relations with the U.S., and to work to make substantial progress on reducing impediments to trade and commerce between our two countries, including by improving border infrastructure and security, streamlining cargo inspection, and facilitating the movement of people.

Thank you very much. I'd be pleased to answer any questions you may have.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. McGovern.

From the Department of Transport, we'll start with Ms. Kinney, and then we'll go to Ms. Higgins.

Thank you very much.

[Translation]

Ms. Laureen Kinney (Assistant Deputy Minister, Safety and Security, Department of Transport): Good afternoon, Madam Chair.

[English]

Thank you for the invitation to appear before the committee today.

My name is Laureen Kinney, and I am the assistant deputy minister for safety and security at Transport Canada.

Today on the beyond the border action plan, I will be speaking specifically to initiative six, which was the passenger baggage screening initiative of the mutual recognition of outbound checked baggage.

As part of the beyond the border action plan, Canada has deployed new baggage screening technology, certified by the United States, at Canada's eight airports with pre-clearance services. This has enabled the U.S. to gradually lift the requirement to rescreen baggage from these airports prior to departure on a connecting flight from a U.S. airport. The new technology has been installed and is operational at all eight airports. At this time, the United States has lifted its rescreening requirement at six out of the eight airports, and the technology at the remaining two airports is in the final stages of being approved.

In regard to the benefits of this initiative, the elimination of the rescreening requirement is directly in line with the beyond the border action plan principle of screen once, accept twice. It increases security harmonization between Canada and the United States, and results in cost savings, simpler operations, and a better traveller experience. Airlines have already reported a reduction in complaints from mishandled bags and less complexity in arrival procedures. The reduction in the amount of checked baggage that must be rescreened has also led to savings, both for airlines operating in the United States and the Transportation Security Administration. The modernization of screening technology has also enhanced security at Canadian airports by upgrading previously operational screening equipment that was nearing the end of its life cycle.

In response to the Auditor General's recommendations in the fall 2016 report, Transport Canada and the Canadian Air Transport Security Authority have developed new performance indicators on the security benefits of the initiative and are thus better able to track these benefits, as of December 2016.

In conclusion, ultimately we continue to seek better security screening by leveraging new technologies and new methods that enable shorter connection times and a more efficient experience for the traveller at the same time.

Thank you.

• (1545)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Now, Ms. Higgins, the floor is yours.

[Translation]

Ms. Catherine Higgins (Assistant Deputy Minister, Programs, Department of Transport): Madam Chair and committee members, good afternoon.

I am pleased to be here today to speak about the Beyond the Border Action Plan and what we are doing at Transport Canada to address concerns raised in the Auditor General's report.

In 2011, Canada and the United States issued the Beyond the Border Action Plan, which included 34 initiatives aimed at making the Canada-U.S. border more efficient, safe, and secure.

[English]

My focus today is on one of these initiatives, namely deploying wait-time technology at the border. Under the beyond the border action plan, Canada and the United States committed to install border wait-time measurement solutions at top, high-priority land border crossings. The goal was to provide real-time information to drivers on border wait times. This information allows travellers and commercial drivers to make informed decisions about when and where to cross the border.

Border wait-time technology has been installed and is operational on both sides of the border at seven crossings. There are four between British Columbia and Washington State, two between Ontario and New York State, and one between Ontario and Michigan.

The audit report recommended that Transport Canada and the Canada Border Services Agency work together to assess the benefits of the existing border wait-time technology and to develop performance indicators to measure benefits of completed and ongoing border technology installations. Both departments agreed with the recommendations and committed to working together to address them. We recognize the importance of accurate and reliable border wait-time data at border crossings.

Transport Canada developed a management action plan in consultation with the Canada Border Services Agency that included establishing a working group to address the recommendations to develop performance indicators and to assess the benefits of the border wait-time technology.

I'm pleased to inform you that we have established the working group. It was formed in December 2016 and is made up of staff from Transport Canada and the Canada Border Services Agency. The working group met in January and analysis work is under way to develop the performance indicators. These indicators are a set of measurable values that demonstrate how effectively the border wait-time technologies are performing.

We intend to have performance indicators developed by March of this year, which would allow us to then assess the benefits of the existing border wait-time technology by July of 2017.

● (1550)

[Translation]

In conclusion, I would like to thank you again for hearing us today. I would be happy to answer any questions you may have on the deployment of border wait-time technology.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Ms. Higgins.

It's now time to give the floor to my colleagues.

Mr. Lefebvre, you have seven minutes.

Mr. Paul Lefebvre (Sudbury, Lib.): Thank you, Madam Chair.

Last Monday, we heard from other officials from your department, and today we have a new group. The issues are the same: the safety of our border and trade with our neighbours, the United States.

I find it commendable that all these efforts have been made, in Canada and by our colleagues in the United States, to focus on these very important issues. Having said that, as the Auditor General's report indicates, there is still work to be done to improve the way we evaluate all the actions plans you have implemented.

I have a few questions for each group. I will start with the officials from Transport Canada.

I would like to draw your attention to the recommendation at point 1.40 of the Auditor General's report. I have the English version in front of me.

[English]

Public Safety Canada, CBSA, RCMP, and Transport Canada should "develop performance indicators that clearly measure the security benefits of the initiatives that they are responsible for, and measure and report accurate and reliable results against baselines and targets to be able to assess the security benefits achieved."

You said you that you agreed with this and that Transport Canada would work with the Canadian Air Transport Security Authority to develop a performance indicator that measures the security benefits of the passengers' checked baggage screening initiative, including the establishment of a baseline for measuring and reporting of results, and this action would be completed no later than January 31, 2017.

Am I wrong in saying that what you just presented to us is about the working group of December 2016, which you formed, and the performance indicators developed for March 2017 on border wait-time technology? This is the same thing; it has just been extended by a few months, right? Basically, you responded to the Auditor General that you would be providing this by January, so right now you don't have this. Am I correct?

Ms. Lauren Kinney: In terms of the checked baggage and mutual recognition, the date was January 31 to complete the recommendations. They are fully complete. We have established two measurement indicators and we have established baselines, and they are fully complete.

Mr. Paul Lefebvre: Can we have a copy of those?

Ms. Lauren Kinney: Can I follow up with the department on that?

Mr. Paul Lefebvre: Oh yes, for sure, please.

What measures did you put in place to achieve these results?

Ms. Lauren Kinney: The two measures that we looked at were focused on the security, because the original measures had been focused on facilitation, as was noted in the Auditor General's report. By definition the equipment is more secure because it does a better job of detection. The first measure selected was the number of bags or the percentage of bags that were screened with the new technology, out of the bags at those airports that were going to the U.S.

The second measurement was the reliability of the technology, which is clearly important in demonstrating the security value.

Mr. Paul Lefebvre: That's interesting. Who decides on the technology? Obviously within the Department of Transport you try it out and you test it, I'm assuming. How do you make that decision?

Ms. Lauren Kinney: Transport Canada has a regulatory role in setting the expectations for technology like this and other technology used at airports and in the aviation system. We work with our international colleagues to set standards and to recognize different types of equipment that meet those standards so that various parties can purchase equipment that meets the standards.

In this particular case the equipment was selected to meet both the U.S. standards and acceptable standards in Canada so that mutual recognition could be achieved.

Mr. Paul Lefebvre: All right. That's interesting.

I would assume, then, that the U.S. would have the same technology, the same equipment, that we have?

• (1555)

Ms. Lauren Kinney: That was what it was based on at the time. I don't know 100% what their current technology complement is.

Mr. Paul Lefebvre: All right. Thank you for that.

With respect to the Treasury Board, we've talked a lot about data and collecting data and making sure that consistent data is being collected across all departments and all agencies within the government. I commend you on your efforts in this horizontal initiative.

What other horizontal initiatives have been taking place in other departments and agencies? Have you done this in all departments, or has it been piecemeal, one by one, and you've gone through each one to verify with Treasury Board that you're implementing it?

Mr. Brian Pagan: The concept of horizontal initiatives and managing in a more horizontal way is not a new phenomenon for us here in the government. In many respects, all programming in one form or another requires the leveraging of efforts and expertise across the public service.

The challenge for us is that resources are allocated vertically. They're allocated to ministers, ministers are accountable to Parliament, and departments are responsible for implementing programs.

In 2003 the Auditor General helped shed some light on the need to develop a more fulsome view of the way in which we work horizontally by identifying for the first time in departmental

performance reports the need to distinguish between a vertical program in a department and something that is happening formally across the public service. Since that time, we have been on a continuous journey of improvement in terms of identifying the governance structures, the reporting mechanisms, and the ways in which to allocate resources and report on results.

At this time there are 29 initiatives across the government that are designated as formal horizontal initiatives.

Mr. Paul Lefebvre: I have only a minute left, but that's what I wanted to hear. I thank you for that, because I'm assuming that may be a theme we will be seeing here at the public accounts committee with the Treasury Board with regard to other departments and how they are following this horizontal model.

My last point, Madam Chair, is about Public Safety. I raised this on Monday, and I'll do it again.

On Monday, Mr. Ferguson, the Auditor General, said, at paragraph 12, that they had examined how progress of the action plan was reported and whether this reporting was complete and accurate, stating, "Overall, we found that in the 2014-15 Report on the Beyond the Border Action Plan Horizontal Initiative...Public Safety Canada provided an incomplete and inaccurate picture of progress and costs."

He goes on to say:

As an example, for the initiative on deploying border wait-time technology, the report stated that seven crossings had been completed. The report did not mention that six crossings had been completed years before the Action Plan was released. For the Shiprider initiative, the report did not mention that the second main commitment to expand pilot projects on land had not been started, or that there were no plans to pursue them. For the initiative on enhancing benefits to the trusted trader programs, the report stated that there were 83 new members in the 2014-15 fiscal year, but it did not mention that the long-term goal was to attract 1,700 new members.

In light of the discrepancies between what was in the report and what should have been in the report, can you explain to us why these inaccuracies were there?

The Vice-Chair (Mrs. Alexandra Mendès): As quickly as possible, please, Ms. Wilson.

Ms. Gina Wilson (Associate Deputy Minister, Public Safety Canada, Department of Public Safety and Emergency Preparedness): Those specific discrepancies...?

Mr. Paul Lefebvre: Are these just certain examples, or is this a theme that recurs and goes under the radar?

Ms. Gina Wilson: I think a lot of those examples that you've provided are a good indication of precisely why we need to improve our ability to report horizontally, match up the costing framework with the performance reporting, and so on.

I think it was made pretty clear on Monday that we have a ways to go on that front. Deputy Malcolm Brown was here and spoke at length about the need for us to improve our ability to do just that, and he has made some commitments along those lines. We'll be able to report back to you as to whether that has in fact—

Mr. Paul Lefebvre: Thank you, and I appreciate that, but—

The Vice-Chair (Mrs. Alexandra Mendès): Paul, I am sorry. You're more than over time.

Mr. Paul Lefebvre: Okay, I'm way past. I'll come back to it.

The Vice-Chair (Mrs. Alexandra Mendès): Mr. McColeman, please, you have seven minutes.

Mr. Phil McColeman (Brantford—Brant, CPC): Thank you, Chair.

Thank you to the witnesses.

My first question is to the Treasury Board about the document we received that documents the Auditor General's recommendations and then the departmental response. I want to refer to this, the first two columns. It reads:

The Treasury Board of Canada Secretariat should improve its guidance on the management and reporting of horizontal initiatives to clarify roles and responsibilities for lead and partner departments and agencies responsible for reporting accurately and completely on horizontal initiatives; clarify guidance for lead and partner departments and agencies reporting a consolidated view of progress, results, and costs for initiatives over the years; and clarify the requirements of a financial costing framework for horizontal initiatives.

The departmental response was quite interesting when I read the words, and I'll read it to you. It said, "Agreed". Then it goes on to a fairly lengthy narrative after the word "Agreed". It reads, "The Treasury Board of Canada Secretariat will update its guidance on the managing and reporting of horizontal initiatives..." This is where I want to ask for some clarification. The next words are, "as appropriate".

It puts in a condition that the Auditor General did not put, which is appropriateness, and then, "to clarify the expectations for the lead and partner departments and agencies involved in horizontal initiatives." I'll end it there because there's a quite lengthy narrative that goes on beyond that.

It appeared to me when I read this—and I'm asking you in a forthright way—that the Auditor General's recommendations were pretty clear, and you agreed to them, but then there was the need to, I suppose, clarify the conditions under which the Treasury Board Secretariat would do these things. I find that to be somewhat of a rewrite of what the Auditor General had recommended be accomplished.

Am I correct in my interpretation of the narrative you provided after you agreed that these things should be done?

• (1600)

Mr. Brian Pagan: Thank you, Mr. McColeman.

I believe that you are correct in saying that the Treasury Board Secretariat agrees with the recommendations of the Auditor General.

Mr. Phil McColeman: Right.

Mr. Brian Pagan: There are three areas in which we are going to pursue improved guidance. They are clarifying the roles and responsibilities of leads versus partners, clarifying guidance with respect to a consolidated view of reporting, and clarifying financial costing and reporting.

We have existing guidance we can build from. My understanding of "as appropriate" is that there's no condition there. We are to take what we have and to refine and hone that guidance so that it is crystal clear to departments what is required with respect to the

utilization of resources allocated for horizontal initiatives and how to report those initiatives.

Our existing guidance identifies an end-to-end business process. It starts with identifying the need. Can you solve it vertically, or do you need to work horizontally to solve an initiative? It sets out how you would go about identifying that need and the consultations required. Then it explains the process around a cabinet approval. One of the key requirements is to identify how we're using resources already allocated to departments, and how those new incremental resources would be brought to bear to solve this horizontal approach.

The third step is to create an inventory of programs. There are some 1,300 or 1,400 programs out there in the Government of Canada. In some cases we need to create new ones, but in others we can leverage existing resources. The approach to horizontal initiatives is meant to tap into what is out there already, what we can draw from, and what existing programs, performance information, and data can be brought to bear to support the desired outcome.

Then we get into Treasury Board approval processes and the allocation of monies from Treasury Board approved by Parliament through the estimates.

Then we have guidance on performance measurement, and we are very clear in the guidance that there is a distinction to be made between the lead and the partner department. I believe we can further clarify what the lead department requires from partners and how they are to roll up that information in terms of a consolidated view. Then there's guidance on execution, program implementation, annual reporting, and then finally a close-out report.

I think that provides a very healthy starting point from which we can work with our partners, confirm what is clear and remains in place, and perhaps identify where they may need some additional support and guidance in terms of putting appropriate reporting in place.

What we heard on Monday was that there is some need to work with departments on more specifics on performance measurement, performance indicators, and perhaps a clearer distinction between moving beyond inputs and outputs and into outcomes.

• (1605)

Mr. Phil McColeman: I'm happy to hear your response to the question. However, it does beg the question, to go back to this of who in your department would have written this departmental response. Are you aware of this document? Who would have written it?

Mr. Brian Pagan: I am, yes, absolutely. As always, these are team endeavours. We have a responsibility centre within my sector that liaised with the AG on this audit and worked very closely in understanding the recommendation and crafting a response. This would have been brought to me for my approval, and ultimately the secretariat president would agree to the commitments that TBS makes with respect to the OAG recommendation.

Mr. Phil McColeman: The response you gave today at this meeting is very different from what I read. I appreciate that response because, interpreted the way it reads, this document means that you agree with the recommendations of the Auditor General but you're going to do it your way, and you're telling the Auditor General that there are conditions. It talks about how you will update the guidance and clarify the roles and expectations of the reporting of consolidated progress and such. It goes on to talk about your doing that, which is very different from the wording the Auditor General gave you.

I appreciate your clarification here today. If this is the information we're getting at committee to better understand that your department is taking the proper initiatives, this document was very misleading compared to your testimony here today, in my opinion.

Mr. Brian Pagan: I'm glad to have clarified that.

Mr. Phil McColeman: Okay?

Mr. Brian Pagan: Yes.

Mr. Phil McColeman: I'm glad you've clarified it.

The Vice-Chair (Mrs. Alexandra Mendès): If I may, we'd ask the department if we could have a revised action plan, at least on that issue, to answer—

Mr. Brian Pagan: I'm sorry, Madam Chair. I missed that.

The Vice-Chair (Mrs. Alexandra Mendès): Could we have a revised action plan to respond to Mr. McColeman's comments, in the language that was used?

Mr. Phil McColeman: Thank you.

How much time do I have?

The Vice-Chair (Mrs. Alexandra Mendès): You are done with your time, sorry.

Madam Cheng.

Ms. Nancy Cheng (Assistant Auditor General, Office of the Auditor General of Canada): Madam Chair, perhaps I can clarify a little.

The column that's called "Response" is the official departmental response to our recommendation. It is included in our audit report. Perhaps the member is seeking clarification on the action that they're going to take. If they're going to revise this at all, it should be the other columns to clarify what they think they would be doing, as opposed to changing that column.

At this juncture, that's captured and cast in terms of the official response. It doesn't serve a lot of purpose to change that column, because it's already in our report.

The Vice-Chair (Mrs. Alexandra Mendès): It's duly noted, thank you.

Now it's Mr. Christopherson's time.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Madam Chair.

Thank you all for being here today. This is a rather extraordinary meeting. It's not usual for us to take four hours on one chapter. You can understand the importance we're placing on this.

In the earlier meeting—and I won't do it again—we went out of our way to make the case that Mr. Lefebvre has outlined so adequately in terms of the seriousness, and how it seems to be pervasive everywhere that the indicators needed to make accurate determinations are not there.

Yes, at the last meeting we focused a lot on what they were going to do about it, because they were the agencies. But I want to spend a little bit of time today with Treasury Board, because at the end of the day Treasury Board carries the biggest piece of responsibility.

By way of evidence, I would point to the report of the Auditor General, on page 5, under "Findings, Recommendations, and Responses", "Achieving results from the Beyond the Border Action Plan", paragraph 1.15, under the heading, "Overall message", which reads:

Overall, we found that departments and agencies had not developed performance indicators to assess how initiatives have enhanced security and accelerated the legitimate flow of trade and travel.

In the comments from the Auditor General the other day, he was a little more blunt and a little tighter in that message. He said:

Finally, the Treasury Board of Canada Secretariat did not give departments and agencies specific guidance on costing and measuring program results, which led to different interpretations and inconsistent financial information. We concluded that although departments and agencies met many of their commitments under the action plan, they achieved limited results for the intended benefits. They also had few performance indicators to use in assessing results.

That's all the responsibility of Treasury Board, to give these agencies and departments their marching orders on how they should be doing this, yet, Mr. Pagan, you roll in here today and the best we get is—and I'm quoting you—that in his 2016 fall report, "the Auditor General found that there was room for improvement in this guidance."

Wow, talk about understating the issue.

Now, I appreciate that in your comments with Mr. McColeman, things may be fleshing out a little bit.

I'll start with a general question. How did we get to this situation? How could something so obviously important go so long without being seen? Why are we here?

• (1610)

Mr. Brian Pagan: We're here because the Auditor General has produced a recent report that assesses progress on the beyond the border action plan and has identified some scenarios for improvement. As I said in my remarks, we agree with those recommendations.

If I can be very specific about our responses, I did indicate in a previous reply that this is an ongoing journey for us in two respects. Performance information and results-based management in the Government of Canada is an ongoing priority for the public service, making sure that we get the best value for resources provided. It has benefited from the recent attention of the new government. We have a new TB policy on results that aims to clarify and simplify the expectations of departments in reporting to Parliament.

Specifically, with respect to horizontal initiatives, I know this issue surfaced to a certain extent on Monday, but I think it's important to reiterate here. Our accountabilities are vertical. In a Westminster system, ministers are responsible to Parliament and Parliament appropriates funds for departmental programs. We recognize certain challenges where that vertical accountability is not always the best way to organize—

Mr. David Christopherson: I'm sorry. I was trying to give you a chance, but I don't think you're getting to my message and I have limited time. I apologize for interrupting you, but it's necessary.

In my opinion this is the weakest performance so far and you folks are the key ones. I hear a lot more apologizing and defending rather than telling us what you're going to do about it. When I asked how we got here, I didn't mean, "Did we have an AG report?" I meant, "How could we have directions given to departments and agencies that were so woefully inadequate in getting the results that were asked for?"

This is your second go at it. You did it a few years ago. On page 22 in the 2012 fiscal year, you were developing another guide on the management and reporting of horizontal initiatives. This is your second go-round, and you got it wrong the last time. What assurances do we have that you got it right this time and we're not going to be back here again in a couple of years going, "What the heck is with Treasury Board?"

Mr. Brian Pagan: I suggest as part of my reply I will table with the committee the existing guidance dated April 2014. It's entitled "Guide to Departments on the Management and Reporting of Horizontal Initiatives".

As I said earlier, I genuinely believe that this becomes a solid starting point upon which to complete our response to the AG, the ideas that we will use to refine and hone existing guidance, in specific consultation with partners, to make sure our expectations are crystal clear with respect to the utilization of resources and reporting.

The guidance as it stands now specifies roles and responsibilities for lead departments. It talks about coordinating the MC and the TB process. It provides instruction on coordinating the collection and validation of financial and performance information. It is clear about the reporting requirements through part III of the estimates. Partner departments, likewise, have expectations laid out there. We have templates in their guidance that lay out what is to be costed, broken out by votes from Parliament—

• (1615)

Mr. David Christopherson: Is this the new stuff or the old stuff?

Mr. Brian Pagan: This is the basis upon which we are going to respond to the Auditor General's recommendations.

Mr. David Christopherson: Is that going to be different from the last time you reviewed it in 2012-13?

Mr. Brian Pagan: It's our starting point, sir.

Mr. David Christopherson: Thank you very much. Again, I'm trying not to be rude, but I have limited time.

I'd like to ask the others here. Where were the internal audit committees? Of all these great auditors, these people who are aware of all these measurements and indicators, nobody anywhere in the

internal auditing system said, "We're measuring things that don't really matter and we're not measuring the actual outcomes."

Where were the audit committees? I would have thought one bright light somewhere in those meetings would have said that the emperor has no clothes here in terms of actually measuring whether we're getting anywhere or not.

The Vice-Chair (Mrs. Alexandra Mendès): Does anybody want to answer that?

Mr. Brian Pagan: I have one additional comment in response to Mr. Christopherson.

The most recent report compiled by Public Safety is dated 2014-15 on the beyond the border action plan initiative. It's on our website. This lays out the state of the art right now. It lays out, for the public and parliamentarians, the themes, the 32 measures, the performance indicators used, the dollars spent, and there is some good stuff in there.

If you're looking at outcomes, sir, I would commend to you page 4 of the 2014-15 report where they look at the NEXUS program versus conventional screening at borders. We see with the NEXUS program it's 33 seconds to get through a point of entry whereas with...and that's almost—

Mr. David Christopherson: That was an example of where the wrong measurement was made because that's fine for that little part of the NEXUS system. The real question is, how long does it take somebody to actually get through—

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Christopherson, we'll come back, if you don't mind.

Mr. David Christopherson: Sorry, Madam Chair.

The Vice-Chair (Mrs. Alexandra Mendès): You'll have another opportunity. Thank you.

It's Mr. Jeneroux—

Mr. Matt Jeneroux (Edmonton Riverbend, CPC): I think you're over there first.

The Vice-Chair (Mrs. Alexandra Mendès): Oh, it's Mr. Chen. I'm really sorry.

[Translation]

Mr. Shaun Chen (Scarborough North, Lib.): Thank you, Madam Chair.

My question is for Mr. Pagan.

[English]

I echo the thoughts of many of my colleagues in the House when I say that Canadians really expect good service, and within the context of this beyond the borders action plan, Canadians want our borders to be safe. They want them to be secure. They want them to be efficient both for the movement of people and the transportation of goods.

At the same time, however, Canadians want to know that our government is accountable, that it is transparent, and that it is running effectively. In that vein, I believe there is a daunting task before all of us here today to ensure that the multiple departments and agencies involved with this project are working collaboratively, that they are meeting the shared objectives that have been set out, that there is clear reporting on outcomes, and that performance measures are properly addressed.

With respect to recommendation 1.87, I know that the secretariat responded to the Auditor General's critique of the guidance, as we've been talking about here today, that was provided by the Treasury Board Secretariat. I know you've responded by saying that the updated guidance will be completed by July 2017, and that it will help clarify the roles and responsibilities for the reporting of financial and results information. But you're talked about a couple of concrete things: first, the horizontal initiatives database, and second, the guide on the management and reporting of horizontal initiatives.

Moving forward, guidance needs to be interpreted and because there is a multitude of agencies and departments involved, that interpretation can vary. What process is the Treasury Board Secretariat undertaking to ensure that the guidance is clear and that departments are able to interpret and apply it consistently?

● (1620)

Mr. Brian Pagan: At Treasury Board Secretariat the process by which we promulgate guidance or Treasury Board policies is based on engagement with our stakeholders, with the departments actually delivering the programs, so that we can satisfy ourselves that the guidance, the policy, is meeting a real need and is something that can be implemented by departments. The approach going forward will take the guide that we are going to be building from, which was developed in 2014. I mentioned there are 29 horizontal initiatives right now. We're going to engage with those departments and clarify with them what parts of that guidance are clear and should remain intact, and what elements might require further refinement or greater detail in order to provide the interpretation that departments need.

That process of consultation and engagement is the starting point for us. Subsequent to that, within the secretariat, we work across our different policy centres. There is the office of the comptroller general, our human resource function, and of course, the president's office, to make sure that the remedy we're proposing, the way forward, is consistent with other priorities and other activities in the secretariat so that we are not working at cross purposes to each other.

Then, upon release or promulgation of the guidance, it's a question of the elements of training and ongoing education involved because the people we consult with in the summer could be in a new job next spring, so we need to continually engage with departments. We do that through a variety of fora. We have WebEx town halls, where we can broadcast messages across the country. We have regular calls with communities, specific practitioners. In my case, I deal closely with the chief financial officers and the deputy chief financial officers. We would educate and inform through that process.

Mr. Shaun Chen: Thank you.

Ms. Gina Wilson: Just to supplement Mr. Pagan's comments and to respond to you, Mr. Chen, I think you're asking how we are going

to integrate all of these new tools and systems with the new reporting framework for beyond the border, going forward.

What I wanted to mention is that we are establishing a horizontal initiative reporting working group with all the departments, making sure that it is consistent with the Treasury Board performance measurement reporting guidelines, those new tools. We're taking all these things into consideration moving forward. That working group will be meeting going into April.

Following the next meeting, Public Safety will be circulating a record of decision. We'll be providing a draft updated performance measurement framework as well as instructions with a formal call letter requesting a thorough review of that performance measurement document, again ensuring that we're liaising with Treasury Board and their new reporting guidelines, and so on, so that all of these things mesh going forward.

I just wanted to add that.

Mr. Shaun Chen: That's very helpful, because too often we hear that departments and agencies are working in silos and that there's a lack of interconnectedness. We hear it from the ground, from constituents, and from people who oftentimes don't know where to go, or they get different information from different places.

Mr. Pagan, you have also referenced the TBS InfoBase tool. There are a lot of these tools that we're talking about. We're talking about a database. We're talking about an InfoBase tool. We're talking about different structures where there is cross-collaboration.

In terms of the horizontal initiatives database with the TBS InfoBase tool, how will that specifically allow you to ensure that the data is integrated, that it's accessible, and that the results in cost and performance can be clearly articulated to Canadians?

Mr. Brian Pagan: That's a very important point.

Through our consultations and engagement with different departments and stakeholders, we've heard quite often that the data is out there. The challenge is finding it. What we have right now, the database known as TBS InfoBase and the horizontal initiatives database are perfect examples of that.

The idea is to integrate these so that it's effectively one-stop shopping. If one had a question about resource utilization in the Public Service of Canada and were to go to a single site and query by department, region, or name of an initiative, one should be able to find access to that information.

That's our vision. It's the vision of the President of the Treasury Board. We're aware of some very good models out there currently in use that we can build on and replicate. The idea is to take the existing holdings and progressively integrate or amalgamate these into a single source to provide ease of access.

● (1625)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

[Translation]

We're starting a round of five-minute questions and comments.

Mr. Jeneroux, go ahead.

[English]

Mr. Matt Jeneroux: Thank you all for being here today.

I'm going to jump around a little bit in terms of the questioning.

The first question is to you, Ms. Cheng. We had Mr. Ferguson here on Monday. We now have you. Of everything you've heard of the detailed action plan the Treasury Board Secretariat has put forward, are you comfortable that a number of these initiatives are being met?

Ms. Nancy Cheng: From our perspective, I think it speaks to the importance of the collective initiatives. The dollar amounts aren't significant if you compare them with transfer payments—the scale of the Canadian operation is about a billion dollars overall—but the objectives are really important.

We're talking about Canada-U.S. border security, enhancing security there. Three of the four themes Mr. Malcolm Brown spoke to on Monday highlighted the importance of security. Facilitating travel and trade are important things. Ultimately, what we really want is for the government to explain, with the spending of the money, what we are achieving. Are we enhancing security?

The complexity Mr. Pagan speaks of is very real. Horizontal issues are not easy to manage, especially with our Westminster model and the accountability relationship—the vertical, the ministerial, and so on. But this is all the more reason for people to get together and help explain that. How would you expect an oversight body like this one to figure out what's actually going on, or for the public to ask for public scrutiny on money that's being spent? That's the nub of the issue.

Mr. Pagan is explaining that he's helping by offering guidance on how these horizontal initiatives can be discussed so that people know what's actually happening. Part of it is accountability, and part of it is monitoring and managing. Do we have the right information to say, “Here are the initiatives, here's the commitment, and we'll continue the same way”? There should be a checkpoint where we can say that maybe it's not going so well and ask what we really know and whether it is serving a real purpose.

We're seeing that some of the details and some of the initiatives are not working all that well. Are we learning from that? As to the additional money that we still want to spend—at this point in the audit I think we are still looking at \$500 million being on the table as an expense—we should determine whether we are using it in the most effective way to help move those agendas we talked about to support those objectives. That's really the nub of the question.

Part of the guidance is looking for more specificity to help people understand how they need to step up. What does being a lead department mean? Some of the things we see is that the partner departments are providing—

Mr. Matt Jeneroux: Sorry, Ms. Cheng, I don't want to lose the rest of my time.

Ms. Nancy Cheng: Sorry for the long answer.

Mr. Matt Jeneroux: That's fine. I look forward to a more detailed response at another point.

I want to quickly turn to Mr. McGovern. You had a lot of comfort with the previous administration in the Canada-U.S. relationship. However, as of January 20, there is a new administration. Do you have any idea if there are ongoing discussions happening with the new administration that would give you that same level of comfort?

Mr. David McGovern: I think our relationship with the U.S. is evolving and growing every day. One of the by-products of beyond the border in the AG's report is that we have 16 departments and agencies in Canada that were involved in this initiative. That was matched by a dozen agencies and departments south of the border. They clear out the top layers of the senior management, but many of the contacts we have engaged with over the past three or four years on this initiative are still in place. We're talking to people on a daily basis on general matters. We're sharing information on a daily basis.

I think that beyond the border in the AG's report looked at an initiative that started in 2011. It was intended to wrap up in 2014. Some of the big showstopper initiatives, like entry-exit and pre-clearance, required more time. I'm interested in the retrospective. On going forward, you could probably ask people in question period and get a better answer.

• (1630)

Mr. Matt Jeneroux: Hardly, but thank you.

Mr. Pagan, is the cost associated with this new detailed action plan significant? Could you ballpark it for us?

Mr. Brian Pagan: You mean the cost associated with the delivery of the plan? Is that your question?

Mr. Matt Jeneroux: Yes.

Mr. Brian Pagan: The approvals are currently in place, if I recall correctly. It's a five-year program with a funding envelope of approximately \$1.1 billion. That is based on the end-to-end business process, where there was a process of consultation identifying the needs and gaps and what incremental resources would be required to help fill those.

What we have provided to departments is the reporting mechanism by which they can report back to Parliament in a joined-up way on how that money is allocated and utilized over a five-year period.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Pagan.

[Translation]

Ms. Shanahan, you're next.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Madam Chair.

[English]

I'd like to come back to Mr. McGovern because I found your presentation very interesting. You kind of walked us through what was going on during those years in what we have learned is probably the biggest single horizontal initiative that our government has undertaken in conjunction with the American government. I did derive some comfort in your presentation.

I will come back to the paragraph when you say, "By the time the election was called in 2015, a large majority of the initiatives had either been completed or were on track." Then you go on to talk about the two that were outstanding and how movement was being made subsequent to 2015, and that there is outstanding legislation.

We understand that. What we're talking about here.... I mean, it sounds like there's a level of satisfaction with how the security initiatives were completed. What is your take on the performance indicators that we're concerned about? I'm not sensing that we have a concern about how the money was spent or that the money was wasted, or any kind of impropriety there. Mostly, how do we measure security, and frankly, of most interest to me, the improvements to traveller and trade times?

We're all for security, but we also have to keep on with our daily affairs. What's your take on the performance indicators? What were you looking for?

Mr. David McGovern: There are a couple of things. I think it should be apparent from the testimony from Monday and today that we're in violent agreement with the Auditor General's recommendations. In many instances, the fact that we didn't have adequate performance indicators actually diminishes the progress that, frankly, I think we showed over the course of this initiative.

Let me give you an example. On NEXUS, the AG's report was very clear. They looked at the initiatives and they looked at NEXUS. From a national security perspective, with NEXUS, an individual voluntarily fills out an extensive application form, provides information on where they lived over the past five years and their jobs, and it's submitted to both Canadian and U.S. authorities. They vet it, give you a green light, and you go into an office where there's a CBSA employee and a U.S. border patrol individual. They take your picture and your biometric information. The U.S. takes your fingerprints, and then Canada takes an iris scan. There are now probably 1.5 million people in North America who have a NEXUS card, 80% of whom are Canadian, so when you go to a border, CBSA officers don't have to pay attention to somebody such as me who has a NEXUS card. They can focus their attention on higher risk travellers. That's a huge benefit to us. How do you measure that? I don't know.

Mr. Christopherson was starting to identify a better performance measure than the ones we used to talk about with NEXUS. Brian talked about the fact that if you compare, with NEXUS you show up in front of a CBSA officer, you show him your card and you clear customs, and you do it in a certain period of time. If you do it conventionally, it takes you 20 to 30 seconds longer.

Do you ever use your NEXUS card at Pearson airport on a Friday night? Do you use your NEXUS card in Ottawa when you're trying to go home on a Thursday night? When you can use your card, you

can bypass the general line because CATSA sets up a line that allows NEXUS holders to clear through.

I don't know what performance indicator you would get talking to people at Pearson airport on a Friday night, but if you look at the numbers of NEXUS people, 20,000 new applicants a month want NEXUS. From a national security perspective, I like the fact that we're looking at trusted travellers and allowing our border officials to really focus on medium and higher risk travellers. That's a significant benefit.

One of the other things is hard to really understand when you look at the AG's report. The AG is very clear that they didn't look at national security issues. They talked to the U.S., but they didn't reflect U.S. views on this, and they didn't really talk about the Canada-U.S. relationship. However, when you start to look at what NEXUS does for you, when you look at the electronic travel authorization, which now means passengers from non-visa exempt countries have to submit an ETA before they board a flight, it means in Canada we can actually give the airlines information to tell them to board or not to board an individual. That's really important to us. We'd much rather do that abroad than in Canada.

We have another initiative, called IAPI. I've been working on this file for three years. For the life of me, I don't know what IAPI means, but it gives us information that the airlines provide us before an individual boards a flight. Our security agencies can look at IAPI and they can use their algorithms, their analytics, to better target people so that when they arrive in Canada they can get the scrutiny they require. This is all a package of things that we talked about in beyond the border.

Another thing is CPIC, a tool used by the RCMP. CPIC is a good one. When CBSA officers have someone come up to them at the point of entry, they look at their passport. On CPIC, they can see if someone has an outstanding warrant or if they have a criminal record. Since CBSA has started using CPIC, they have now achieved thousands of apprehensions and they're actually using this tool to protect our borders to a much greater extent.

• (1635)

Sadly, I can't tell you exactly how many people have been apprehended by CPIC. Hopefully, when we put the performance measures in place, we'll be able to do that.

Mrs. Brenda Shanahan: Thank you very much.

The Vice-Chair (Mrs. Alexandra Mendès): I'm sorry, Brenda. It's way over time.

Mrs. Brenda Shanahan: It was very interesting, though.

The Vice-Chair (Mrs. Alexandra Mendès): Yes, it was, which is why I didn't want to interrupt.

Mr. McColeman, it's your turn.

Mr. Phil McColeman: I would like to talk about the measurables for Transport Canada in terms of wait times.

I really appreciate the comments that were just made on NEXUS. I'm curious to know when NEXUS was started. What year did it begin? Does anyone have any idea?

I have gone through two renewals. I was an early adopter because I travel across the border many times in a year. I think it existed long before beyond the borders began. Just as a point of interest, not that beyond the borders didn't amp it up to become a more important issue, but NEXUS was something that was happening long before beyond the borders, in my opinion. That's from my own sense of when my renewals happened on my NEXUS card.

Beyond the borders might have had a part to play. With regard to the last renewal, it was very much upgraded in terms of having to go back, being scrutinized one more time, updating all the information, including fingerprints, irises, and all that.

I'm reading from the Auditor General's report. If you would like to refer to it, it's on page 18, paragraph 1.74. It says:

Transport Canada and the Agency developed five performance indicators focused on deliverables, such as the number of installations completed and the number of websites and roadside signs posting real-time information. However, we found that Transport Canada had not measured the benefits of existing border wait-time technology even though these installations have been operating for over five years. We also noted that there was no business case to support the need for more installations. Also, although the Agency's website has been posting wait times generated by wait-time measurement technology at five crossings since 2014, the Agency has not assessed whether having this wait-time information available has made a difference to travellers or helped the Agency to better manage its operation or resources.

I'll end it there.

To the representatives from Transport Canada, specifically Madam Higgins, I read that Auditor General's observation, and I looked at your presentation today. On the second page near the end, you say that you were pleased to inform us that you established a working group in December 2016 to address these issues. That was five years in the making.

Is there any reason for the delay, and why would you have the Auditor General need to even point out that you should be measuring the improvements, what the public is receiving, and that these technologies improve, instead of just spending more money on another sign indicating what the wait times are?

• (1640)

Ms. Catherine Higgins: It's a good question. I think I would start by saying that we fully agree with and appreciate the recommendation of the Auditor General with respect to developing the outcome and the ultimate outcome benefits for Canadians from the projects. It will in fact inform the path forward on any future investments.

You're quite right to point out that the indicators in the early stages of the plan were that the projects were in place, that they were available, that they were in fact working as outlined in the project. They were availability and deliverables under the plan. That was tracked very closely, and that was really the nature of the indicators.

Typically in projects, you need a certain amount of time before you can start to measure the longer-term outcomes and the changes that they will reap. I think the work we're doing now will benefit

from some of the discussions we've had with partners over the period of the plan, to address some of the challenges we were facing in moving to the next border crossings, beyond the initial six or seven that were in place.

One of the realities was the evolution of technology, which rapidly accelerated during this time period, particularly mobile devices, and the capacity that mobile devices have to inform wait times. There was a great deal of discussion with partners, with the U.S. and with provinces, on the right technology solutions, the right approaches.

This information will be very useful in defining those indicators and in using that analysis to do the assessment of what the benefits in fact were of those projects. That will inform us going forward.

We fully agree that the utility of setting out those indicators earlier in the process is a good recommendation, and we agree with it.

Mr. Phil McColeman: I'm glad you agree with it. It took you only four years to figure it out, and the Auditor General had to tell you.

This reinforces what a lot of Canadians think. They see actions taken by government and big money spent on installations, and I see it because I travel by road very often across border crossings. You wonder what this is doing to benefit you as a Canadian. Is it speeding up your ability to cross?

As I come to a fork in the road, in my case, I can go across at Niagara Falls, at Fort Erie, or at Queenston. I can go across at any one of those three and you're not measuring it. To me, it reinforces some of the thoughts that Canadians have around whether the government effectively knows what it's doing when it comes to spending their tax dollars.

I just had to say that as an observation. I'll end it there.

• (1645)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you.

Mr. Arya, go ahead, please

Mr. Chandra Arya (Nepean, Lib.): Thank you, Madam Chair.

Mr. McGovern, you said that the responsibility rests with the Prime Minister and the President. That's number one. Then you had a small team in the PCO, an executive steering committee, a deputy ministers' borders committee, and an assistant deputy ministers' steering committee. With all these committees, was it difficult to coordinate?

Mr. David McGovern: To be honest, with the Canadian participants it wasn't. People saw the value of working horizontally, so many of the files crossed different departments. It is not just one department that has responsibility.

One of the benefits the United States articulated, which is not found in the AG's report.... Literally in the dying days of the Obama administration, they issued a fact sheet on beyond the border. They were very positive and they talked about the fact that they built a framework for inter-agency consultation within the United States, and that inter-agency framework interacted with us. It was very beneficial.

Mr. Chandra Arya: Were these committees managed and tied to the 34 initiatives, or only specific to cross-border law enforcement?

Mr. David McGovern: I was the senior adviser responsible for beyond the border action plan implementation. I brought in many of my colleagues sitting at the table and many of the people you saw on Monday. We went through all the initiatives in the beyond the border plan, but when I started to get involved, our focus was on the big showstoppers: entry-exit and pre-clearance.

Mr. Chandra Arya: Thank you.

I apologize. I have limited time, so I have to go forward.

You also mentioned that it was chaired by the border implementation team's assistant secretary, so was there a single-point of responsibility?

Mr. David McGovern: The structure was me, an assistant secretary who reported to me, and a small team that fluctuated between five and seven analysts whom we seconded from other departments.

Mr. Chandra Arya: Thank you.

Mr. Pagan, you mentioned that horizontal approaches have challenges, specifically that they take resources, time, and learning to work with different management structures and processes. Were these problems and challenges not foreseen when this idea was conceptualized five or six years back?

Mr. Brian Pagan: I think it's fair to say that through the process of consultation, identifying a need, the departments involved had a view of what needed to be done and what they wanted to do. Of course, the challenge is always in implementing and dealing with different organizational cultures, different governance structures—

Mr. Chandra Arya: The point is that even after five years we are still talking about the challenges.

Mr. Brian Pagan: As my colleague from the Auditor General quite helpfully pointed out, one thing we are faced with is the realities of our system of government, the Westminster system, where monies are allocated vertically, if you will, to departments, and ministers are accountable to Parliament for the spending of those funds. They have their own teams and their own staff, and they have to do contracting—

Mr. Chandra Arya: I'm sorry; I have to go ahead. I have a couple more questions.

In our last meeting, the deputy minister of public safety mentioned that legislation has been an issue in implementing some of the initiatives. I know that one is related to the entry-exit. That was one initiative where, I think, \$70 million could not be used for implementing the initiative because the legislation was not passed. Is there any other legislation that is holding it up?

• (1650)

Mr. David McGovern: That's a very good question.

Mr. Brian Pagan: Yes.

Mr. David McGovern: Enabling legislation is required for pre-clearance, and it's required for entry-exit.

Think back and take a look at the calendar. The election was called in June, followed by July, August, September, and October. The government came back in November, a new government. We have to brief the government on the initiative, the agreements in principle. They went forward, they met with President Obama in March at their summit, and they reaffirmed their commitment to entry-exit and pre-clearance. During April, May, and June, legislation was introduced and now you guys have the two pieces of legislation at second reading.

Mr. Chandra Arya: Other than that one piece of legislation, are there any other things pending?

Mr. David McGovern: Those are the only two that I am aware of as outstanding pieces of legislation.

Mr. Chandra Arya: Yes, okay.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. McGovern.

I have Mr. Christopherson, but before I offer the floor to Mr. Christopherson, I have a question to you, Mr. Pagan.

[*Translation*]

I would like to take advantage of the prerogative that comes with being in this chair to ask you to submit to us—in writing, if you prefer—the explanation you were giving us. You were talking about the challenge of establishing the accountability of the departments in a horizontal or pan-governmental program, whereas in our current parliamentary system, minister accountability is established very vertically. You could give us this explanation in writing, so that we don't interfere with my colleagues' time. That would be greatly appreciated.

[*English*]

Mr. Christopherson, the floor is yours for three minutes.

Mr. David Christopherson: Very good. Thank you, Madam Chair.

Mr. Pagan, to come back again, you have a deputy, right? You're like an ADM? You're not the deputy of Treasury—

Mr. Brian Pagan: That's right.

Mr. David Christopherson: —or are you?

Mr. Brian Pagan: No, I'm the assistant secretary of expenditure management.

Mr. David Christopherson: Yes, so apologies to you for taking the hits that the accounting officer is supposed to take. That's why we insist on having deputies here, but you're doing a good job of filling in.

I want to come back to a couple of things. First of all, on page 23 of the Auditor General's report, he makes a comment about the shiprider initiative, and I just want to point out and get back to the issue and the gaps in terms of the reporting.

On the previous year's report there is the whole issue of pilot projects that were going to start. It says here, "The previous year's report (2013–14) noted that the pilots had been postponed until legal and operational issues were resolved." In the current year, "the report did not mention that the pilot projects for expanding operations on land had not been started and that there were no plans to pursue them."

So it looks like a classic *Yes Minister*. In the first instance they say, "Well, we have legal and operational issues so we have to get these legal and operational issues resolved". Then in the follow-up year to that, there is nothing. Sometimes it worries us that we get into borderline deliberate misleading. It starts to get into that area.

Here is a specific question for you, though. Again, in the Auditor General's report at paragraph 1.86 it states:

In the 2012-13 fiscal year, the Secretariat was developing another guide on the management and reporting of horizontal initiatives, which it published in 2014. In our opinion, this guide did not provide enough clarity to the lead reporting department to ensure that reporting was complete and accurate, nor did it provide enough information to help departments and agencies report on progress and develop a costing framework for horizontal initiatives.

That's not that long ago. What I'd like to know is, how did you get something so important so wrong?

Mr. Brian Pagan: There are three points, I suppose. The first is that it's an honour to be here, and we take our responsibilities with respect to parliamentary committees very seriously. As I mentioned earlier, the Auditor General has done a number of audits in this area, and those have been very constructive, very helpful to us in surfacing and addressing some of the very real challenges that we face with inherently complex initiatives when we're working across government to achieve outcomes. This most recent report is simply a continuation of that good working relationship with the Auditor General. That's point number one.

Regarding your reference to a 2013 report, anything with respect to the actual implementation of the initiative is best directed to the department. I can't speak to pilot projects, etc. What I do own, and what I will be glad to speak to, is the guide that we promulgated in 2014 that sets out the responsibilities as we saw them with respect to the lead department and partner departments. That guide identified principles around reporting.

Just as an example—

• (1655)

Mr. David Christopherson: Before you brag, just remember it got a failing mark in the Auditor General's report.

Mr. Brian Pagan: I believe what the Auditor General said was that the guidance could be clarified. I don't know that it was a failing grade. I don't think they grade us. They simply identify—

Mr. David Christopherson: Nor did it provide enough information to help departments. There are different degrees of passing, but go ahead, sir.

Mr. Brian Pagan: Right. The guide, as it exists now, has essentially two parts. It's a principle-based approach with respect to reporting to Parliament, so we're talking about transparent reporting, clear accountabilities, and identifying horizontal initiatives separate from existing initiatives in departments.

We believe we have made some good progress in that respect through initiatives and through tools such as our horizontal initiatives database. This is on the TBS website. It's accessible to parliamentarians and the public. It identifies the 29 initiatives currently identified as horizontal in the Government of Canada. It's \$3 billion, and from that initiative you can go either by department or by fiscal year, and you can find out how these entities are involved in a horizontal management.

Mr. David Christopherson: Thank you.

Why won't it take—

The Vice-Chair (Mrs. Alexandra Mendès): I'm sorry, Mr. Christopherson. You're at five minutes. You can go back. There is time. We have 20 minutes left.

Mr. David Christopherson: Really? That's good to hear. Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. Pagan, I have just a question of clarification so that our analysts will be able to do their work. Could I ask you to provide us with the statement that I asked for, on the complexity of managing the Westminster system accountability issues, in two weeks' time if at all possible? Would that be possible?

Mr. Brian Pagan: I believe we can respond to that, Madam Chair.

Just to be clear, I'm far from an expert on the Westminster system of government. What I can speak to is the way in which we allocate resources in our system. I'm responsible for expenditure management in the estimates process, so I can speak to Treasury Board approval of money, Parliament's appropriations to departments, and the way in which we're reporting back, and then I will add some detail about the 29 initiatives that work across those vertical—

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Second, I will just go back to Mr. McGovern's issue about NEXUS. We've been doing a little bit of quick research. It started in 2002 as a frequent traveller program. When the beyond the border program started, it became a trusted traveller program. I think that's the nuance difference that was brought to the program, and that answers Mr. McColeman's question too.

Now we have a more open round of questions, and I would like to give the floor to Mr. Harvey.

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): Thank you, Madam Chair.

My questions are going to be short. I'm going to give the balance of my time to my colleague, Mr. Arya. They're going to be more reflective of comments than questions.

First of all, I want to thank you, Mr. Pagan, for providing us with that written response. I think it'll serve a good purpose. It'll allow us to use that in a constructive manner. It's important for us to understand where you're coming from, too, and I think that will help allow us to do that.

I just wanted to touch a bit on this idea of fiscal responsibility. I recognize that this is \$1.1 billion over the five-year life of the program. I recognize that in some context within government it's not a significant amount of money, but to the taxpayers in my riding it's a significant amount of money. Government departments, and a lot of times politicians, are less concerned with the total amount and more how that money is best allocated within to ensure we get the best bang for our buck. I know the taxpayers in my riding are quite conscious of getting the best value for their dollar, but also ensuring that we spend just enough money to deliver the program and not a cent more. I'm not concerned with whether or not we have extra money to do something else that falls underneath this envelope, an add-on. I want to make sure we get what we've paid for, and nothing more.

To you, Ms. Cheng, my comments originate from a response that you were giving earlier, and I recognize the context you were giving it under, but I just wanted to highlight that because I know to the everyday taxpayer it's a significant amount of money. While the everyday taxpayer, as well as me, recognizes the value that we get from these, and I understand the tremendous difficulty that there is in measuring performance, I think we collectively need to do a much better job of ensuring we do a better job of not only being accountable but figuring out this measurability. I know that I'm measured and I have to be accountable for my actions, and increasingly over time, government departments are going to come under the same scrutiny. It's important that we drill down to the bottom of these.

I know oftentimes Mr. Christopherson seems very harsh and hard to deal with. I find him very difficult to deal with, too, but he has the right idea. We need to all do a better job of being much more accountable than we have been in the past.

I commend you all for being here today, and I wouldn't want to trade spots with you. But if I did, I would recognize that I'm going to have to be accountable for my actions and the actions of the people who work underneath me.

With that, I'm going to turn this over to Mr. Arya.

• (1700)

Mr. Chandra Arya: Thank you, T.J.

Mr. Pagan, you mentioned that recently you issued a guide on the management and reporting of horizontal initiatives. How are you going to ensure that this guide is interpreted and applied correctly by all departments?

Mr. Brian Pagan: Perhaps I may also respond to the preceding one about the importance of value for money. As I mentioned just a little earlier, we do have a new Treasury Board policy. It's called the policy on results. It came into effect in summer 2014. This is going to be a very important building block for us in terms of continuing the journey of ensuring that resources are allocated with a specific result or outcome in mind, with better reporting to parliamentarians

and to Canadians about how those resources are being utilized and results are being achieved.

In term of going forward, on taking our existing guidance and our existing tools, as I said, we don't do this in a box, and this process here today is in fact part of the process where we engage—

Mr. Chandra Arya: I'm sorry, but I thought this guide was specifically for this horizontal initiative.

Mr. Brian Pagan: It is, but at the end of the day, the guidance is intended for departments so that they can report back to Parliament. What I'm suggesting is that the Auditor General's report, and this hearing, is part of the process of better understanding what the needs are. We heard both—

Mr. Chandra Arya: No, my question was on how you will ensure that all departments.... Were they consulted in developing this guide? Were they involved in developing this guide?

Mr. Brian Pagan: Yes, in the version we have now, basically from April 2014, there had been a process of engagement and consultation to identify needs. There's always a balance. We want to provide that guidance. We don't want to foist upon departments something that they were not expecting and that they simply can't do because we're asking for the moon.

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Pagan, I'm sorry to interrupt, but I know that Madam Cheng would like to complete the answer too.

Then I have to cut you off, Mr. Arya. We're over time.

Ms. Nancy Cheng: Thank you, Madam Chair.

Thank you for giving me an opportunity to perhaps explain a little bit. My answer was a little bit long. I think what I was trying to get to was the importance of needing to get to the performance and outcome. At no point was I indicating or suggesting that \$1 billion was not important and that therefore we should not be as diligent in terms of looking for the value for money.

I just wanted to clarify that this was not where I was going.

Mr. T.J. Harvey: I recognize that. Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. Jeneroux, you have five minutes.

Mr. Matt Jeneroux: I'll cede my time, Madam Chair.

• (1705)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Now we'll go to Mr. Christopherson.

Mr. David Christopherson: Thank you, Madam Chair.

T.J., I just want to tell you that I think you're a great guy.

Voices: Oh, oh!

Mr. David Christopherson: I'll leave that with you.

I'd like to come back...and I have to say that I'm still not real happy yet, Mr. Pagan. I would urge you to take a look at Mr. Brown's testimony yesterday, if you didn't see it. He got it in one, and reflected that, and sort of took his hits. I guess what's troubling me is that Treasury Board doesn't seem to be willing to stand up, take the hit, and then talk about how they're going to fix things. We're still stuck on a lot of defensive things. I'm going to spend just a minute on that.

You responded to me, when I read this quote, by saying, well, there wasn't enough clarity. But let's be clear on exactly what clarity we're talking about. This is the AG referring to the guide published in 2014:

In our opinion, this guide did not provide enough clarity to the lead reporting department to ensure that reporting was complete and accurate—

I'm going to tell you that “complete and accurate” data is kind of important to us, and even more so in this term. The AG continues:

—nor did it provide enough information to help departments and agencies report on progress and develop a costing framework for horizontal initiatives.

I remind you, sir, that the Auditor General's opening remarks in this regard were as follows:

The Treasury Board of Canada Secretariat did not give departments and agencies specific guidance on costing and measuring program results.

This led to “different interpretations” and “inconsistent” financial information. The AG concluded that although departments and agencies met many of their commitments under the action plan, they “achieved limited results” toward the intended benefits. They also had few performance indicators to use in assessing results.

It's Treasury Board that provides them with those performance indicators, so if Treasury Board gets it wrong, everybody will get it wrong. That's why I've been focusing on Treasury Board. When you get it right, it works. When you get it wrong, it doesn't. You got it wrong, and I'm just looking for some kind of assurance, when you got it so wrong in 2014, just a couple of years ago, that we can be comfortable that you got it right this time, because I'm not hearing that.

Mr. Brian Pagan: I think it's now crystal clear what our misunderstanding may be. In your comments, you just said that it's the Treasury Board Secretariat that provides to departments the performance indicators, and that is not—

Mr. David Christopherson: [*Inaudible—Editor*] department, though?

Mr. Brian Pagan: No. I'm sorry if I was not clear.

Mr. David Christopherson: Well, if I have it wrong, please educate me.

Mr. Brian Pagan: This is why we genuinely welcome the opportunity to engage with the committee and with our partner departments, to make sure that we get it right.

Mr. David Christopherson: Good.

Mr. Brian Pagan: This goes to Madam Chair's request for some information about our vertical accountabilities and horizontal reporting.

Mr. Christopherson, in terms of the guidance as it exists now, I talked about “end to end”. I don't want to bore you, but one of the

key parts of the existing guidance is the Treasury Board approval. Departments will come together, they'll identify a need, and there will be funding in a budget or otherwise provided from the government to do something. Treasury Board Secretariat will work with departments to develop that Treasury Board submission that sets out the terms and conditions for what departments will do. It's quite granular.

Once that approval is in place, Parliament will vote the funds and departments will implement the initiatives. The responsibility for identifying your progress, the ongoing measurement and reporting, is with the department. What we do at Treasury Board Secretariat is that we provide the guidance. We specify that you must report, and here's where and when. We develop the templates that lay out how to present costing information, how to identify performance indicators —

Mr. David Christopherson: You give the template.

Mr. Brian Pagan: One of our challenges is to move from an input or output indicator to something that gets to the outcomes we desire. I cited NEXUS as an example of where we want to go because it makes clear that if you use NEXUS you get through twice as quickly than if you stand in line. To me, that's an outcome that supports the goal of expediting travel. Our guidance is based on making clear to departments that they need to develop indicators for their initiatives and then provide that data to Public Safety so that Public Safety can report. It's not Treasury Board Secretariat that develops the indicators for the department.

Mr. David Christopherson: That's fair enough.

Help me understand.... Madam Cheng, I turn to you too.

I didn't write this; the Auditor General did. The Auditor General wrote in his opening remarks, “The Treasury Board of Canada Secretariat did not give departments and agencies specific guidance on costing and measuring”, which you just acknowledged you do, yet you're also telling me at the same time that it's.... I'm very confused.

The Auditor General has said that the guidance you're talking about matters, yet you didn't do it right.

Ms. Cheng, can you help?

• (1710)

The Vice-Chair (Mrs. Alexandra Mendès): Answer very quickly because we're running out of time.

Ms. Nancy Cheng: First, I'd like to confirm and support what Mr. Pagan said. It's not the Treasury Board's responsibility to come up with the performance indicators, it is up to the lead department and the partner departments and agencies to do that. However, they have a role to provide guidance. Very quickly, just as an example, if they get together and say this is the state of play and the partner departments provide some information, who is there to ask if it's enough or if it provides a really good picture? Does the lead department take the chart and say it's not meaningful enough and to go back, or do they just take it and then collate and publish it?

There is some clarity in the margin in saying how we can move forward. Who is really responsible for having that consolidated view? Arguably, the lead department and the partner departments have that responsibility jointly, but who does what? Perhaps some additional clarification from the centre might help. It is not Treasury Board Secretariat that needs to come back with all these performance measures, and they're not responsible for the horizontal reporting.

Mr. David Christopherson: But they do have a role in making things better.

Ms. Nancy Cheng: Yes.

The Vice-Chair (Mrs. Alexandra Mendès): Maybe that should be one of our recommendations.

Mr. David Christopherson: Thank you, Mr. Pagan.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much to all for your participation in this 42nd meeting of our committee. We are going to suspend for two minutes so we can go in camera for committee business.

[*Translation*]

We will probably see you again very soon.

Thank you.

[*Proceedings continue in camera.*]

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