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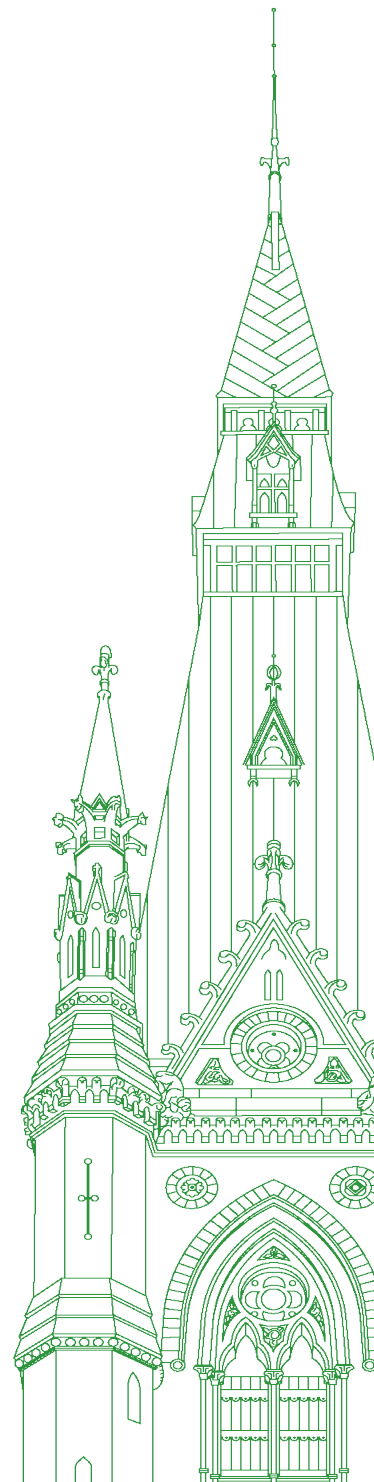
Standing Committee on Government Operations and Estimates

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Wednesday, February 14, 2024



Chair: Mr. Kelly McCauley

Standing Committee on Government Operations and Estimates

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• (1650)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): I call this meeting to order.

Welcome to meeting number 102 of the House of Commons Standing Committee on Government Operations and Estimates, also known as the mighty OGGO.

For the first two hours, the committee is resuming its study on the ArriveCAN application.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, October 17, 2022, the committee is meeting on the study of the ArriveCAN application.

As always, I remind you not to put the earpieces near the microphones, as it causes feedback and potential injury to our very valued interpreters.

We have with us the Auditor General. I understand there is an opening statement, probably a brand new, original one that we haven't heard this week.

Welcome back to OGGO. The floor is yours, Madam Hogan.

Ms. Karen Hogan (Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chair, and no, it is the same opening statement that you heard yesterday, but it's a good one.

Mr. Chair, I am pleased to be here today to discuss our audit report on the ArriveCAN application, which was tabled in the House of Commons on Monday.

I wish to acknowledge that the lands on which we are gathered are part of the traditional unceded territory of the Algonquin Anishinabe people.

I am accompanied today by Andrew Hayes, deputy auditor general, and Sami Hannoush and Lucie Després, who were responsible for the audit.

Our audit of the ArriveCAN application looked at how the Canada Border Services Agency, the Public Health Agency of Canada and Public Services and Procurement Canada managed the procurement and development of the application and whether they spent public funds in a way that delivered value for money.

I will discuss our findings, but first I have to say that I am deeply concerned by what this audit didn't find. We didn't find records to accurately show how much was spent on what, who did the work, or how and why contracting decisions were made. That paper trail

should have existed. Overall, the audit shows a glaring disregard for basic management and contracting practices throughout ArriveCAN's development and implementation.

[Translation]

Government organizations needed to be flexible and fast in responding to the COVID-19 pandemic, but they still needed to document their decisions and demonstrate the prudent use of public funds. In this audit, we found serious failures and omissions everywhere we looked.

Most concerning was that the Canada Border Services Agency, or CBSA, did not have complete and accurate financial records. Because of this, we were unable to calculate the exact cost of the ArriveCAN application. By piecing together the little information available, we estimated that ArriveCAN cost approximately \$59.5 million.

There was confusion right from the beginning. From April 2020 to July 2021, we found that the Public Health Agency of Canada, or PHAC, and CBSA did not work together to establish each agency's responsibilities for ArriveCAN. In this accountability void, neither organization developed or implemented good project management practices—such as developing objectives and goals, and budgets and cost estimates.

In our examination of contracting practices, we saw little documentation to support how and why CBSA initially awarded GC Strategies the ArriveCAN contract through a non-competitive process. Only one potential contractor submitted a proposal, and that proposal did not come from GC Strategies.

[English]

Also concerning is that we found evidence that GC Strategies was involved in the development of requirements that were used when the agency later moved to a competitive process to award a \$25-million contract for work on the ArriveCAN app. The requirements were very specific and narrow. This gave GC Strategies an advantage that other potential bidders did not have.

We also found that the Canada Border Services Agency's overall management of contracts was poor. Essential information was missing from awarded contracts, such as clear deliverables and the qualifications required of workers. When we looked at invoices approved by the agency, details about the work performed and who did the work were often missing. This greatly contributed to our conclusion that the best value for money was not achieved.

• (1655)

[*Translation*]

Finally, we found no evidence that CBSA employees disclosed invitations to private functions they received from contractors, as is required by the agency's code of values and ethics. This created a significant risk or perception of a conflict of interest or bias around procurement decisions.

Public servants must always be transparent and accountable to Canadians for their use of public funds. An emergency does not mean that all the rules go out the window or that departments and agencies are no longer required to document their decisions and keep complete and accurate records.

As I said earlier, I believe that this audit of ArriveCAN shows a glaring disregard for basic management practices. As a result, many questions that parliamentarians and Canadians are asking cannot be answered. The lack of information to support ArriveCAN spending and decisions has compromised accountability.

This concludes my opening statement. We would be pleased to answer any questions the committee may have.

[*English*]

The Chair: Thank you, AG Hogan.

We'll start with Mrs. Block.

Go ahead, please, for six minutes.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Mr. Chair.

Thank you, Ms. Hogan and your colleagues, for joining us here today.

I know you've had a very busy week. I'm not sure it's going to get less busy as a result of the very scathing report you tabled on Monday.

In that report, you found there was no evidence of contact between CBSA and GC Strategies to solicit a bid for the initial ArriveCAN contract. However, you did note—and this would have been in sections 1.38 and 1.39 on page 10—that one bid had been submitted by a company other than GC Strategies.

We have heard testimony at this committee that two options for ArriveCAN were presented. What I don't understand is how the option for ArriveCAN that was ultimately chosen could have been presented if there was no bid from GC Strategies. Did you look at the two options presented to Minh Doan and John Ossowski to see if there were companies attached to them? Did you examine how the option for ArriveCAN was chosen if there was no bid submitted? Who created the option for ArriveCAN that led to GC Strategies?

I recognize there are a number of questions there, so I can repeat them if needed, once you start answering.

Ms. Karen Hogan: Thank you. I'll try to answer them all, but I might look to Sami Hannoush to add some detail.

As we reported in our audit, officials at the Canada Border Services Agency told us that their decision to award the contract to GC Strategies was based on a proposal they had received from them. However, that proposal was not on file and was not provided to us.

We are aware that three organizations were approached. Even though it was a non-competitive process, typically the public service approaches a few vendors to see a proposal, just to know what they could do.

One proposal was received from those three vendors. It was not from GC Strategies, yet the non-competitive contract was given to GC Strategies. We found very little documentation about interactions with the vendor or the reasons. We did see an email between the Canada Border Services Agency and Public Services and Procurement Canada authorizing the contract and giving support for its being awarded to GC Strategies, yet there was no evidence to support the statements made in that email. That's why we concluded that there was very little documentation or proof as to why they were selected and how they had the skills and competencies to deliver on the contract.

• (1700)

Mrs. Kelly Block: Thank you very much.

In regard to who chose GC Strategies, you indicated in a response to my colleague Mr. Brock at the public accounts committee yesterday that you were unclear as to whether it was Ms. Belanger or Mr. Doan. Once you gave that response, he asked if you had sought clarification with CBSA, and the response was "no".

Can you explain to us why your office would not have gone back to CBSA to get that clarification, given the damning report that is in front of us?

Ms. Karen Hogan: The communication that you're talking about is some information that we did not receive from the Canada Border Services Agency. It was not provided in the official records. We received it from Mr. MacDonald.

When you look at it—and I've gone back to look at it yesterday—it appears to be a briefing note to prepare Ms. Belanger for a committee appearance. At the time, I believe she was the acting chief information officer at Canada Border Services Agency.

When you look at that document, it includes sample questions and possible answers. There are many answers there that are inaccurate or incorrect. It was a piece of evidence that we couldn't corroborate with anything. In fact, we could disprove many of the proposed answers as being inaccurate. We didn't feel it was necessary to return to Canada Border Services Agency and ask it any more about that document.

Mrs. Kelly Block: Thank you very much.

In your investigation into ArriveCAN and GC Strategies and the awarding of these contracts, did you speak to any of the individuals named in the internal investigation?

Did you speak with Mr. MacDonald, Mr. Utano or anyone from GC Strategies, or were you simply looking at the processes involved in CBSA's awarding of these contracts?

Ms. Karen Hogan: During our audit, we speak with public servants who are still working in the public service. We did speak with Mr. Utano, Mr. MacDonald and Mr. Doan. We do not interact with private corporations or private citizens. We rely on the public service to maintain full, complete and accurate records of their interactions, unless there's a reason for us to do so. In this case, we did not.

Mrs. Kelly Block: Thank you.

The Chair: Thank you.

Mr. Kusmierczyk.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair, and thank you, Ms. Hogan and team, for your tremendous work.

We're on the same side here. We want to make sure we improve accountability. This is about accountability and making sure that if there was wrongdoing, we hold to account the public servants who conducted that wrongdoing and those breaches of the controls and code of conduct. I thank you very much for your work.

The ArriveCAN app was built under extraordinary circumstances during the COVID-19 pandemic. The app was built in 30 days. It's a complex system that was downloaded 18 million times by folks across all platforms. It protected the privacy of persons using the app, including their very sensitive health information. The information that was gathered was shared securely across provincial health agencies within minutes, almost instantly. The app was also accessible. When we spoke with the CBSA officials who came before us, they said they didn't have the in-house capabilities to be able to pull this off in such a short period of time.

In your report, on page 16, you raised a concern. You stated that the Canada Border Services Agency had "consistent requests for resources with the highest levels of IT experience".

Again, the report stated:

In our view, this meant that the agency likely paid for senior resources when work could have been done by resources with less experience that are paid less.

Can you explain to us how you would recommend we balance the need for cost-effectiveness versus needing high expertise to be able to pull off a complex piece of software in such a short period of time?

• (1705)

Ms. Karen Hogan: I do agree that the application was developed and launched very quickly. Much of what the public service was doing at that time during the pandemic was being fast and effective to help support Canadians.

What we were looking at here was whether or not the government had achieved the best value for money and whether they could justify some of the decisions that had been made. What we saw is that there was very little justification for repeatedly asking for IT experience of 10 years or more, which is the highest level that is typically contracted out in the government. At the beginning, that might have made sense, but we would have expected that as time progressed, that reliance on external resources was likely not needed throughout the whole time.

It's an assessment that normally you would see at the outset. Figuring out if you had good project management practices in place, you would do an assessment of the needs, the resources and the skills that you need. Those were some of the things that were missing here with some of those fundamental project management processes. Both of those contributed to the fact that we likely paid too much for the app, because of that heavy, long-term reliance on external resources, often at the highest level.

The last thing I would add about that is that we saw instances in which individuals who were charged on invoices did not have 10 years of experience or more, yet the government paid the rate for 10 years of experience. Again, that contributed to our not getting good value for money.

Mr. Irek Kusmierczyk: Thank you.

I also noticed in your report that you zeroed in on the information, science and technology branch of the CBSA, and you raised as one of the issues that they seemed to have a direct path to PSPC. They bypassed CBSA's own procurement directorate. Can you speak about why this is a concern, why this needs to be rectified and how big an issue that is?

Ms. Karen Hogan: Public Service and Procurement Canada is really the contracting specialist of the government. It typically plays an important role in ensuring that departments follow policies and best practices in contracting. That being said, every department and agency typically has its own procurement branch that would also ensure that specific policies within the agency or department are followed. It would usually be that intermediary between the business owners—those looking to contract out or do something in the department and agency—and Public Service and Procurement Canada.

It's another layer of ensuring that policies and procedures are followed, that the government achieves best value for money. Many of the things we would normally see done by the public service would be done. That's why the two procurement arms play a key role.

It's an important, key control in ensuring that a procurement is well done and well documented in the public service.

Mr. Irek Kusmierczyk: You called it a “challenge function”. This directorate could have challenged, for example, some of the decisions that were made. Is that correct?

Ms. Karen Hogan: I would say Public Service and Procurement Canada is the challenge function. They're the ones who, in this instance, we saw push back when the Canada Border Services Agency said it was going to do a sole source. PSPC asked why they wouldn't do a competitive process, try to run a shorter one. Ultimately, the department doing the contracting—in this case Canada Border Services Agency—has the final decision. They decided at the start to do a non-competitive contract.

The challenge function comes from PSPC. The internal procurement branch is there to help ensure that policies are followed and controls are in place when it comes to contracting.

The Chair: Thanks. I'm sorry, but that is our time.

We'll go to Mrs. Vignola, please, for six minutes.

[Translation]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Mr. Chair.

Ms. Hogan, Ms. Després, Mr. Hannoush and Mr. Hayes, thank you for being here.

I imagine you've had an extremely busy week as well.

This is how I would summarize your opening statement.

The processes weren't followed. Not only were the processes for awarding the contracts not followed, at least sometimes, but also, information to support the decisions that were made was missing.

The processes are laid out in policies. The processes are set out in rules and policies, and all public servants are required to follow them, whether a pandemic is going on or not. Do I have that right?

• (1710)

Ms. Karen Hogan: Yes, but I would add that, at the beginning of the pandemic, the Treasury Board gave government organizations some flexibility so they could respond quickly and effectively to support Canadians.

In giving that flexibility, the Treasury Board still required government organizations to document their decisions so as to ensure accountability.

Mrs. Julie Vignola: If I recall correctly, the Treasury Board gave organizations flexibility in order to achieve desired results, which you mentioned in your report. It still wanted organizations to pay attention to spending and the integrity of the process.

In no way did that flexibility mean that the usual way of doing things in the public service would go out the window. That is my understanding.

Ms. Karen Hogan: Yes. That is how I interpreted the Treasury Board Secretariat's notice. I know that is how it was understood within the public service.

Mrs. Julie Vignola: Are there other situations where the processes weren't followed? Were any untendered contracts awarded, basically by mutual agreement? Did any companies submit proposals to the government so that it would post the proposal as though it was the government's idea? Have you seen that in other cases, during the pandemic or otherwise?

Ms. Karen Hogan: I can't say with certainty what happened before I became the Auditor General, but I can say that I never saw that in our auditing of other contracts awarded during the pandemic or after I was appointed in June 2020. I often see areas where the contracting process can be improved. In this case, we saw a glaring disregard for the usual rules.

Mrs. Julie Vignola: Your report is very enlightening. We talked about it already this week, in another committee. It's shocking. It's truly shocking that an application that should have cost a few tens of thousands of dollars ended up costing some \$59.5 million. It might be more, it might be less. We don't know since the documentation is missing.

As it turns out, COVID Alert is another application that was developed during the pandemic.

If I may, honourable members, I'd like to give notice of a motion that has to do with an application. We can debate the motion later. I will go ahead and read it. You should receive it shortly.

I move:

That, pursuant to Standing Order 108(1), the Committee order the government and Public Services and Procurement Canada (PSPC) to produce, in both official languages, a copy of all contracts, communications, memoranda, requests for proposals and proposal submissions involving GC Strategies, as well as all governmental or internal communications from any government authorities or departments, related to the COVID Alert application, no later than March 15, 2024, as long as these documents are free of any redactions.

The motion concerns an application involving GC Strategies, PSPC and Health Canada. We can talk about it a little later, if you like. I think, here again, there is a connection between GC Strategies and certain public servants at the time of their transfer to Health Canada.

[English]

The Chair: Thank you, Mrs. Vignola.

Are you sending the motion to the clerk?

• (1715)

[Translation]

Mrs. Julie Vignola: Yes, it should be a matter of seconds.

[English]

The Chair: Wonderful. Thanks very much. I appreciate that.

Next is Mr. Bachrach, please, for six minutes.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair, and thank you to the Auditor General for appearing on this very important topic.

I must say that there is a lot of anger and a lot of frustration around the findings of your report, and I think rightly so when we look at \$50 million to \$60 million. I represent a region in northwest British Columbia of mostly rural and remote communities that have a huge number of needs that could be taken care of with \$50 million to \$60 million.

I think of the City of Prince Rupert, which desperately needs to replace its water pipes and needs tens of millions of dollars of investment in core infrastructure. I think of Smithers, Fort St. James and Port Clements: All of them need waste-water treatment facilities that cost millions of dollars. Takla needs a new school.

These are all things that could be funded with the money the government has wasted on this app. It's frustrating and angering that either gross incompetence or negligence—or certainly what looks like misconduct—has led to so much public money being wasted.

I'll start on that note. The questions we have really have to do with procurement more broadly and the use of subcontractors to do the work the public service should be able to do.

I'll start with paragraph 1.39 of your report. You noted that GC Strategies was awarded a contract for ArriveCAN without any documentation and without having submitted a proposal. Your report says, "There was no evidence that the agency considered a proposal or any similar document from GC Strategies for this non-competitive contract."

I'm curious as to what documentation your investigation was privy to in this regard. Was it only emails, or were you able to examine phone records, text messages, etc., on both personal and government devices? Also, do you suspect that the discussions for GC Strategies to be awarded the contract took place on channels that you didn't have access to?

Ms. Karen Hogan: Normally, we look to official records of the organization, however they might be maintained. I guess it's important to highlight that items like text messages, emails or MS Teams conversations are meant to be transitory unless they're of business value, in which case they should be saved and kept in official repositories or official documentation.

In this case, because there was so much missing information that the files were rather thin, we did turn to these transitory documents to try to, hopefully, fill in some of the blanks, but when it came to a proposal, as I mentioned earlier, while we were told that the decision was based on a proposal submitted by GC Strategies, there was none for us to review or look at.

We didn't need a big deck. We would have expected anything to just outline what GC Strategies could do and to demonstrate how they had the skills and competencies to deliver on the needs of the government, and we did not see that.

Mr. Taylor Bachrach: Following on that question, did you come away with a sense that officials in charge of this project were using certain channels because they were less likely to be scrutinized?

Ms. Karen Hogan: Again, I can't speak to the intent of what they were doing. What I can tell you is that at times we did have to

go to emails to find some evidence of discussions or exchanges. At times, some of the documentation was maintained by Public Services and Procurement Canada, and it was provided to us, but all of that should have been maintained by the Canada Border Services Agency, as they were the ones entering into the contractual relationship with a vendor and they had an obligation to make sure that was properly documented to show accountability for the use of public funds.

Mr. Taylor Bachrach: On the topic of public service capacity, you mentioned the fact that the government was essentially paying for top tier resources, but the people doing the actual work on the project were less experienced and less skilled. Was there a considerable amount of work done on this app that could have been accomplished by the public service itself, in your view?

Ms. Karen Hogan: At the beginning of this, we did look to see whether the Canada Border Services Agency and the Public Health Agency of Canada had done an assessment, and they did. It was a quick, small assessment, but it was an assessment that the public service did not have the skills and, more importantly, the capacity at that time, to develop this app.

I think it was a reasonable decision to seek out support from a third party, from the private sector, to develop the app, given the circumstances if you put yourself back in March and April of 2020, but what we would have expected to see was that eventually that dependency on a contractor would have decreased over time, so as to show that you were transferring parts of the operation—the maintenance or the ongoing day-to-day functioning—over to the public service and upscaling or transferring knowledge to the public service to be able to diminish that dependency on a third party. We did not see that.

• (1720)

Mr. Taylor Bachrach: Thank you for that.

GC Strategies is essentially a headhunter. Can the public service not do its own IT recruiting? It seems like a role that could surely be accomplished by the public service.

The Chair: You have a couple of seconds for an answer.

Ms. Karen Hogan: Again, that was a decision we were hoping to see properly documented. Why was GC Strategies chosen, and how did it have the skills and competencies to develop the ArriveCAN application?

We did not find documentation to support that.

Mr. Taylor Bachrach: Thank you, Ms. Hogan.

The Chair: Thank you very much.

We'll go to Mrs. Kusie, please, for five minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Chair.

Welcome back, Ms. Hogan, to our group.

You stated in paragraph 1.19 that 18% of invoices submitted by contractors did not have supporting documentation to explain whether expenses were related to ArriveCAN or other IT projects.

You also state that GC Strategies was paid \$19.1 million to build ArriveCAN. That's \$8 million more than was projected previously.

Is there a possibility that this number is higher than \$19.1 million, due to the pay discrepancies?

Ms. Karen Hogan: The breakdown in that exhibit is of the dollars spent, allocated by contractor, on ArriveCAN. What's important to note is that's what the Canada Border Services Agency, in its financial records, has said was paid to a vendor and allocated to that contract.

We had difficulty at times seeing the evidence to support that the expenditures on invoices were actually linked to ArriveCAN and not to another IT project, so the dollar amounts listed by the vendor could be higher or lower. It really just speaks to the poor financial record-keeping at the Canada Border Services Agency.

Mrs. Stephanie Kusie: It could be higher. This is possible.

In section 1.53, you state that the agency reached out to firms it wanted to work with and slotted them into pre-existing contracts with GC Strategies through task authorizations. The CBSA also stated that \$12.2 million is not properly accounted for due to a lack of TA documentation.

Was this an issue with GC Strategies or with the CBSA?

Ms. Karen Hogan: In my view, these were two examples of procedures that the Canada Border Services Agency should not do. I expect that if the Canada Border Services Agency felt it had an existing relationship with a vendor it knew was able to deliver on something, it should have entered into a contractual obligation directly with it.

We do not know. It's not clear why the vendor was then given the task authorization under a GC Strategies contract.

Those are examples of things I would have expected to see the CBSA do better at, because there are procurement rules around them.

Mrs. Stephanie Kusie: That's right.

We know, in this room, that GC Strategies has been contracting with the Liberal government since it was formed in 2015, but we just found out today that it has made over \$250 million in that period of time. That's a quarter of a billion dollars. That is a lot of money.

Are you concerned that GC Strategies has been using these same tactics to procure lucrative contracts in other areas of the government?

Ms. Karen Hogan: I can't speak to the profit margins of a private corporation. That's not something we audit. I was responding to a motion here from the House of Commons to look at the ArriveCAN application, and that's what I can speak to today.

Mrs. Stephanie Kusie: Could you give any assurances to Canadians today that the company has not continually been engaged in these practices across these past eight years?

Ms. Karen Hogan: I can speak only to what I saw as procurement rules, procurement processes or gaps in procurement processes between the Canada Border Services Agency and the vendors that were used for the ArriveCAN application.

• (1725)

Mrs. Stephanie Kusie: Are you concerned that the 180-day suspension for GC Strategies at the CBSA will be lifted on May 1 this year?

Ms. Karen Hogan: Again, these are decisions that the public service has taken that I did not audit, and I really can't comment on them.

Mrs. Stephanie Kusie: Do you think the company has been properly assessed to see whether it is within the federal government's procurement guidelines?

Ms. Karen Hogan: Again, when it was a non-competitive process, I would have expected during the initial contract award for the ArriveCAN application to see a proper assessment done, but as we noted in our audit report, there is very little documentation to support why GC Strategies was selected.

Mrs. Stephanie Kusie: Would you see a comparison between the McKinsey consulting study that you are currently working on—the report is due out in May, I understand—and an extension of a study into GC Strategies? It seems to me that McKinsey would be a third party external consultant, and that you are currently auditing it within the government and the use by the government of this company.

Would you not say that's something similar in your evaluation of its practices as far as they apply to this ArriveCAN report?

Ms. Karen Hogan: I think both vendors are under professional services contracts, and that's what our audit is looking at. We expect to table later this year. It will be broader than just looking at professional services contracts linked to ArriveCAN.

I normally do not comment on the results of an audit until we make it public in the House of Commons.

Mrs. Stephanie Kusie: It sounds like the organizations are similar, though.

Thank you very much, Mr. Chair.

Thank you, Auditor General.

The Chair: Thank you very much. That is your time.

Mr. Bains, please go ahead.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you, Madam Hogan and our witnesses, for joining us today.

This whole study that is being conducted here is extremely important. It has led us in multiple different directions, and we're trying to uncover where these decisions were made. Ultimately, an investigation is going on. We understand that, and we can't delve into the investigation itself, as other authorities are conducting it, but have you seen any evidence of corruption?

Ms. Karen Hogan: When it comes to matters of a criminal nature, I would tell you that the experts in this area are the RCMP, and I will leave that evaluation to them.

Mr. Parm Bains: You're not in any way involved in that piece of the investigation. You're looking at discrepancies in documentation and those sorts of things.

Ms. Karen Hogan: It's the RCMP's responsibility and not that of the Auditor General's Office to look into matters of a criminal nature.

Mr. Parm Bains: Okay, thank you.

Would it be safe to say that this kind of contracting occurs at the level of officials? Concerning the study you've been conducting, public service officials are involved in the contracting that takes place.

Are there any political-level members involved in this? Has that come across anywhere? Did ministers sign off on this?

Ms. Karen Hogan: I think in a situation like this, when so much goes wrong, I would tell you that every level of management is responsible and accountable for this. It isn't just contracting decisions. It was poor project management, and it was poor testing of an IT system before it went live. There was so much that didn't happen the way it should happen. I would tell you that it's all the levels of management within the public service.

When it comes to briefings, again, with no governance structure or oversight mechanism set up, we saw very little of that. We did see some email exchanges that showed that the deputy was aware of things, but there was very little briefing. The thinness of the file is such that I can't comment on briefings to anyone outside of the public service.

Mr. Parm Bains: Information sharing did not go far enough when decisions were made.

Ms. Karen Hogan: If briefings occurred, they were not maintained. You would have expected to see something formal about a briefing to a deputy head or to the political arm, and there is no evidence of this on file in a formal way.

Mr. Parm Bains: I recall asking the question of Mr. Doan specifically as to who made this decision. He said that the team made the decision, and I asked him how many members were on the team. He said 1,600, so then I asked him if 1,600 people made the decision. Then the answer was, no, there are six board members, so we are still sort of uncovering that.

Were you able to pinpoint those decisions at some point out of all those people you mentioned?

• (1730)

Ms. Karen Hogan: As we noted in the audit report, we were unable to determine exactly who made the decision to award the contract to GC Strategies. I guess I would tell you two things. One is

that I would expect that a deputy head is always answerable for all questions that happen in their organization, and that's why management plays an important role. The assistant deputy ministers, the directors general and the directors all play an important role in ensuring that policies are followed and that the right tone is set so that files are properly documented.

In this case, what we saw around the decision is that the executive director signed off on a contract requisition that authorized Public Services and Procurement Canada to issue the contract. In my view, when a public servant exercises the delegation of authority that is given to them, that comes with responsibility and accountability.

Now, if they felt that they had been pressured or didn't want to do this, then they should have informed their supervisor or someone else in the agency, or followed any of the mechanisms that are available when they feel they're being pressured, and we saw none of that.

Mr. Parm Bains: There was no evidence of that.

Ms. Karen Hogan: We saw that the executive director signed the contract requisition. In my view, that comes with responsibility and accountability.

Mr. Parm Bains: Thank you.

Is my time up?

The Chair: Thank you very much, Mr. Bains. You have about 10 seconds left, but I'll add it onto your next round.

Mrs. Vignola, you have two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Ms. Hogan, you said that public servants had been invited to dinners and that you saw no evidence that they had disclosed the invitations, gifts or what have you. However, did you find any evidence that they had accepted the invitations?

Ms. Karen Hogan: Yes, under CBSA's code of conduct, employees are required to notify their supervisor of those kinds of situations. We found no evidence that they had done so. I spoke with some individuals who said that they had notified their supervisor. If they did so orally, we saw no evidence of it. Having that information documented is important to show that mitigation measures were put in place to avoid any conflict of interest, real or apparent.

We didn't see any such documentation.

Mrs. Julie Vignola: Is there evidence that they attended the events?

Ms. Karen Hogan: It's uncertain, but under the code of conduct, employees have an obligation to inform their supervisor when they are invited to an event, even if they don't go.

On the basis of the interviews I conducted, I think certain individuals attended the events, but I can't say with certainty.

Mrs. Julie Vignola: All right.

Earlier, we were talking about how the Treasury Board Secretariat had encouraged departments and agencies to be more flexible for the purpose of achieving results, while still demonstrating due diligence.

When it issued that policy or advice, did the Treasury Board Secretariat provide a procedure for organizations to follow? Was it just a notice? Did the Treasury Board Secretariat provide guidance on the procedure to follow, or did it simply tell the public service that this was an emergency situation, that everyone was overwhelmed and that organizations needed to be flexible?

Ms. Karen Hogan: The Treasury Board Secretariat sent the public service a letter. The letter was very clear, indicating that organizations could be flexible in following the usual processes, which can be cumbersome and time-consuming. The letter made it very clear, though, that decisions had to be documented.

The letter didn't stipulate how organizations should document decisions, but doing so was necessary in order to demonstrate proper accountability to Canadians.

Mrs. Julie Vignola: I'm going to ask you the questions I asked you—

[English]

The Chair: I'm afraid that is our time.

Mr. Bachrach, you have two and a half minutes, please.

Mr. Taylor Bachrach: Thank you, Mr. Chair, and thank you, Ms. Hogan, for your responses so far.

We're getting to this question of whether this is a situation specific to the ArriveCAN app and specific to the conditions of the pandemic, or whether this is something more systemic throughout government procurement. If we recall the circumstances by which the ArriveCAN app drew people's focus and attention, we see that it really started with the public health components of the app. Now we're talking about potential misconduct when it comes to procurement.

In your view, is this something that is likely to be a problem across government procurement?

• (1735)

Ms. Karen Hogan: I can't really speak to that, because this audit was really focusing in on the procurement process around ArriveCAN. I can tell you that the procurement ombud, who recently released a report, looked at procurement at the Canada Border Services Agency and raised similar concerns. I will tell you that our recommendations were rather quite aligned. When I read his report, I think I was left with the impression that he was as perplexed as I was about the lack of documentation at the Canada Border Services Agency around procurement.

If you have two seconds, I believe that Andrew Hayes would like to add something, if possible.

Mr. Taylor Bachrach: Sure.

Mr. Andrew Hayes (Deputy Auditor General, Office of the Auditor General of Canada): Yes, I just want to add that it's interesting that the procurement ombud did suggest in a recommendation that PSPC should retract the authority of the CBSA to issue

task authorizations. That's a pretty significant recommendation. I think that when the president appeared yesterday at the public accounts committee, she mentioned the fact that actions that she described as a "belt and suspenders" were being taken to address what might be issues that could be a bit broader. She's taking a different approach, which might be more severe right now.

Mr. Taylor Bachrach: I would like to ask one more question. My colleague, Gord Johns, brought forward a motion to expand this committee's outsourcing study to look at government contracts being given to the big six consulting companies: Deloitte, KPMG, McKinsey, Pricewaterhouse Coopers, Accenture and Ernst & Young.

Can you tell me about your office's plans for such an audit? Is this something we can expect to see in the near future?

The Chair: I'm afraid the answer will have to be in the near future, because we're out of time. Perhaps we can get back to it in your next round.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

The Chair: Next, we have Mr. Genuis, for five minutes.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Auditor General, we have in front of us a devastating audit showing outrageous cost overruns, rigging of contracts, a serious absence of documents, and the breaking of ethics rules on a sole-source contract for an app that didn't work and sent at least 10,000 people falsely into quarantine. This is the "arrive scam" app scandal. It adds to things we already know about résumé tampering, waste, cozy relationships with useless contractors and, in some cases, activity that was clearly criminal.

What we do not yet know fully is the motivation animating the people involved in this scandal. None of this was necessary, and none of this was normal. There's no plausible excuse for what happened.

Why do you think they did it?

Ms. Karen Hogan: I'm unable to answer that question. That's something an RCMP investigation would likely answer if it were to look into this matter.

Mr. Garnett Genuis: Did you see any indication of what was motivating the people involved in these actions, other than those who made money from it, I suppose? What about the people inside the government?

Ms. Karen Hogan: I believe the public servants were responding to a need. There was a need to improve the efficiency at the border, and the ArriveCAN app, as we reported in 2021, improved the quality of the information that was gathered at the border as travellers were coming in.

The ability of the government in—

Mr. Garnett Genuis: I'm sorry to jump in. It's because of the time limit.

I understand that explains the perception around having some kind of an app, but in terms of the way they operated specifically, the choices that were made around documentation and rigging, did you have any indication of what might have motivated those choices?

Ms. Karen Hogan: When we spoke to individuals, they often told us that it was the pandemic. They were just trying to respond to a need. In my view, an emergency is not a reason to throw the rules out the window. You should still follow good procurement practices.

Mr. Garnett Genuis: Essentially, those are the same excuses we're getting from the government right now. I agree with you that this was not adequate.

We have an internal investigator looking into this now, apparently. This internal investigator is subject to the authority of the president of the CBSA and has acknowledged that he is not independent.

What failures does this audit point to, specifically, in the actions of the president's office?

• (1740)

Mr. Andrew Hayes: In terms of the audit findings, I'll answer this quickly.

The failure of senior management will be in the lack of oversight and monitoring. We mentioned that there wasn't a budget set up at the beginning. It's very difficult to monitor whether a project is on time or on budget when you don't have a budget.

Senior management should have been watching this.

Mr. Garnett Genuis: There's no way senior management could say, "Oh, well, there were a couple guys at mid-level." You're saying there's an expectation of oversight. Can you confirm that?

Can you also advise what expectations you would have had of PCO in terms of ensuring the proper processes along the way?

Mr. Andrew Hayes: I would agree that senior management should be watching what's happening in the organization, whether that's the chief information officer or, on a project that's spending a lot of money, the executive committee.

In terms of the Privy Council Office, at this point we wouldn't have had expectations it would be watching this, except for the fact that, because of the nature of the pandemic, it would have been wanting to see that there was a way to collect information at the border in an efficient manner.

It's understandable, because this was under the agency's authority, that CBSA should have been responsible and accountable for how this happened.

Mr. Garnett Genuis: The department and the minister were responsible. You would have expected, because of the nature of the pandemic, there would have been some questions about the process from PCO. Obviously, it was not its primary responsibility.

Mr. Andrew Hayes: This was the responsibility of the Public Health Agency of Canada and the Canada Border Services Agency.

Mr. Garnett Genuis: Thank you.

Ms. Hogan, in your time working in this area as Auditor General, would you say this is the worst you've ever seen?

Ms. Karen Hogan: Well, it's definitely very bad record-keeping and financial record-keeping. It's not the worst financial record-keeping I've ever seen—to have invoices that clearly did not have sufficient information to be able to validate that the services had

been received, and then where to record them and what project to charge them to.

I testified yesterday about how we had to go through many journal entries at times, which didn't really say much, to get to the original journal entry to find the source documentation, to then be able to trace it to a task authorization and see if it was linked to ArriveCAN or not. With that kind of record-keeping.... It shouldn't be that difficult to find out where money went and what it should be charged to.

The Chair: Thanks.

We have Mr. Jowhari, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Thank you, Madam Hogan and your team, for the work you've been doing and the amount of effort and testimony over the last three days.

In your brief you indicated, "We were unable to calculate the exact cost of the ArriveCAN application, but by piecing together information available, we estimated that ArriveCAN cost approximately \$59.5 million."

Over the last three days since that comment was made initially at public accounts, many numbers have been thrown around. When you indicated an estimate—estimates usually come with a range—can you give us a sense of what that range is?

Ms. Karen Hogan: When we say "estimated" here, it's because we're unclear whether there are additional expenses—

Mr. Majid Jowhari: Could it be \$200 million?

Ms. Karen Hogan: I cannot guess that—

Mr. Majid Jowhari: Could the application be \$8 million?

Ms. Karen Hogan: There were many invoices, and it was very clear that lots of these expenditures were linked to the ArriveCAN app—

Mr. Majid Jowhari: That's fair enough.

I know the breakdown of \$59.5 million is associated with how much went to each of the contractors. Did you ever come across any document that said this amount of money was given to the development; this amount of money went into implementation; this amount of money went to the roll-out; this amount of money was for post-implementation support, and so forth—document tracking, document maintenance, passing these documents? Are there any documents around that could help us to really understand what the development costs were of that application and the other costs associated with it?

Ms. Karen Hogan: I have seen a document that is available on the Canada Border Services Agency website, I think, where you can see that it breaks down. At the time it was \$55 million, I believe. It's broken down like that—between the cloud, between a call centre and so on.

We had difficulty just piecing it by contractor, so we didn't try to piece it together by type of work.

• (1745)

Mr. Majid Jowhari: In public accounts, I was part of the group of MPs who were there. You talked about value for money. I'm seeking clarification. In your opinion, do you think we received value for money?

Ms. Karen Hogan: I would speak about value in two ways here.

There was value received during the pandemic. I made a reference earlier to our 2021 report, which found the ArriveCAN app did improve the quality of the information collected from travellers and the timeliness of that information. For example, at the time the paper form in some instances was taking over 28 days to get to the Public Health Agency, and it was hard to follow up on a 14-day quarantine.

I would then tell you that there's an enduring value in that now the Canada Border Services Agency has used some of this to springboard automation at the border—the customs declaration form—but it's clear to me that the public service paid too much for the application.

Mr. Majid Jowhari: You also, in your testimony, said that probably the work could have been transitioned to CBSA after the application was developed, etc. Did you look into whether the CBSA at that time had the capacity, the resources and the knowledge to be able to handle the support that was needed?

I don't know. I see lots of concerning issues, and thank you for highlighting them. Also, the CBSA has agreed to it, but do they really have the resources to support an application like this?

Ms. Karen Hogan: There were many factors that contributed to our assessment that this was not the best value for money. The one that you're highlighting is the long-term dependency on external resources. I would have expected to see CBSA do that analysis. You shouldn't embark on something and have a long-term objective to stay dependent on a vendor. You should be able to transition internally.

Mr. Majid Jowhari: In your report, you indicated that there was a modification made that led to about 10,000 people by mistake going into quarantine. Did that study have any numbers around how many times...? I know my colleague talked about the 18 million downloads, but how many transactions went through that application?

Ms. Karen Hogan: We didn't actually audit the ArriveCAN application itself. The motion was to look at the procurement, the development and the implementation, not the functionality. We were looking at releases to the application. There were 177 releases. We looked at the 25 major ones. The consequence of not properly documenting and completing user testing is that errors could occur.

Mr. Majid Jowhari: We agreed on that.

With about five seconds to go, 60 million transactions were done. If you look at it, that's over \$60 million. That's about a dollar per transaction. If I evaluate an application out there that is worth a dollar per transaction and manage that, I think we can go back and figure out how much the value of that application is. Probably that's one way we could look at it.

Thank you for your consideration, Mr. Chair. You gave me 27 seconds extra.

The Chair: Everyone else always runs over but you never do, so I'm glad to give you that extra moment, Mr. Jowhari.

Mr. Brock, please, you have five minutes.

Mr. Larry Brock (Brantford—Brant, CPC): Thank you, Chair.

Auditor General, we talked yesterday at public accounts regarding performance bonuses at PHAC during this boondoggle that wasted over \$60 million of taxpayer funds. They want to reward themselves with bonuses to the tune of almost \$340,000.

When I asked Erin O'Gorman, president of the CBSA, she was hesitant to provide me with details.

As part of your mandate, did you uncover any evidence to suggest that Ms. O'Gorman and other senior executives and other employees of the CBSA had bonused themselves while fleecing taxpayers?

Ms. Karen Hogan: When we looked at this, we weren't looking at HR matters or compensation, so I have no comments to provide on that.

Mr. Larry Brock: That's fair enough.

I want to focus on paragraph 1.44 of your report, which talks about your not examining any work around ethics and code of conduct because of the RCMP investigation and the internal investigation.

You must be aware that the internal investigation has absolutely nothing to do with the ArriveCAN work that you looked at. It has everything to do with a Botler complaint that was received in November 2022. Was that explained to you?

Ms. Karen Hogan: The internal investigation, it's my understanding, is looking into the conduct and ethics of certain individuals. I believe it extends beyond Botler, but I didn't look at all the details.

I'll ask Andrew if he can add something there.

• (1750)

Mr. Andrew Hayes: Thank you.

Just as a preliminary comment here, we deliberately did not share the preliminary document with the Auditor General for the purposes of maintaining independence, objectivity and impartiality in the work.

Mr. Larry Brock: Excuse me. Are you talking about the preliminary statement of fact?

Mr. Andrew Hayes: That's right.

Mr. Larry Brock: Okay. Was that shared with you?

Mr. Andrew Hayes: Yes. I've read it carefully.

Mr. Larry Brock: Okay, and you did not share that with Ms. Hogan.

Mr. Andrew Hayes: No.

Mr. Larry Brock: Okay. You would agree with me, Mr. Hayes, that it really has nothing to do with ArriveCAN per se but the handling of contracts related to another software company out of Montreal by the name of Botler.

Mr. Andrew Hayes: What I would say about the preliminary document, which I'm hesitant to call a statement of fact because there are still procedural things—

Mr. Larry Brock: A statement of validation is more like it.

Mr. Andrew Hayes: Our understanding is that the individuals against whom allegations have been made have not responded yet, so at this point in time we consider that document to be preliminary and are not really relying on it as an authoritative document.

Mr. Larry Brock: I just want to focus. This really had nothing to do with the ArriveCAN app per se, but was a secondary issue. That secondary issue was also referred to the RCMP.

I just want to be abundantly clear with you, Ms. Hogan. In my view, there was absolutely no legal impediment preventing you from examining any sort of criminality or any suspicions regarding criminality, because your audit on ArriveCAN was really not the focus of the RCMP, as confirmed by the Liberal bench numerous times, and the RCMP are not investigating ArriveCAN, or rather Botler, and the internal investigation likewise.

My question for you is very simple.

Take that away. Take the RCMP away. Take the internal investigation away. You have a mandate, I believe, that if you uncover or have any suspicions regarding criminality, you must report that to the RCMP. I believe Mr. Hayes shared that with me at an earlier appearance.

Take those two concepts away. Given the gross breach of trust by public officials, elements of fraud and forgery, were there any red flags, any suspicions, that you would have deemed to be appropriate to report to the RCMP?

Ms. Karen Hogan: This was a bit of an unusual situation. The way you described it is absolutely correct. If we found evidence that caused us to believe that law enforcement should be involved, we would refer a matter to the RCMP.

In this situation, I didn't have to turn my mind there, as the RCMP was already potentially looking at a matter relating to contracting from the CBSA, so I met with the RCMP. I talked to them in generalities about our findings, because our report had not yet been made public. I said to them that once it was made public, if they would like to have access to our file to see our evidence, they should send me a production order.

Mr. Larry Brock: At this point you did not specifically refer any allegations to the RCMP.

Is that correct?

Ms. Karen Hogan: That's correct, because, as I said, they were already investigating a—

Mr. Larry Brock: I understand.

In light of what we heard today, which is that GC Strategies has been billing—

The Chair: Mr. Brock, that is our time. I'm sorry.

Mr. Sousa, go ahead for five minutes.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Mr. Chair.

Thank you again, Ms. Hogan, for being here today and providing us with some insight into some of the things that are very worrisome for all of us.

You mentioned that there was no indication of the capabilities of certain contractors to do the work, yet ArriveCAN was established. Substantive and very complex issues were dealt with. Millions of Canadians were affected, and border crossing measures were taken. To your admission, this actually improved information exchange in order to support the process.

The indication of capability may not have been there, but are the results positive? Did it accomplish what it was intended to?

Ms. Karen Hogan: In our 2021 audit, in which we followed up on border measures, we did highlight that the ArriveCAN application improved the quality of the information that was collected from travellers and enhanced the timeliness of the government's follow-up.

I should note that they still did not follow up with two-thirds of travellers, but it was still an improvement from at the start of the pandemic.

Mr. Charles Sousa: I agree, and the alternative would have been worse.

The other thing you mentioned was that because it was a pandemic and because of the urgency provided to the civil service to try to get this out quickly, that is no excuse for the lack of reporting or lack of accountability.

The impossibility of reconciling these matters has to be resolved. Procurement has taken steps to remove the delegation authority that you just mentioned, enable better e-based enablement for those contracts, and also provide for the cost basis of the bid so we have a better understanding as to why they're creating the price they're putting forward. That gives us a bit more transparency and a bit more understanding.

Another colleague asked if this is the worst you've seen.

I don't think you were the auditor when they were looking at the G8 legacy infrastructure fund. Eighty-three million dollars were approved, and then \$50 million were asserted to the funds that were allocated through the ministers.

I think the headline was “no accountability”, and procurement wasn't followed by the Conservatives at the time. Here's an indication of a procurement that involved elected officials in the disposition of \$50 million in funds to the G8 in Huntsville and one of the ministers at the time from the Conservative benches.

This did not happen here. Were any elected officials engaged in your review?

• (1755)

Ms. Karen Hogan: As I said earlier on, there wasn't a good governance structure set up. That governance structure would normally include good oversight and briefing. While we saw evidence that the deputy minister was aware, I saw no formal documentation to show that a briefing was done either at the political level or to the deputy head in a formal way.

Mr. Charles Sousa: Did you see decisions on contracts made by elected officials?

Ms. Karen Hogan: We saw a lack of documentation for some of the most basic decisions being made, like why GC Strategies was selected or why a sole source was used. I mentioned in my opening statement that what we didn't find is concerning.

Mr. Charles Sousa: I understand what you didn't find. I'm trying to see if you found any indication, which you haven't, from what I can tell in your response.

Really, there is a lack of information that we should be more aware of.

Do you think it's appropriate during an investigation, be it with Botler by the RCMP or on another issue, that elected officials should engage with witnesses, given that this is what you do?

Ms. Karen Hogan: It's not up to me to comment on what elected officials should do. I would tell you that I would not want to interfere personally with an investigation or impede in its impartiality or objectivity.

Mr. Charles Sousa: Because of the integrity of the investigation....

You read the public statement of facts or the interim statement of facts. Do you think it's appropriate for that to be divulged publicly during this period of time?

Mr. Andrew Hayes: I think that's a question that has to be looked at in context.

I believe, if I understand correctly, that the preliminary statement of facts might have been shared with the committee by one of the individuals. If that's indeed true, that's their personal information that they can share. That's a question more for the committee than for us.

Mr. Charles Sousa: I understand, but I'm just asking you, personally. Given that there's an investigation, given that we have some sensitivities, given that there are a number of things we're trying to do, if you were the investigator trying to determine this, would you find that to be an interference with your work?

Mr. Andrew Hayes: As an investigator, I would be doing everything I can to maintain the integrity of my investigation and recognizing that I would not be the source of putting information out there. However, the other people who are being investigated have their rights as well.

The Chair: Thank you very much.

Mrs. Vignola is next, please, for two and a half minutes.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Ms. Hogan, you talk about the 177 versions of the ArriveCan application in your report. You say that 25 of the 177 versions were major, and that there was no documentation of the results or processes.

What about the other 152 versions? Do you have any data on those versions? How significant were they? What were they for? Who made the changes and who asked for them?

Ms. Karen Hogan: Of the 177 versions of the ArriveCAN application that were released, we examined the ones that were considered major, so those that included substantial changes. We would expect the 25 versions to be well-documented, but for half of them, so 12, there was no documentation of user testing. Of the remaining 13 releases, only three were well documented, and the documentation was incomplete for the other 10.

We did not examine more releases, because we found that the best practices we expected would be followed when changes are made to an application's software and a new version is released weren't.

• (1800)

Mrs. Julie Vignola: Thank you.

I want to make an analogy.

For the past two days, people have been asking whether the application was useful. We've been given data on the economic situation, the sharing of information and medical equipment that was received. You even said that it worked, that the application was useful.

Say I buy a Lada for \$59 million. Yes, it gets me from point A to point B. It serves the intended purpose. Did I get my money's worth, though, considering that I could've bought one for \$12,000?

Is that the rationale we are being given, here? We bought something that works and that does what it's supposed to, but we paid \$59 million for it. It does the job, but the price tag is hefty.

[English]

The Chair: I am afraid we don't have time for a response, apart from a yes or no, so perhaps in Mrs. Vignola's next round....

Mr. Bachrach, please go ahead.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

To go to my previous question from the last round, I wonder, Ms. Hogan, if you could provide the committee with an update in response to the letter the committee sent. This was stemming from my colleague Mr. Johns' motion concerning the department's "make-or-buy decisions" and the Treasury Board's cost guidelines in the context of OGGO's ongoing study on outsourcing. Would it be possible to receive a response from your office?

Ms. Karen Hogan: I'm not exactly sure what you're referring to. I haven't received a letter or a notification, but we always respond to letters we receive from the House of Commons.

Mr. Taylor Bachrach: Okay. Perhaps we'll follow up outside of this meeting. My understanding was that a letter was supposed to have come from the committee, requesting a particular audit.

I wanted to raise another issue. I think one of the most troubling revelations to come out of this larger inquiry into ArriveCAN has to do with something that's outside the scope of the audit that we're talking about today, and that is the charging of commissions by subcontractors.

We understand that those commissions can be between 15% and 30%. You've made comments about value for money for the Canadian public. If there are two layers of subcontractors working on these projects and each of them charges a 30% commission, then all of a sudden you're in a position where more than half the money is going to people who don't necessarily do any work on the actual project.

Now, it seems like this is something that we need to get a better sense of, and I wonder if you, as Auditor General, can point this committee in a direction in terms of how we can investigate further this issue of commission charged by subcontractors who don't do any work and the cost that is imposing on the public purse.

Ms. Karen Hogan: There are many hypotheticals there. I guess what I would tell you is that this is why a competitive process is really important. Having competition and many vendors bidding for the same work enhances the opportunity to reduce the price and to guarantee that the Government of Canada gets the best value for money.

Right now, contracts and subcontracts are allowed in the procurement vehicle for the Government of Canada. What I would expect to see is that the essential requirements that are in a main contract are then carried through to the subcontract, and it would be the responsibility of the public service to make sure it happens—for example, that security clearances are carried through to subcontractors and that skills are carried through, but that monitoring rests with the public service.

The Chair: Thanks very much.

Go ahead, Mrs. Block, please.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

Madam Auditor General, notwithstanding the glaring mismanagement that you have pointed out and the gross waste of taxpayers' money, we continue to be deeply concerned with what we believe may be corruption within the department when it comes to the awarding of contracts. In the course of our study of ArriveCAN—and I'll perhaps follow up on what my colleague Mr. Bachrach was questioning you about—we have had extensive issues with scrutinizing subcontractors. We know that we do not have the ability to scrutinize them in the same way that we do contractors. We have also learned from departments that the scrutiny of these subcontractors is far less strenuous than that of contractors.

In paragraph 1.53 of your report, you mention, “We also found a situation where the agency reached out to a firm—one that did not have a contract with the agency—to complete work on ArriveCAN. A few days later, the firm's resources were added to a task authorization under a contract with GC Strategies.”

This is concerning. It would seem like a ploy to allow GC Strategies to get a cut for the work done by this new resource by putting

them on a task authorization underneath GC Strategies and reducing oversight.

Can you tell us the name of the firm you referenced in this paragraph?

• (1805)

Ms. Karen Hogan: I'm going to have to look to someone else for that answer.

We'll have to look in our audit file, and we can get back to the committee on that.

Mrs. Kelly Block: I would also ask you to provide us with information about whether or not we received value for money for the work of this company that became a subcontractor for GC Strategies. Again, would it have been cheaper for CBSA to contract that firm directly rather than make them a subcontractor to GC Strategies?

Ms. Karen Hogan: As we noted in that paragraph that you started quoting, the last few sentences state that it was unclear why there wasn't a contract entered into directly by the Canada Border Services Agency, and, as a result, it's likely that the CBSA paid more for those resources than they would have if they had contracted directly with the vendor.

Mrs. Kelly Block: Thank you very much.

I'm going to go back to your mandate as the Auditor General. I had the privilege of working with you on public accounts in my role as chair of that committee. I understand that your role is to take a look at the processes, rules and policies that a department puts in place to conduct its work and that you audit those processes, policies and rules.

I guess what I am asking you to comment on is that I think we really do need to delineate the difference between the responsibility to know, which would be the minister's responsibility, and the responsibility to act, which would be the responsibility of the deputy head or those who fall within the organization underneath them.

Do you believe that ministers ought to have known what was happening in their departments during the pandemic? Perhaps they weren't responsible for what happened, but did they have a responsibility to know?

Ms. Karen Hogan: In my view, that's a matter that a minister and a deputy minister should be having a conversation about and agreeing on the matters on which briefings should occur. I think every department and every minister might have a different view or a different expectation. That should be outlined and clear between the deputy head and the minister.

Mrs. Kelly Block: Thank you very much.

The Chair: Thank you.

Mr. Kusmierczyk, go ahead, please.

Mr. Irek Kusmierczyk: Thank you, Chair.

In your report, Ms. Hogan, you talk about value for money. The three pillars of value for money are “the consideration of economy (minimizing cost), efficiency (maximizing output), and effectiveness (fully attaining the intended results)”. Your findings demonstrate to us that the conditions were not there for Canadians to have trust or confidence that they were receiving maximum value for money. We didn't have strong record-keeping, as you mentioned. Strong oversight was lacking. You recommended reducing dependence on outsourced IT specialists especially, over time, and more competition.

Is that, in a nutshell, what the report is saying—that the conditions were not there for Canadians to be confident that they were maximizing value for money in this instance?

• (1810)

Ms. Karen Hogan: I think in this instance, the resources weren't available at the beginning of the pandemic. That's why outsourcing was a reasonable decision. There are times when turning to a vendor makes a lot of sense, but a long-term dependency shouldn't be there.

We concluded that the app was effective, as I mentioned in 2021, but it was not efficient or done with due regard for value for money. The things that were missing were basic elements that traditionally we see in the public service. Many of my recommendations are very obvious recommendations, I would say. It's unlike us to issue such obvious recommendations. The policies exist. The rules exist. The good practices are typically followed. We would have expected to see that happen here, even though it was an emergency.

Mr. Irek Kusmierczyk: I completely understand. I think you have full agreement with those around the table here on the major significant shortcomings that we saw when it comes, again, to record-keeping, oversight and competition. The conditions were simply not there to make sure that Canadians could get fair value for money.

I did want to talk about effectiveness for a second. I have a unique vantage point as an MP in a border community. ArriveCAN was very important in our community to guarantee the free flow of goods across our border, specifically across the Ambassador Bridge. Every single day, \$400 million in goods cross the border on the Ambassador Bridge. About a third of all two-way traffic along the U.S.-Canada border goes through that crossing. We're talking about 1.4 million trucks per year, or 10,000 trucks daily. These trucks carry everything, such as car parts that allow our factories to operate and folks to go to work. They carry medicines for hospitals and health care, including vaccines. They carry food and basic vital resources for our communities.

ArriveCAN allowed the free movement of goods. You yourself mentioned that had there been a paper-based system, it probably would have ground the traffic to a halt on that border. This allowed for the free flow of goods during the pandemic.

Has that been taken into consideration in your analysis of value for money for Canadians? Again, we're talking about over a billion dollars' worth of trade that every single year goes across that border, which the ArriveCAN app allowed to cross seamlessly during the height of the pandemic.

Ms. Karen Hogan: I would tell you that this was effective in that it allowed border officers to be able to physically distance. It improved the quality of information that was collected from travellers. It sped up the process at the border. I would tell you that those 10,000 individuals who were told to incorrectly quarantine probably don't agree that it was effective.

However, even though it was effective, it doesn't mean you should pay more than you should have for an app. There's a difference between being effective and getting good value for money.

Mr. Irek Kusmierczyk: However, was it effective in terms of allowing that seamless movement of goods—140 billion dollars' worth of goods—across that border crossing every year? Was it important to maintain that free flow of car parts, vaccines, medicine and food across the border?

Ms. Karen Hogan: I can't really comment on that. When we were looking at the border measures, it was around the health measures that were being imposed at the border. ArriveCAN sped up the ability to verify that individuals entering the country were vaccinated and had done a COVID test. It also improved the ability of the Public Health Agency to follow up with those who should be quarantining, to confirm whether that was happening or not.

We didn't look at how the border was managed and whether it impacted the flow of goods in or out. Our audit did not go that far in 2021.

• (1815)

Mr. Irek Kusmierczyk: Thank you.

The Chair: Thank you, Mr. Kusmierczyk.

Mrs. Kusie.

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

Madam Auditor General, in paragraph 1.67, you state that “the [CBSA] approved time sheets that included no details on the work”, which means it's highly likely that contractors were being paid for completing no work.

Who were the contractors who submitted these blank time sheets?

Ms. Karen Hogan: That paragraph doesn't speak about blank time sheets. What was missing from the time sheets were the projects that they might relate to or the work that was accomplished. There would have been an individual's name and the hours worked, but what was often missing were the details that would allow you to know which IT project it went toward and which contract or task authorization it related to. That's just not good financial record-keeping. It's not good controls or practices to validate that the government is paying for what it actually received.

Mrs. Stephanie Kusie: Thank you.

My colleagues across the aisle talk continuously about the security of the application and the use of the application, but in paragraph 1.74 you state that GC Strategies used two resources to check the cybersecurity of ArriveCAN and did not ensure that these resources had the adequate security clearances. Is that correct?

Ms. Karen Hogan: Yes, we did find that individuals who did some of the security testing did not have the security clearances that were required by the contract. However, that security testing was done in a test environment. It still raises a concern, because a person could potentially be identifying the vulnerabilities of the application, but they did not have access to individuals' data, since it was in a test environment.

Mrs. Stephanie Kusie: Are there many levels of the CBSA and PSPC that handle security checks to ensure the integrity and security of Canada's private information?

Ms. Karen Hogan: We didn't look at who issues security clearances here. What we were looking at was that a task authorization required that an individual doing work needed to have a certain level of security clearance. We would have expected that the Canada Border Services Agency would have ensured that those carrying out the work had the requirements that were outlined in the task authorization, and that's not what happened here.

Mrs. Stephanie Kusie: Do you know how many points of failure occurred to allow this to happen? In a process, would there be certain security checkpoints that you would audit in terms of following through a process? Would you be able to determine the number of points where this failed?

Ms. Karen Hogan: I think that's a difficult question. I guess it would start off with whether the security requirement checklist was done before a task authorization or a contract was put forth. Once you set out the requirements in that task authorization, someone should have ensured that the resources that were proposed by the vendor met those requirements. Then you would have had to check a second time when the invoice came in that it was the actual individual.

There could be many points where this could have been flagged. In this instance, I don't know the details as to where that failure might have occurred. However, the fact remains that individuals who didn't have clearance carried out the work, and they shouldn't have.

Mrs. Stephanie Kusie: Since GC Strategies had two examples of not properly vetting their resources and following the proper security protocols, do you think that perhaps this should require further review? Should, perhaps, their work across other departments—the quarter-of-a-billion dollars, as we learned today—those security clearances and those who worked on these GC Strategies' projects be under further review after correlating the revelations that were found within your report and then the quantity of work completed by GC Strategies across government that we learned about today?

Mr. Andrew Hayes: In our report, we made it a recommendation that all resources, including contractors and subcontractors, should have valid security clearances on the file prior to starting any work. It's important that it's before they start work. Regardless of who the contractor is—in this case, GC Strategies—that should be happening. Wherever this contractor is working, we would expect

that departments or agencies are looking to make sure valid security clearances are in place before work is started.

Mrs. Stephanie Kusie: I agree entirely with this recommendation.

Further to the investigation by the RCMP, Botler AI also made allegations that were reported in October 2023, which stated that they were not given the proper security clearances before they began their work back in 2020. Do all of these examples bring concern of a systemic problem for you across government, or certainly across the agency, regarding security clearances?

• (1820)

Ms. Karen Hogan: It's hard to speak across the government, since we really focused here on ArriveCAN, but it is a concern. If there's a requirement that an individual have a security clearance and the person managing that contract didn't make sure that happened, that is a concern. There are valid reasons for having security clearances in place, and that's why we issued the recommendation. It does concern us.

Mrs. Stephanie Kusie: I had mine done at Foreign Affairs. It was quite a process: top secret.

Thank you, Chair.

The Chair: Thanks very much.

Mr. Jowhari, please.

Mr. Majid Jowhari: Thank you, Mr. Chair.

Mr. Chair, if you'll allow me, I'm going to make a comment, and then I'll resume my line of questioning. The comment builds on what my colleague, MP Kusmierczyk, was talking about.

I'd like to put the following to Canadians and all of our colleagues. If there was an e-commerce application that had 18 million users, processed 60 million transactions and facilitated over billions of dollars of monetary transactions, what would its valuation be today in the market? There's a big difference between the cost of developing an application, including making code, and what it's valued at. I'll leave it at that. If you're interested, go do a bit of research to understand what the valuation of such an application is.

Thank you for indulging me.

Madam Hogan, you talked about the deputy head being accountable and the executive director being responsible. In consulting, we have a concept that's called RACI: responsible, accountable, consulted, informed. That's what RACI stands for. You said that by virtue of the fact that the executive director has signed that authorization requisition, that individual is both responsible and accountable.

I'm finding a conflict, and I'm hoping that you will be able to clarify. On one hand, on the accountability, it goes to the highest level, and you identify the deputy head. On the other hand, the responsibility is.... Can you help me clarify that? Who is ultimately accountable, and who was responsible?

Mr. Andrew Hayes: The origin of that statement about deputy head accountability is rooted in the Financial Administration Act, which makes it clear that deputy ministers, in this case the president of the agency, are the accounting officers for the departments or agencies for which they're responsible. They're answerable to Parliament for all of the activities of their organization.

Mr. Majid Jowhari: Ultimately, it is the deputy head. Is that fair?

Okay, thank you.

You indicated there was a lack of documents to determine how many of the department officials attended these events. You were saying there were emails that requested that the officials attend these social events. Is there any indication as to how many of those there were and how many of them indicated...? Was it 100, 50, two or one? Is there any indication as to how many employees attended those?

Ms. Karen Hogan: We were talking about invitations that we saw that vendors sent to individuals linked to ArriveCAN. I think I have to start with that. It is linked to ArriveCAN. We didn't do a bigger, broader search across the Canada Border Services Agency. In this instance, we saw three or four vendors who sent invitations to individuals in the IT branch—

Mr. Majid Jowhari: How many invitations were there? Were there 10, 20, 100?

Ms. Karen Hogan: As I said, I don't have a comprehensive list, but I can tell you that there were three or four vendors who invited at least five Canada Border Services employees. There were another half a dozen individuals on those emails as well. Because we couldn't see the extensions, we're not exactly sure if they were Canada Border Services employees or other public servants.

Mr. Majid Jowhari: Could you talk about the level of these five individuals from CBSA who were invited?

Ms. Karen Hogan: It would go from the assistant deputy minister down to the working level.

Mr. Majid Jowhari: Do you know how many times the invite was made? Was it five times?

Ms. Karen Hogan: I do not know who attended, and I do not know if any of them, in accordance with the code of conduct of the agency, reported this to their supervisor.

• (1825)

Mr. Majid Jowhari: Thank you very much.

Mr. Chair, you gave me 27 seconds. I'm going to give you back 27 seconds.

The Chair: Thanks very much.

We're going to switch over to Mrs. Vignola.

AG Hogan and Mr. Hayes, we're just distributing a letter you wrote to us. I think that's what Mr. Bachrach was referring to. I want you to have it in case he brings it up in his interventions.

Mrs. Vignola, you have two and a half minutes.

[*Translation*]

Mrs. Julie Vignola: Thank you.

This is fascinating.

I'm not the Auditor General, and I don't think I'll ever have the skills to be the Auditor General, but I do like reading, rereading and scrutinizing information that is available when it comes to government transparency.

How far did you go in your examination of the contracts and documentation for the purposes of your audit?

Ms. Karen Hogan: Our audit covered the period from January 1, 2019 to January 31, 2023, so we examined the documents provided for that period.

Certainly, we did do some work and have some discussions after that period, but that is the period covered by the audit.

Mrs. Julie Vignola: All right.

I see a lot of data and information, which I am gathering. Unfortunately, I'm not done analyzing it all.

Is it common for a company to receive up to three different IT consulting contracts totalling approximately a million dollars, all in a single day?

That is a genuine question. As a mere mortal, I find it astounding.

Ms. Karen Hogan: There are rules stipulating that contracts can't be split to avoid certain thresholds when requirements are in place.

It's hard to say whether that's normal. If the three contracts were very different and very separate, if they were for very different services and they weren't connected, it's possible. However, there are a lot of rules around contract splitting. It's important to ensure that processes are followed so that contracts aren't split.

I'm not sure whether that answer is helpful.

Mrs. Julie Vignola: Yes, because it helps me zero in on certain things as I carry out my own analysis.

I see certain contracts, and I'm wondering about one of them. It's with one company, in particular. Three contracts were awarded for similar services on the same day by the same organization.

The reason I ask is that I find it really surprising.

Thank you for enlightening me as I delve into all of this.

Ms. Karen Hogan: What we look for in a situation like that is documentation to support why the contracts were awarded.

Mrs. Julie Vignola: Thank you.

[English]

The Chair: Thanks very much.

Mr. Bachrach, go ahead, for two and a half minutes.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I will return to my previous question regarding the letter sent from the committee.

To refresh folks' memories, on October 3, 2022, my colleague, Mr. Johns, moved the following motion:

That, in the context of its study of outsourcing of contracts, the committee write to the Auditor General of Canada to recommend an audit of the implementation of the Treasury Board's Guide to Cost Estimating by departments in relation to make-or-buy decisions and oversight of the Treasury Board with respect to the same.

In November, Ms. Hogan, your office wrote to the committee and confirmed receipt of the letter. You said that you would keep those topics in mind when you audited the ArriveCAN app.

I would note that the context of the motion that was passed by the committee dealt with the study on outsourcing that the committee is undertaking. That study has been expanded to include contracting out to the big six consulting companies.

As much as you did touch on these topics in the context of the ArriveCAN app, the larger question of whether these policies are being upheld across government procurement is still outstanding.

I'll ask again. Is your office willing to undertake an audit on the Treasury Board's guide to cost estimating and make-or-buy decisions regarding the oversight of Treasury Board in the context of government outsourcing to the big six consulting companies?

I think it's a question that is very much in the public interest, so I'm keen to hear what your office's response would be now that the ArriveCAN audit is done.

• (1830)

Mr. Andrew Hayes: I'm sorry. I apologize to the person who puts on the light. I kept pressing it off when they were putting it on.

Mr. Taylor Bachrach: I've done that myself.

Mr. Andrew Hayes: In response to this letter, we signalled that we were going to be doing an audit of ArriveCAN and that we were going to be determining the scope. This was not included in the scope for the ArriveCAN audit. However, we covered it in a different way in our audit, "Modernizing Information Technology Systems", which was tabled in the fall.

We did talk about the process and the guidance that Treasury Board gives to help departments make decisions around IT systems. It's not exactly about make-or-buy decisions, but to a certain degree that is going to be covered in our future audit that we will be tabling, we expect, in May.

The point I'm making here is simply that while it's not covered in the ArriveCAN audit, you can find some helpful information in the audit that we tabled in the fall.

Mr. Taylor Bachrach: If I may, Mr. Chair—

The Chair: Be really quick.

Mr. Taylor Bachrach: —it feels as if there are little tidbits here and there, but what the committee was after was a specific audit on the topic of make-or-buy decisions and the Treasury Board's guidelines, particularly with reference to the big six consulting companies, which are getting hundreds of millions, if not more, in government contracts, many of them granted non-competitively. There's a real question there around whether the public is getting value for its money.

The Chair: You have to wrap up, Mr. Bachrach. You're way past time.

Mr. Taylor Bachrach: Thank you very much, Mr. Chair.

The Chair: Okay, thanks.

We'll have Mr. Brock and then Mr. Sousa, please.

Mr. Larry Brock: I'll go back to you, Auditor General.

In light of the shocking revelations revealed today that GC Strategies received a quarter of a billion dollars under the Justin Trudeau government for a myriad of contracts, probably very similar in nature to that of the ArriveCAN scandal, does that, in and of itself, heighten your suspicions with respect to GC Strategies, and if it does, does that heighten them enough to notify the RCMP to expand their investigation to ArriveCAN specifically?

Ms. Karen Hogan: As I said previously, I've spoken to the RCMP. We'll be happy to open our file, should they issue a formal request, so they can see the documentation and the evidence that we have around our audit.

Mr. Larry Brock: When you had those discussions with the RCMP, they never closed off that possibility. They didn't say to you, for instance, I'm sorry, Auditor General, we're not interested, or anything like that.

Ms. Karen Hogan: No. I followed up the meeting with a letter on January 26, and I have not heard from them since then.

Mr. Larry Brock: Thank you.

Did President O'Gorman ever confirm with you any suspensions of any other CBSA employees as a result of your findings?

Mr. Andrew Hayes: We are not aware of any suspensions. We know that the two individuals who have been discussed at this committee previously have been suspended by their organizations, but we're not aware of any within the CBSA.

Mr. Larry Brock: Thank you.

Were you aware, as well, of the allegation that Minh Doan, former vice-president of the CBSA, had deleted and/or mysteriously had four years' worth of emails corrupted? Were you aware of that fact?

Mr. Andrew Hayes: Yes, we are aware of that.

Mr. Larry Brock: Would you agree with me that this, in and of itself, could constitute an obstruction of justice?

I'll perhaps go to you, Mr. Hayes, with your legal background.

Mr. Andrew Hayes: When information is missing, there are always concerns about why. In the case of our audit, we were able to obtain information, emails, that Mr. Doan sent to and from people who were relevant to our audit work, so we—

Mr. Larry Brock: Certainly not all four years' worth.

Mr. Andrew Hayes: We got a considerable number of emails. We can't say that this is completely comprehensive, because there are emails that would have been deleted along the way.

Mr. Larry Brock: Thank you.

Mr. Hannoush, is it correct that you interviewed Mr. MacDonald and Mr. Utano literally within a few weeks of the release of the report?

Mr. Sami Hannoush (Principal, Office of the Auditor General of Canada): Yes. We interviewed them in January.

Mr. Larry Brock: When you interviewed both Mr. MacDonald and Mr. Utano, was the report of the Auditor General substantially completed?

Mr. Sami Hannoush: We were still in the process of completing the report.

Mr. Larry Brock: Did any of the evidence that you received, either orally or with documentation produced to you by both individuals, in any way factor into the ultimate report that you have shared with Canadians?

Mr. Sami Hannoush: What was provided to us orally was confirmed with the two individuals when we interviewed them.

In terms of the materials provided, those were considered in the context of all of the other information we had in our files.

• (1835)

Mr. Larry Brock: Were you also informed that Kelly Belanger of the CBSA was responsible for project management during the course of the ArriveCAN creation?

Mr. Sami Hannoush: I don't recall specifically that.

Mr. Larry Brock: Were you informed by Mr. MacDonald or Mr. Utano that she also was rewarded with a non-advertised promotion?

Mr. Sami Hannoush: I'm not aware.

Mr. Larry Brock: No? Okay.

Did you interview the two partners of Botler AI?

Mr. Sami Hannoush: We did, yes.

Mr. Larry Brock: You did, yes.

Did you ever receive, either from Botler or from President O'Gorman—or from anyone else from the CBSA, for that matter—the full report regarding the misconduct alleged in the fall of 2022? Did you receive a copy of that?

Ms. Karen Hogan: Can we just clarify? Are you talking about the internal investigation or the Botler complaint?

Mr. Larry Brock: I mean the Botler complaint.

Ms. Karen Hogan: The team did receive a copy of the Botler complaint, yes.

Mr. Sami Hannoush: Yes, we did.

Mr. Larry Brock: Okay. Was it complete? It wasn't redacted in any way.

Mr. Sami Hannoush: It was not redacted, no.

Mr. Larry Brock: Okay.

Besides the two individuals who are currently suspended without pay—MacDonald and Utano—were there any other allegations of misconduct with any other CBSA employee contained in that report?

Mr. Sami Hannoush: I would have to go back to the report at this point. We read that months ago.

Mr. Larry Brock: Can you go back to the report and share with this committee details of any other allegations of any other individual other than MacDonald and Utano, please, within 15 days?

Mr. Andrew Hayes: I'm not sure if we're able to do that. That would be a request probably best made to the agency.

Mr. Larry Brock: Thank you.

My time is up.

The Chair: Mr. Sousa, please.

Mr. Charles Sousa: Thank you.

A line of questioning has just occurred relevant to an investigation that's ongoing. A line of questioning just occurred with information and details to which only people involved in that investigation are privy, so it appears to me that information has been released and has been transferred over for others to press, and this is where the problem lies. Therein lies the problem of the integrity of the investigation itself. Do you feel it's appropriate?

Mr. Hannoush, you've been interviewing and you've been meeting with the witnesses. You've been dealing with and have had some discussions with the individuals involved, both at Botler and in regard to GC Strategies. Is that correct? You just confirmed that you've had those discussions.

Mr. Sami Hannoush: Can you repeat the question? I apologize.

Mr. Charles Sousa: You confirmed that you have had discussions with the two witnesses in the statement of fact and that you've had discussions with the two founders of Botler.

Mr. Sami Hannoush: Yes, I can confirm that.

Mr. Charles Sousa: We're all concerned about obstruction. We're concerned about misuse of authority. We're concerned about people taking advantage of their privilege in order to contract with others. If there's some collusion, if there's some sort of wrongdoing, we want to get down to the bottom of it. The RCMP was given notice by the government relative to this very issue. The government.... Is that not correct? Who provided the RCMP with the initial request to investigate?

Mr. Andrew Hayes: The Canada Border Services Agency informed the RCMP and, just to be clear, we made a deliberate decision to not duplicate or compromise other investigations.

Mr. Charles Sousa: You made a deliberate decision not to.

Mr. Andrew Hayes: Yes.

Mr. Charles Sousa: Was that because you didn't want to compromise the investigation? I think that is what you just said.

Mr. Andrew Hayes: Ultimately, we did not want to duplicate work that was being done by other organizations, and we did not want to compromise what work was going on.

Mr. Charles Sousa: Absolutely, and rightly so.

When government officials and government elected officials, no less, who are now trying to get into their video conferences and displays and trying to go after the.... We want the truth; we absolutely want to get to the bottom of this, but is it necessary in Canada...? We're not in North Korea. The government doesn't control the police. The government is not in charge of forcing it to investigate or not. Is the RCMP, in your opinion, Auditor General, aware of the circumstances before us in this committee, given what they are doing with Botler?

• (1840)

Mr. Andrew Hayes: I think it's fair to say that there's a lot of attention on what is happening, both publicly and behind the scenes, in terms of the investigation that the CBSA is conducting. I would imagine that the RCMP is watching that. We are not in a position to comment on what the RCMP—

Mr. Charles Sousa: Rightly so; nor should a committee, and nor should elected officials. The RCMP has it within its purview to figure out if there's criminal activity at play, and this is where some are presupposing that these are criminals. That hasn't been decided. The investigation has not been completed. We need that investigation as taxpayers and as officials in government. Those who are in the bureaucracy and in the civil service all want to make certain that people are abiding by the law.

If they are not abiding by the law, after the investigation is complete and determined, be it by the RCMP or the internal investigation, then consequences will occur. By having officials or elected members playing...I don't know what they're playing, with others out there, does that prejudice the outcome? Also, is it necessary to ask the RCMP to do something that they themselves will determine?

Mr. Andrew Hayes: Our role as an independent agent of Parliament is to support the work of Parliament. We made a deliberate decision not to duplicate work that was happening in other places, but it's not for us to describe—

Mr. Charles Sousa: Does the RCMP require our instruction? That's my point. Can they not proceed without anyone instructing them to do so? Are they independent to do the work they're there to do?

Mr. Andrew Hayes: My understanding is that the RCMP is an independent organization. However, I would just reiterate that it's not for us to tell the RCMP what to do, and it's not for us to tell Parliament what to do.

Mr. Charles Sousa: Is it up to elected officials to tell the RCMP what to do?

The Chair: That is our time, Mr. Sousa.

Mr. Charles Sousa: You let him go on. I want that answer. Are elected officials entitled to tell the RCMP what to do?

The Chair: Mr. Sousa, you have the clock as well, and I allowed several of your colleagues to go a bit longer as opposed to the others.

That is our time.

AG Hogan, Mr. Hayes, Mr. Hannoush and Ms. Després—

Ms. Karen Hogan: If I may, Mr. Chair...?

The Chair: Yes.

Ms. Karen Hogan: An honourable member asked a question before around paragraph 1.53. Could I provide the response to the committee?

The Chair: Sure. We will always welcome responses from you—you don't have to ask. Are you going to tell us now, or in writing?

Ms. Karen Hogan: Can I do it right now?

The Chair: Oh, sure.

I'll get to you in two seconds, Ms. Kusie.

Please go ahead.

Ms. Karen Hogan: It was about paragraph 1.53. I believe it was Ms. Block who asked the name of the vendor, and it was KPMG.

The Chair: KPMG. Yikes.

I just want to say “thank you” again.

Ms. Després, I'm sorry you weren't able to join the conversation. It's always a pleasure having you with us, and we look forward to seeing you again, but perhaps after a bit more of a break.

Colleagues, I'll hear from Mrs. Kusie, and then we'll suspend, as we have to switch over.

Mr. Bachrach, you're going to have to leave and come back into a new Zoom, but just hang on right now.

Mrs. Kusie, you have something for us, please.

Mrs. Stephanie Kusie: Yes, I have a matter of hand motion, please.

The Chair: Yes, please go ahead.

Mrs. Stephanie Kusie: We have seen now the evolution of the involvement of GC Strategies and the implication of GC Strategies, not only in the Botler and GC Strategies investigation but also in their implication in ArriveCAN.

It started out initially that we believed they were involved in ArriveCAN for \$11 million. This is the number that we believed, on all sides of the House...that my colleagues and I brought up many times in the House. Then we find out that it's actually \$19 million, thanks to the good work of the Auditor General. We're all, of course, very grateful for this report.

Then we find out today that it actually could be more than the \$19 million, given that the incomplete paperwork could result in a number that is greater than that.

Then we find out, due to reports within the media today, that GC Strategies has received, since 2015, \$250 million in contracts across this government. I think individuals on all sides of the House are incredibly concerned as to the processes that GC Strategies followed, and we are certainly concerned to get to the bottom of how such a large amount of contracting was awarded to a firm that, as we have seen, actually does none of the work but works as a head-hunting firm, as my NDP colleague referred to.

I really think that this behooves a greater investigation and a great evaluation by a body bigger than this committee. It's very hard to dispute that, given the increasing allegations that I've mentioned here today.

I present the following motion. It reads:

That, in light of new reports that GC Strategies has received \$258 million since 2015 in government contracts, including 46 sole-sourced contracts, the committee call on the Auditor General of Canada to conduct a performance audit, on a priority basis, of all payments to GC Strategies and its contracts with the Government of Canada, including all departments, agencies and Crown corporations, including all subcontracts which GC Strategies has awarded under those contracts; and that the committee report these findings to the House.

Thank you, Mr. Chair.

• (1845)

The Chair: Thanks.

I understand from our clerk that this was sent out an hour ago.

Mr. Sousa, you have the floor.

Mr. Charles Sousa: Thank you, Mr. Chair.

On this side of the House, we also want to get down to the bottom of these issues and these items. I'd like to propose an amendment, and it would be as follows, if I may: "That in light of new reports that GC—

The Chair: I'm sorry; can I interrupt you? Do you have it written down?

Mr. Charles Sousa: I do have it written down. I can share it.

The Chair: Yes, please share it with the clerk while you're reading it or as soon as you finish reading it. Thanks, Mr. Sousa.

Mr. Charles Sousa: It's in keeping with the proposal, and it would read as follows:

That, in light of new reports that GC Strategies has received millions of dollars in government contracts, including a number of sole-sourced contracts—

I'm removing "\$258", and I'm removing "since 2015" and removing the number 46—it could be "a number" of them.

—the committee request the Auditor General of Canada to conduct a performance audit, on a priority basis, of all payments to GC Strategies, including and specifically with Kristian Firth and/or his business partner, Darren Anthony, before the founding of GC Strategies, and all contracts with the Government of Canada, including all departments, agencies and Crown corporations, including all subcontracts which GC Strategies and the aforementioned have been awarded under those contracts.

Then I remove the rest of it. I'm saying to go after all of it.

The Chair: Are you sending it out?

Mr. Charles Sousa: It's being sent to you guys right now.

The Chair: Okay, thanks.

We'll start with Mrs. Vignola on the amendment, please.

[*Translation*]

Mrs. Julie Vignola: I'm fine with either one. If there's something fishy, if there's something wrong, the important thing is making sure we find it, so we can make the processes better. The goal isn't to point fingers. This isn't a people's court. The history teacher in me feels the need to point out that people's courts led to tens of thousands of women being burned throughout history. Let's not hold a people's court in this day and age, please. We are here to examine the processes, and make suggestions and recommendations that will improve them.

I'm fine with the amendment, even if it lacks the specific references Ms. Kusie had in the original motion. It gives us the ability to explore whether the company received more or less than \$258 million in contracts, or more or less than *x* number of contracts. We can take a deep dive.

What bothers me, though, is removing the part about the committee reporting its findings to the House. In reporting to the House, we bring our recommendations and findings to the House's attention. I'm less amenable to that part of the amendment.

If it's okay with the member, I propose a friendly amendment to leave in the part about the committee reporting its findings to the House.

• (1850)

[*English*]

The Chair: We've just got Mr. Sousa's amendment in French. That's wonderful. We'll send it out.

[*Translation*]

Mrs. Julie Vignola: I'll repeat what I said. Teachers are used to that. They are always repeating themselves.

Given what I said a moment ago, I propose a friendly amendment to leave in the part about the committee reporting its findings to the House, so that we can pass on our findings, input and recommendations based on the report.

[*English*]

The Chair: Thanks.

I see Mr. Genuis on the subamendment of Ms. Vignola to reinstate "report it to the House".

Mr. Garnett Genuis: Oh. Did she just move it as a subamendment? Okay.

I want to speak in support of Ms. Vignola's subamendment.

There are a few things we have to parse out about what Mr. Sousa is doing here, because, for fans of *Doctor Dolittle*, I think we see a bit of "pushmi-pullyu" appearing to happen at the same time.

I think the reality is that we have seen efforts by the government members to limit the investigation into this issue. They opposed the initial motion calling for the audit of ArriveCAN. They tried to prevent—and, in fact, did prevent—the internal investigator from testifying. They have tried to suggest that we shouldn't be exploring this issue until an internal investigation is complete, but that internal investigation is marred by significant risk of interference, given that the internal investigator reports within the existing structure of the CBSA. The CBSA cannot be trusted to investigate itself.

We've had an excellent report from the Auditor General, and we've had an excellent report from the procurement commissioner, and the work of this committee must continue. I think further work is required by the Auditor General on the issue of other contracts involving GC Strategies.

There are some aspects of the amendment that just seem odd to me. Why would you take out the numbers? They've been reported. It's not as if they're a secret.

On the specific issue of the subamendment, I think it's a good subamendment, because we are not supportive of efforts to bury this issue and bury this conversation. It's the job of committees to report to the House. This is a serious issue, and we think the work of the committee should be reported to the House.

I hope we can adopt the subamendment and then continue going forward.

The Chair: Is there anyone else on Ms. Vignola's subamendment?

I see Mr. Kusmierczyk and Mr. Sousa.

Mr. Irek Kusmierczyk: Could we suspend for one minute, please, just to be able to discuss it, because there are both an amendment and a subamendment on the floor?

The Chair: Sure, if we can keep it quick. Thanks.

We are suspended.

• (1850) _____ (Pause) _____

• (1855)

The Chair: I call the meeting back to order. We are back in session.

I think Mr. Genuis has the floor.

Mr. Garnett Genuis: Chair, I just want to clarify the subamendment that we're talking about.

I think there's some ambiguity around the language that says, "and that the committee report these findings to the House". I think maybe it would make sense for it to say, "and that the committee report this to the House". I don't know if that is what the subamendment was or if that's a new subamendment.

An Auditor General's report goes to the House. What is important here is that when a committee makes a request for an audit, that does not carry nearly the same weight as when the House makes a request for the audit, so I think we need to report this request to the House in order to ensure that the request for the audit actually comes from the House as a whole.

That can be done quickly, but it does require that reporting to the House. I don't know if I can make a friendly clarification of the subamendment.

• (1900)

The Chair: I think it might be easier just to have a vote, vote it down and then go back to the amendment and introduce a proper—so to speak—subamendment, as opposed to subamending the subamendment to the amendment to the motion.

[*Translation*]

Mrs. Julie Vignola: If I understand correctly, you're asking me to repeat—

[*English*]

The Chair: I'm sorry. It's Mr. Bachrach and then Mr. Sousa after Mr. Genuis. Then we'll come back to you, Mrs. Vignola.

Mr. Bachrach.

Mr. Taylor Bachrach: Thanks Mr. Chair.

On the topic of reporting to the House, I think the best time to have a fulsome debate in the House on this topic is after we've received the report from the audit that we're requesting.

Reporting the motion to the House doesn't seem to me to be necessary. What we really want to get out of this is for the Auditor General to conduct an audit into the items that are listed in the motion. Given the seriousness of the allegations and the information that's been uncovered to date, I would hope that the Auditor General would take that request very seriously.

I certainly support the content of the motion and the direction that this is heading in. However, I don't think having a debate in the House prior to the completion of the audit is well considered or necessary at this point.

The Chair: Thanks. I'll just chime in quickly to address that, Mr. Bachrach.

The issue is more that the committee cannot, even with a motion, compel the AG to do the report. The idea is that if it goes to the House, the House can ask the AG to do it. We cannot. I am going to assume that is the intent behind reporting it to the House.

It's Mr. Sousa, and then we'll go back to Mrs. Vignola.

Mr. Charles Sousa: Thank you, Mr. Chair.

In regard to the subamendment, it's the original amendment by the Conservatives. It's their own wording that we're bringing back.

Notwithstanding what I just heard, I don't understand that aspect, but we're prepared to support your friendly amendment to the amendments and proceed.

The Chair: We'll go to Mr. Genuis, and then we'll see if there's still a speaking list.

I'm sorry. Give me a second.

Mr. Bachrach, your hand is up. Did you wish to speak again to this subamendment?

Mr. Taylor Bachrach: It's just on that last part, which is on the subamendment to put the reporting to the House back in.

Is that correct?

The Chair: That's Mrs. Vignola's subamendment, yes.

Mr. Taylor Bachrach: I guess my understanding of it differs.

The Chair: I'm sorry; I'm just asking if your hand is up or not.

Mr. Taylor Bachrach: It is up, yes.

The Chair: Okay. We'll get to you after Mr. Genuis.

Mr. Garnett Genuis: Just for procedural simplicity, I think the simplest thing to do, if there's a desire to do this, is to adopt Mrs. Vignola's subamendment. Then I would like to propose another subamendment, which might be adopted or rejected. It seems that just allows us to move forward.

Is there agreement to adopt Mrs. Vignola's...?

The Chair: We have Mr. Bachrach on the speaking order. Then perhaps we can get to a vote on Mrs. Vignola's subamendment.

Go ahead, Mr. Bachrach.

Mr. Taylor Bachrach: As I was saying, Mr. Chair, I support the idea of the House asking the Auditor General to conduct an audit.

What I don't support necessarily is our trying to instigate a debate in the House prior to the results of that audit being tabled. I think it's really the results of that audit that are going to be important to inform our debate. I would prefer that we focus on urging the Auditor General to conduct the audit.

Maybe there's a misinterpretation on my part in terms of what that clause of the motion aims to do. Usually when we see these sorts of things, the intention is to trigger a concurrence debate in the House. If the intention is actually to get the House to request the audit of the Auditor General, I would support that fully.

Thank you.

The Chair: I think that is the intent.

Do we need a vote? Are we in agreement on Mrs. Vignola's subamendment?

(Subamendment agreed to)

The Chair: We are back to Mr. Sousa's amendment, as amended.

Go ahead, Mr. Genuis.

• (1905)

Mr. Garnett Genuis: Now that we're back on the amendment and we have the language “and that the committee report these findings to the House”, I think we need a bit of clarity about what we're reporting.

Obviously, when the Auditor General's reports are complete, they are tabled in the House. I think what we mean to do is report the request for the audit to the House, to advise the House of our desire for that audit.

I would propose that we add the words “this request and” ahead of “these findings”. It would simply say, “and that the committee report this request and these findings to the House”.

I think that clarifies what we mean here.

The Chair: Great. We're back to a subamendment. I'm going to have the clerk read back Mr. Sousa's now-amended motion with Mr. Genuis's subamendment. The clerk is going to read it back. I'll have him read it back in both languages, colleagues.

The Clerk of the Committee (Mr. David Chandonnet): The motion, with the subamendment, reads:

That, in light of new reports that GC Strategies and other companies incorporated by the co-founders has received millions of dollars in government contracts, including a number of sole-sourced contracts, the committee request the Auditor General of Canada to conduct a performance audit, on a priority basis, of all payments to GC Strategies and other companies incorporated by the co-founders, and all contracts with the Government of Canada, including all departments, agencies and Crown corporations, including all subcontracts which GC Strategies and the aforementioned have been awarded under those contracts; and that this request and these findings be reported to the House.

Mr. Garnett Genuis: Pardon me for jumping in, but it's “and that the committee report this request and these findings to the House.”

The Chair: That's your subamendment.

Mr. Garnett Genuis: My subamendment is to add those three words. The revised line would be that, just for clarity.

The Chair: Could you do it in French for Mrs. Vignola as well?

Listen in to the translation to make sure.

The Chair: I'm starting a speaking list on Mr. Genuis's subamendment to Mr. Sousa's amendment.

I see Mr. Bachrach.

Mr. Taylor Bachrach: Yes, Mr. Chair.

With regard to that point, I can support reporting the findings to the House, although it does seem redundant, given that the Auditor General's report would also be tabled in the House.

I'm not sure of the utility of reporting the request to the House, so I won't be supporting the subamendment.

• (1910)

The Chair: Mr. Genuis.

Mr. Garnett Genuis: Thank you, Mr. Chair.

It's very simple. The House—and I think the chair already spoke to this—needs to make the request in order for it to actually be assured of happening. Parliamentary committees exercise important authority, but it's delegated authority from the House.

The Auditor General has been clear in the past that if a committee asks for an audit, the answer is “Okay, maybe.” If a private citizen writes to the Auditor General and asks for an audit, the answer is “Okay, maybe.” If the House, collectively, asks for an audit, it means something different.

Look, this doesn't have to be a long, drawn-out process in the House. I would suggest that once this is reported, Mr. Bachrach, you or someone else seek the unanimous agreement of the House to deem it concurred in right away. I don't think anybody will have any excuse for saying no. Then it will be done.

My appeal would be that we send the request in so that the House can do it, and let's do it quickly and decisively. There's no need for debate, provided that this process works.

Mr. Taylor Bachrach: I can support that, Mr. Chair.

Mr. Charles Sousa: What are we supporting?

The Chair: It's Mr. Genuis's subamendment to your amendment. Do you want me to have it read back one more time?

Mr. Charles Sousa: Yes.

The Chair: Just bear with us. I'll have the clerk read it back one more time.

The Clerk: The motion would read:

That, in light of new reports that GC Strategies and other companies incorporated by the co-founders has received millions of dollars in government contracts, including a number of sole-sourced contracts, the committee request the Auditor General of Canada to conduct a performance audit, on a priority basis, of all payments to GC Strategies and other companies incorporated by the co-founders and all contracts with the Government of Canada, including all departments, agencies and Crown corporations, including all subcontracts which GC Strategies and the aforementioned have been awarded under those contracts; and that the committee report this request and these findings to the House.

The Chair: Do you need it read out in French, Mrs. Vignola, or was the translation fine?

[*Translation*]

Mrs. Julie Vignola: The translation was excellent. I won't make you read it out again.

[*English*]

The Chair: It appears to be your motion in the entirety with the added line of “this request and these findings to the House”. Otherwise, it appears to be your amendment.

Mr. Charles Sousa: Can you just send it to us? Just send it over, so that we can have....

The Chair: Mrs. Block.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

In looking at this motion, I do have one question. Actually, I have one question for the mover of this amendment.

The Chair: We're on the subamendment. Mr. Genuis moved the subamendment that we're discussing right now.

Mrs. Kelly Block: Okay, so we're not talking about Mr. Sousa's amendment yet.

The Chair: No, we're on the subamendment.

Mr. Garnett Genuis: Let's finish this up and then....

The Chair: We're sending it out again.

Mr. Sousa, quite literally it's your amendment in its entirety, with, added at the end, “that the committee report this request and these findings to the House”. Otherwise it is your amendment.

• (1915)

Mr. Garnett Genuis: Chair, I think we're ready. Are we not suspended? I think we're ready to proceed.

Mr. Charles Sousa: Could we have two minutes?

The Chair: We've read it repeatedly to you, Mr. Sousa. I'm not sure how much more you need, but make it two minutes maximum, please.

• (1915)

(Pause)

• (1915)

We're back. Go ahead on Mr. Genuis's subamendment.

Mr. Charles Sousa: Yes. Right now we're at Mr. Genuis's subamendment to Mrs. Vignola's amendment. Is that right, and we're adding to it now?

The Chair: We are now on Mrs. Vignola's subamendment.

Mr. Charles Sousa: Okay, so now we're using Mr. Genuis's subamendment.

The Chair: It's purely that one final line added to your amendment in its entirety.

Mr. Garnett Genuis: Sorry, I have a point of order, Chair.

I think you misspoke a little, so just to avoid confusion, we voted in favour of Ms. Vignola's amendment.

The Chair: I'm sorry. Yes. I apologize.

Mr. Charles Sousa: We voted in favour, but Mr. Genuis is now amending that amendment, and I'd like to add to Mr. Genuis's—

The Chair: No, we're not amending Mrs. Vignola's amendment. We voted it in, so we're back to your amendment. Mr. Genuis is now—

Mr. Charles Sousa: —making another amendment.

The Chair: That's right, so we're debating his amendment.

Mr. Charles Sousa: In debate on Mr. Genuis's amendment, I'd like to add to it, so keep it but add a portion to it.

Mr. Garnett Genuis: Just as a point of order, you can't sub a sub, but you can—

Mr. Charles Sousa: I'm not trying to sub, I just want to suggest—

The Chair: You would have to offer a subamendment to that subamendment.

Mr. Charles Sousa: That's what I'm trying to do, yes.

Mr. Garnett Genuis: You need to adopt. There is a process whereby you need to adopt—

Mr. Charles Sousa: I can't adopt it without the subamendment—

The Chair: We're dealing with the subamendment—

Mr. Charles Sousa: —and I want to adopt it with the add-on, if I could add to it, whatever process that requires.

Mr. Garnett Genuis: That's not allowed in the rules, though. You can't sub a sub.

Mr. Charles Sousa: Yours is not a sub, yours is an amendment to—

The Chair: We're debating the subamendment right now.

If you want to accept it, then we'll be back to your original amended amendment, and then perhaps someone else can put forward a change to that.

Are we okay with that, then?

Mr. Charles Sousa: Yes, so in order for us to add to Mr. Genuis's subamendment—

The Chair: We'll be adding to the whole—

Mr. Charles Sousa: We'd be adding to the whole of the.... It has yet to be accepted. Is that right?

Then I would like to do that, if that's okay. We would agree to his amendment, and then I'd like to add on an amendment to it.

The Chair: Someone else will.

Mr. Charles Sousa: I'm sorry. Okay, well then, fair....

The Chair: I'm sure Mr. Kusmierczyk or someone else will.

Are we okay with accepting Mr. Genuis's subamendment, and then someone else can perhaps do Mr. Sousa's change? Are we okay, everyone?

Just give us a couple of seconds, so that the clerks have it.

We are accepting Mr. Genuis's subamendment, and that's the one that we have read in a few times and have emailed out.

(Subamendment agreed to)

Mr. Majid Jowhari: Basically, we have an amendment suggested by Mr. Sousa that's been subamended twice, and both of them have been accepted.

Now we are on another subamendment that our colleague—

• (1920)

The Chair: Now we have a speaking order.

I see Mr. Kusmierczyk is next to speak.

If we're going to be changing anything, it would be the email that just came out that had Mr. Genuis's change in it. That's what we are back to debating right now.

I recognize Mr. Kusmierczyk, who is next on the speaking list.

Mr. Irek Kusmierczyk: We're back on the amendment, and I would like to put forward a subamendment.

Are we back on track?

The Chair: We are.

Mr. Irek Kusmierczyk: Okay, good.

It would just be to add the following sentence to the end of that amendment, so it would read, "and that, pursuant to Standing Order 109, the committee request a government response."

The Chair: It's pretty simple.

On the subamendment, I have Mr. Genuis.

Mr. Garnett Genuis: Chair, the effect of this request, as my colleagues know, is that it delays the possibility of.... The response time requirement is 120 days. We're in the middle of February. This means that effectively there could be no decision of the House on this matter, taking into consideration timelines and so forth, probably until into the summer and then into the fall session.

Notionally, the idea of asking the government to provide feedback on this is welcome, but the reference to Standing Order 109 is a sneaky attempt by the government to effectively prevent the House from pronouncing itself on this matter until the fall.

I hope the committee will join me in seeing through the continuing shady efforts of the government to bury this issue by stealth and not support this subamendment.

The Chair: We'll vote on Mr. Kusmierczyk's subamendment.

Mr. Irek Kusmierczyk: I would like a recorded vote, please.

The Chair: There's a tie. I will also vote no.

(Subamendment negatived: nays 6; yeas 5 [*See Minutes of Proceedings*])

The Chair: We're back to Mr. Sousa's amendment.

We're back to the most recent one that was emailed out.

Mrs. Block.

Mrs. Kelly Block: Thank you very much, Mr. Chair.

This may be a small point, but I just want to make it. I also believe there is a typo in this motion. I don't know if it's always left to your discretion to deal with typos. I do believe the first statement that says "That, in light of new reports that GC Strategies and other companies incorporated by the co-founders" should say "have received millions of dollars".

We've been referring to a report that was released today, and it referred only to GC Strategies. I completely understand why you're including further down in the motion "other companies incorporated by the co-founders and all contracts". I'm just pointing out that it's misleading to say that the new report identifies GC Strategies and other companies incorporated by the co-founders when it did not.

• (1925)

The Chair: Are you offering a subamendment to change the word “has”?

Mrs. Kelly Block: Yes, I'll offer that subamendment, if it has to be done that way.

The Chair: Can we have agreement that we'll change the word “has” to “have”?

Mrs. Kelly Block: Can't you just fix it?

The Chair: It's just on changing the word “has” to “have” and not the other issues that were commented on.

Mr. Majid Jowhari: The word “have” goes further into the past than “has”. That's the issue.

The Chair: I think it's just changing it grammatically. It's purely a grammatical thing.

Mr. Majid Jowhari: Because there are two partners and these two—

The Chair: No, no. We're not addressing that. It's just “have” instead of “has”. It's purely grammatical—nothing else.

(Subamendment agreed to)

(Amendment agreed to)

The Chair: Okay. We are perfect. Thank you, Mrs. Block.

Normally, Mrs. Vignola the teacher, I expect that from you, and I'm sure that was coming later today.

[*Translation*]

Mrs. Julie Vignola: The French doesn't have any grammar mistakes. How wonderful.

[*English*]

Yes. You made a mistake on the easiest part.

The Chair: Are we ready to go to a vote on this amended motion, everyone? It's on the amended motion, the final one that had been emailed out to everyone. It's the one emailed out, but with “have” and not “has”, because we've agreed to make the grammatical change, the correction. We'll record it.

(Motion as amended agreed to: yeas 9; nays 0 [*See Minutes of Proceedings*])

The Chair: Wonderful. It passes.

Colleagues, we are going to suspend.

Mr. Garnett Genuis: On a point of order, Chair, I want to clarify. We've adopted the main motion now, so are we good?

The Chair: Yes.

Mr. Garnett Genuis: Thank you.

The Chair: Mr. Bachrach, I think you have to sign out and sign back in with a different Zoom. We'll suspend for a couple of minutes until we get Mr. Bachrach back, and then we'll be back in camera.

Mr. Taylor Bachrach: I won't be there, Mr. Chair. I'm going to have a sub for the in camera portion. Thank you.

The Chair: Okay.

[*Proceedings continue in camera*]

• (2005)

The Chair: Okay, everyone, the interpreters have their paperwork.

Mr. Sousa.

Mr. Charles Sousa: Mr. Chair, thank you so kindly.

I'd like to move a motion dated today, February 14, and it reads as follows:

That, pursuant to Standing Order 108(3)(c), the committee undertake a study on the government's work towards regulatory modernization; that the committee examine matters including:

(a) Examining how to reduce the unnecessary administrative burden for individuals and small businesses;

(b) Examining how to simplify regulatory processes, including certifications and codes of practice, without the need to make regulatory changes and the introduction of regulatory sandboxes;

(c) Cutting unnecessary red tape to make cross-border trade easier through more consistent and coherent rules across governments, such as adopting national standards more widely; and

(d) Examining regulations that may impede international competitiveness;

That the committee allocate four meetings to conduct this study; that witnesses be submitted to the clerk of the committee by February 28, 2024; that the committee report its findings and recommendations to the House; and that, pursuant to Standing Order 109, the government table a comprehensive response.

In the French and English versions, I think the date is February 21, but we suggest February 28.

The Chair: Did you say by noon on February 28 for witnesses?

Mr. Charles Sousa: Yes.

The Chair: Thanks very much, Mr. Sousa.

We actually started one in OGGO in the last Parliament. We actually had a motion like this one, as well. I appreciate your bringing it back. I see Mr. Kusmierczyk's border stuff, so I suspect it is involving that.

I see agreement among all of us. Is that correct?

Mr. Cannings.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): The NDP doesn't see the necessity of moving so quickly with this. We would rather this be scheduled after the Canada Post study.

The Chair: This is just a motion. This is not to start a meeting.

Mr. Richard Cannings: However, there is a date involved here.

The Chair: I think it's a date for witnesses, Mr. Cannings.

Mr. Richard Cannings: As long as that's understood, then.

The Chair: This is a motion to start, not to set dates or anything, and it's solely for witnesses. I understand your point, but it's not affecting that.

Is there agreement?

(Motion agreed to)

The Chair: It's passed, so thank you for bringing it up.

Very quickly, on Canada Post, I've reminded everyone several times that Friday at noon is the cut-off for witnesses.

Before we go, we have Mrs. Vignola.

[*Translation*]

Mrs. Julie Vignola: During my first turn, when Ms. Hogan was here, I gave notice of a motion. I read it out in French, so that is the authoritative version. The English version can be amended or drafted to match the French. I wanted to know whether the committee agreed with compelling the production of the documents listed. As it stands, the motion does not include any meetings or anything else. It is merely about compelling the production of documents for the purposes of our examination.

Does the committee agree with the motion I read out during my first turn?

• (2010)

[*English*]

The Chair: Is your intent to move the motion right now, or are you just asking if we're generally in favour, and that we pass it at the next meeting?

[*Translation*]

Mrs. Julie Vignola: Are we ready to vote on the motion now?

[*English*]

The Chair: Mr. Jowhari.

Mr. Majid Jowhari: Thank you for that motion.

In general, we've always been supportive of transparency and making sure we have access to unredacted documents, given the circumstances.

Can we ask you to consider that at our next meeting? We would like to really look at the implications of that. I understand it's the simple production of documents, and I believe.... When are we meeting next?

The Chair: It will be Monday, February 26.

Can we decide that then? I'll make an extra 30 minutes of resources available for that.

Mr. Majid Jowhari: We just need some time to look at it. I don't think there is going to be an issue. We're going through the production of documents, so we want to understand what that is, as well as the implications.

[*Translation*]

Mrs. Julie Vignola: In that case, I would respond by saying that it pertains to a contract under \$2 million. I'm not asking for all of the contracts related to COVID Alert, just those involving GC Strategies. I don't think we're talking about a huge volume of documents.

As things stand, I'm able to analyze some things, but not everything. That's why I'm asking for the documents. It's not to put anyone in a tight corner. It's really to allow for a full analysis, so we are in a position to improve the distribution, standing offer, contracting, amendment and other processes.

It shouldn't be an enormous number of documents. It's probably one or two documents, at most, plus any correspondence.

[*English*]

The Chair: I have Mr. Kusmierczyk and then Mr. Sousa.

Mr. Irek Kusmierczyk: Has this motion been circulated already? I don't have it in front of me, and I'd love to be able to get a copy.

The Chair: It's in the meeting OneNote.

Mr. Irek Kusmierczyk: For sure.

Again, I just haven't had the time, because we've discussed so much today. It's been such a jam-packed committee meeting that I haven't even had a chance to talk about it or discuss it with my colleagues, or even consider it.

I would definitely support the chair's recommendation, which is to set aside time in the next meeting to have this debate and discussion fully, so that we understand the implications of that motion.

The Chair: That might give us time to fix the translation as well.

Mr. Sousa.

Mr. Charles Sousa: Can we suspend? There's some discussion going on back here. I need to suspend. I'm sorry.

The Chair: No. We're not going to suspend, Mr. Sousa. Your colleagues are moving one way. We're not going to suspend for you.

Mr. Charles Sousa: It's not for me. It's—

[*Translation*]

Mrs. Julie Vignola: I'm fine with carrying on the discussion at the next meeting, but we need to agree now that we will discuss it then. I don't want it to be brushed aside.

[*English*]

The Chair: I will put in an extra request right now for extra resources, at least, so that we can address this.

[*Translation*]

Mrs. Julie Vignola: Thank you.

[*English*]

The Chair: I'll ask for an extra half-hour or something.

We'll have to get the English and French lined up properly.

Are we fine with that, everyone? Good. If there's nothing else, we'll adjourn.

Thank you, everyone, for your dealings with the AG today.

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