



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Government Operations and Estimates

EVIDENCE

**NUMBER 149**

Tuesday, October 29, 2024

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Chair: Mr. Kelly McCauley





## Standing Committee on Government Operations and Estimates

Tuesday, October 29, 2024

• (1100)

[English]

**The Chair (Mr. Kelly McCauley (Edmonton West, CPC)):** I call this meeting to order, ready or not.

Good morning, everyone. Welcome to meeting number 149 of the House of Commons Standing Committee on Government—

We do not have our interpretation working, it appears.

Is it working now?

[Translation]

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** I have to turn the sound all the way up to hear even the slightest thing. I really don't want to experience another Larsen effect like I did a few months ago.

I'd have to turn the sound all the way up, because I can't hear the interpretation.

[English]

**The Chair:** Okay. We'll get tech to look at it.

• (1100)

(Pause)

• (1105)

**The Chair:** Thank you for your patience, everyone. We are back with interpretation working, I understand.

Is that correct, Mrs. Vignola? It is. That's wonderful.

Welcome, again, to meeting number 149 of the House of Commons Standing Committee on Government Operations and Estimates.

Colleagues, right now we have our witness with us for about an hour, and then I have some scheduling I need to go over with everyone and get feedback on.

We'll start with Mr. MacDonald.

You have the floor for five minutes, sir. Please go ahead.

**Mr. Christopher MacDonald (Director General, Chief Audit and Evaluation Executive, Department of the Environment):** Good morning, everyone.

Mr. Chair, before we begin, I would like to acknowledge that we are gathered on the unceded territory of the Anishinabe Algonquin nations, people whom we acknowledge as custodians of the land and the waters of the region since time immemorial.

Thank you for the opportunity today to appear before the committee and answer questions about the internal audit of grants and contributions at Environment and Climate Change Canada.

In my role as chief audit executive at ECCC, I'm responsible for the conduct of internal audits within the department.

[Translation]

I would emphasize that the scope of our internal audit work focuses on program administration and operation within the department, not on the broader environment and climate change portfolio.

The internal audit team's mandate is to provide independent and objective assessments of governance, risk management and internal control processes. This work provides assurance that administrative programs and administrative processes are working effectively and identifies opportunities for continuous improvement.

[English]

Mr. Chair, the deputy minister has made grants and contributions administration a priority, and this has also been a priority of our departmental audit committee for the past several years.

The conduct of this internal audit was identified as part of our departmental risk-based audit planning process. As part of this process, the internal audit function reviews departmental risks in relation to our priorities, and we plan internal audit projects to support the provision of assurance on these subjects. The significant growth in grants and contributions funding across many programs was one of those risk areas.

The overall audit objective was to assess the operational effectiveness of the governance, risk management and internal controls in place to administer the grants and contributions programs at Environment and Climate Change Canada and to assess progress made in implementing the recommendations of the director general committee's review of grants and contributions carried out in 2020 to 2021.

[Translation]

In fiscal year 2022-23, we studied 100 grants and contributions projects worth \$79 million. The internal audit team met with over 80 departmental officials working on grants and contributions, including every assistant deputy minister responsible for a grants and contributions program.

We observed a number of areas that required improvement and identified some best practices that had been implemented. These observations were captured in the two reports we published, which included five key recommendations for the department.

I believe the internal audit team's work was professional, objective and comprehensive, and I believe it effectively identified key issues and potential solutions to address them.

[*English*]

The audit work was undertaken in compliance with relevant policies and directives, including international auditing standards.

In addition to the internal quality assurance practices, our function also underwent its required five-year external quality review at the same time that the audit was under way. Our function passed the review and was found to operate in accordance with standards.

I believe that the department has put a robust management action plan together to address the audit findings and recommendations. Our internal audit function will be following up on progress, as we do with each recommendation that we make in our reports.

Thank you very much for your time and the opportunity today to answer questions. I look forward to responding to your questions.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. MacDonald.

Colleagues, before we start, I'll remind you to keep your headsets away from your microphones at all times.

We'll start our six-minute round with Mrs. Block.

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

Welcome here, Mr. MacDonald. We've been waiting in anticipation for the opportunity to ask you some questions with regard to the audit.

I want to go back and clarify something that I think I heard you say during your opening remarks, which was that the deputy minister has made the grants and contributions program a priority. Did I also hear you say this has been the case for a number of years?

• (1110)

**Mr. Christopher MacDonald:** Yes.

**Mrs. Kelly Block:** I think that's a little concerning when you consider what was reported by the media with regard to your audit and the fact that what you found was "poor oversight of millions [of dollars] spent on green subsidies" and that the management of taxpayer funds was so sloppy that it represented "potential legal and reputational damage". That was in your report, I believe.

If that's the case, and if it is the case that the Treasury Board has had concerns about the grants and contributions at Environment Canada since 2019, why did it take so long for this audit to be undertaken?

**Mr. Christopher MacDonald:** Mr. Chair, the department took this very seriously and it put together the DG committee—the director general committee—to review grants and contributions administration between 2020 and 2021. During that time, it identified

17 recommendations that they would implement to address some of the key areas of concern.

When we are doing our risk-based audit planning process, we identified this as a risk, but we wanted to give enough time to the department to address these 17 important areas, so we put this in our 2022-27 risk-based audit plan to make sure that we would have this project there to ensure that they were making good progress implementing those recommendations.

**Mrs. Kelly Block:** I also believe I heard you say that you reviewed 100 agreements as part of this audit. Can you state again what the total value was of the grants and contributions you reviewed?

**Mr. Christopher MacDonald:** We reviewed 100 agreements. There were 79.5 million dollars' worth of spending in the 2022-23 fiscal year.

**Mrs. Kelly Block:** What was the failure rate of those grants and contributions?

**Mr. Christopher MacDonald:** What we found in the audit was that section 33 and 34 approvals of the financial expenditures were good in all cases except for two, for which there were some missing invoices.

The main issue we had was that we looked horizontally across the department at the administration, and it was mainly related to the systems—there are seven systems in place where the information is stored—and the information management practices that support the documentation that the program managers use to manage recipients.

**Mrs. Kelly Block:** I'm going to ask this next question thinking you might have just provided an answer, but what threshold must be met for these agreements to pass or fail an audit?

**Mr. Christopher MacDonald:** The most important things you would look for in the audit are whether or not there were breaches or financial issues with respect to sections 33 and 34 in the payment process. In the case of this audit, we didn't find any issues with respect to the payments.

That, to me, would have been the most serious issue.

**Mrs. Kelly Block:** There were no issues with the payments. However, we also heard about a lack of oversight and an inability to show value for money, or at least show that what was paid for was actually received.

Would any of this mean a failure on the part of any of these agreements?

**Mr. Christopher MacDonald:** The internal audit looked at the governance risk and controls in place to manage the agreements from a horizontal, departmental perspective. We didn't look at one particular program. We chose files from eight different programs to make sure that we could satisfy ourselves that they were doing the right things.

It just ended up that there were some systemic issues with respect to the information systems and information management and that those aspects could be improved.

**Mrs. Kelly Block:** Thank you.

We've heard many times over the last couple of years that information management, a lack of documentation and the mismanagement of certain files across the board are issues, and this appears to fall into that same category. I mentioned that the Treasury Board raised concerns about the grants and contributions at Environment Canada in 2019.

I believe you said you made 17 recommendations. You wanted to give the department an opportunity to address those recommendations. What changes have been made since that time?

**Mr. Christopher MacDonald:** In Report II of the two reports that we produced, we did a follow-up on the 17 recommendations that were made by senior management at the DG level. Those recommendations were approved and endorsed by the deputy minister to address G and C issues, and we found that about half of them were in progress and making good progress.

One of the key things they have done are to get a community of practice together, which hadn't existed before. About 80 people every month are meeting to talk about issues that they're experiencing within grants and contributions. They've also strengthened the recipient audit framework. It was a finding in our 2019 audit that this needed to be put in place so that the department could satisfy itself that the recipients were actually spending money in accordance with the terms and conditions and in accordance with their contribution agreements.

In addition to the strengthening of the recipient audit framework and implementing this community of practice, they've also put in place an investment oversight committee so that every grant over \$100,000 that is deemed medium risk or high risk is also reviewed by a horizontal committee of directors general before these programs are approved.

• (1115)

**Mrs. Kelly Block:** How do you square the circle that they're making good progress with what you identified as the management of taxpayer funds that is so sloppy that it represented "potential legal and reputational damage"?

**Mr. Christopher MacDonald:** That's on page 18 of the audit report, where we talk about potential—

**The Chair:** I'm sorry to interrupt. Just make sure it's a brief response, please.

**Mr. Christopher MacDonald:** That reference to potential legal and reputational damage was a potential impact if the issues with respect to information management and the information systems were not addressed.

**The Chair:** Thanks.

Mr. Bains, please go ahead.

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

Thank you, Mr. MacDonald, for joining us today.

How are the independence and objectivity of the internal audit function maintained?

**Mr. Christopher MacDonald:** I report directly to the deputy minister. We have an internal audit charter that guarantees our independence. It guarantees my access to all the information that I need to do my work. We also have a departmental audit committee charter that gives the independent departmental audit committee access to the documentation that it needs to do its work.

My independence is assured by my reporting relationship with the deputy minister and in the actions that I take as the chief audit and evaluation executive within the department in terms of not being part of management decisions that I could take ownership of that are beyond my purview.

**Mr. Parm Bains:** Does the committee also do some of the work to make sure there's more oversight?

**Mr. Christopher MacDonald:** We have an audit committee that meets at least four times a year. It provides advice to the deputy minister on the functioning of the internal audit function and provides the deputy minister with advice on anything that he needs advice on from them.

**Mr. Parm Bains:** Can you describe how the audit team supports the department in monitoring progress on the management action plan?

**Mr. Christopher MacDonald:** We have a process in place. Twice a year we do extensive follow-up on all the internal audit recommendations, all of the evaluation recommendations and all of the recommendations done by the commissioner of the environment and sustainable development.

My team reviews the submissions that each branch provides to determine whether those actions can be closed. We present our analysis of these results to the departmental audit committee. The departmental audit committee will recommend the deputy minister's approval if it's satisfied with the information it receives.

**Mr. Parm Bains:** How many branches is that?

**Mr. Christopher MacDonald:** We have about 12 branches in the department.

**Mr. Parm Bains:** Can you explain how auditors determine whether a specific initiative provides value for money? How do you measure that?

**Mr. Christopher MacDonald:** Our role within the department is really to look at governance risk and controls to make sure the foundation of program delivery is solid.

We also have an evaluation function that will look at those types of value-for-money or performance issues with respect to whether we're achieving objectives.

The role of the internal audit function is really to look at the governance risk and controls to determine whether or not the processes are in place to support effective program delivery.

**Mr. Parm Bains:** You mentioned in your opening statement that there's an annual planning process that your team undertakes to identify which audit reports you're going to work on that year.

Can you walk us through, in detail, what that process looks like and how you have assurance that you're doing the right projects? How do you choose them?

**Mr. Christopher MacDonald:** Throughout the year, we're doing environmental scanning. We're looking at the different program documents that are being developed to identify areas where internal audits or evaluations may be required.

When we get into the fall period, we take our environmental scanning and we do a review of all departmental documents. Then we send a questionnaire to all executives within the department. After that, we collate all of this information and we meet with every branch head. We get a detailed description of what their priorities are and what their risks are. After all these consultations, we go to our departmental audit committee with a draft list of projects. Those draft lists of projects are reviewed, and they provide advice. We go back and get advice from Treasury Board on some of those horizontal initiatives that we may not know of in our department.

We put this all together and we go back through the committee structure again—the departmental audit committee—which will review it and provide advice to the deputy minister on whether or not to approve it.

**Mr. Parm Bains:** How long does that take?

**Mr. Christopher MacDonald:** When you're looking at the continuous environmental scanning throughout the year, this process normally takes place between September and January.

• (1120)

**Mr. Parm Bains:** Can you talk a little about the merits and drawbacks of designing programs to operate primarily through grants and contributions rather than through other funding mechanisms?

**Mr. Christopher MacDonald:** In my role as the chief audit executive in the department, my job would really be to analyze what the department is doing in this regard rather than to make determinations on how this is done. This is more up to the deputy minister and the program ADMs, who would decide program design and implementation issues. It would be our job to go in and review whether these are being done effectively.

**Mr. Parm Bains:** Can you talk a bit more broadly about the environmental and climate objectives and talk about how auditors determine whether a specific initiative aligns with the government's broader environmental climate objectives?

**Mr. Christopher MacDonald:** Again, our role is really to look at and to audit what is happening in the department and how they're achieving their objectives. We coordinate our work with the commissioner of the environment.

The commissioner of the environment, as you know, has done a lot of audits in our department over the last three to four years—about six to eight a year. The commissioner of the environment is really looking at how we're implementing some of our programs, and our internal audit and evaluations are also providing information to management on how they can improve the processes that are maybe not working as well.

**Mr. Parm Bains:** How much time is left, Mr. Chair?

**The Chair:** You have one minute, sir.

**Mr. Parm Bains:** With respect to the potential of having efforts duplicated, is there a mechanism that you use to avoid that?

**Mr. Christopher MacDonald:** Do you mean in terms of our internal audit work?

**Mr. Parm Bains:** Yes, like to highlight a....

**Mr. Christopher MacDonald:** I have regular bilats with, actually, the audit principal at the commissioner of the environment, who's doing most of the audits in our department, so that we can coordinate.

I'll give you an example: When they were doing an audit of contaminated sites, we were also doing an evaluation of contaminated sites at that time. We wanted to make sure that we weren't going to do the same work, so the commissioner of the environment team picked a different angle, and then we picked a different angle. Now the work is complementary, but not duplicative.

**Mr. Parm Bains:** I have a quick one.

When the final list of projects is presented to the departmental audit committee and when the deputy minister reviews approval, is there senior management or a team after that, once it leaves the committee? What are the final steps?

**Mr. Christopher MacDonald:** The final steps in the process would be that we would present the list of projects to the departmental audit committee and the four external advisers would advise the deputy on whether or not the plan was solid in terms of the audits.

Then we would go to our departmental performance measurement evaluation and results committee. That is the committee that has all of the branch heads and the ADMs. They are providing advice to the deputy minister on whether we're hitting the programs at the right time. For example, if it's a five-year program, we would want to have evaluation results in years three to five that could support decisions on program funding renewals.

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

Mrs. Vignola is next.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

Thank you, Mr. MacDonald, for being with us today.

If I remember correctly, the deputy minister was here on October 1. He told us that the department's role had expanded significantly in recent years, with managing grants and contributions being a big part of that. That surprised me, because I thought that, when a department is given more responsibilities, someone would make sure it has the necessary management capacity. Apparently nobody made sure of that, which I find deplorable.

That said, are the existing management tools and processes sufficient to ensure good management? Is the problem related to the tools and processes, or to public servants' knowledge of what to do?

**Mr. Christopher MacDonald:** Thank you very much for your question.

[English]

What we found in the audit was that the centre of expertise that supports grants and contributions across the department has developed good tools and processes. Also, the CFO has put in place a system of internal controls over financial reporting for grants and contributions that is very well done.

The problem ends up being at the delivery level, where you have multiple people who are involved in delivering programs, and then there's the creation of other centres of expertise in the different branches that may be duplicating or may be contributing a little to guidance that's coming from the central. What we're looking at, really, is a lack of training for the people in the programs and maybe a lack of knowledge. Given that there are seven systems where information is stored, you might not know where to get the definitive document that you need to manage your program.

• (1125)

[Translation]

**Mrs. Julie Vignola:** Beyond these problems, can we also talk about the problem of people working in silos without really consulting each other?

**Mr. Christopher MacDonald:** Thank you.

[English]

In terms of the people who are working in silos, we looked at all eight program branches and not just at a single program. This is where we can actually add value to the department by saying that the processes are different across the department and that you need to make sure that, to the extent possible, these processes have to be coordinated and that people have to be using the same templates. When you're putting an agreement in place, it's important for recipients to have the proper clauses in place. For example, if you don't have a clause in there related to recipient auditing and then you determine that you want to do an audit, it's then very difficult to go and do that.

You want to make sure that your templates are solid and that people can use them properly.

[Translation]

**Mrs. Julie Vignola:** Thank you.

There are checks and balances in place to guard against wrongdoing or fraud, call it what you will. Those mechanisms are in place. However, it looks like they weren't applied in some cases.

On the one hand, how can we ensure that the checks and balances are sufficient? On the other, how can we ensure that they are systematically applied so that any problems in terms of activating the checks and balances can be detected quickly?

[English]

**Mr. Christopher MacDonald:** There are a few ways that it could be done right now, and the strengthening of the recipient audit framework in the department will give a really good tool to managers to look at what the recipients are doing with the money.

You also have strengthening of ongoing monitoring. There are the 17 recommendations we talked about from the DG committee.

A lot of strengthening of controls was envisioned by that committee, and they're not all implemented right now. We also have the five recommendations in the audit that I believe will really strengthen the control framework—not only the design of the controls, but also the implementation across the department.

[Translation]

**Mrs. Julie Vignola:** The deputy minister explained to us that there's no reporting requirement for grants. The person or organization receiving the grant is not expected to report on results.

Would it be better to have some idea of what's being done? Grant recipients could say they invested here and did this thing and achieved a particular outcome. Even if that wasn't the desired outcome, it was progress. At least there would be a sense of what can be achieved and of being on the path to a transition. Just because a desired outcome wasn't achieved doesn't mean there wasn't any progress. Okay.

The point is, why aren't we asking for any follow-up on grants?

[English]

**Mr. Christopher MacDonald:** At the end of the day, the policy or the mechanism on transfer payments allows.... When you issue a grant, and there are no real reporting requirements that have to be put in place. You can ask for these, and as we said, and as I think the CFO said when she was here, the grants represent 1% of our departmental program spending in this area.

[Translation]

**Mrs. Julie Vignola:** How do we make sure the objectives are met? It doesn't matter if it's 1% of a grant, loan or contribution. How do we make sure that the objectives have been or are being met?

[English]

**Mr. Christopher MacDonald:** At the program manager level, you would be working with the recipient and you would be getting updates from them, and in most cases—99% in our department—you would be getting quarterly and annual reports and final reports.

Then beyond the program managers, you also have the departmental results framework with key performance indicators related to each of the programs, so there are multiple ways in which the department can assess whether or not we're getting value for money or whether or not the people receiving the money are actually doing what they're supposed to do.

[Translation]

**Mrs. Julie Vignola:** Thank you, Mr. MacDonald.

[English]

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

Ms. Blaney, the time is yours for six minutes, please.

**Ms. Rachel Blaney (North Island—Powell River, NDP):** Thank you, Chair, and thank you, Mr. MacDonald, for being here with us today.

I have just a few questions for you today.

One of the things that you talked about earlier in your testimony, and in response to some questions, was around information management and how it could be improved. Can you expand on what that means?

**Mr. Christopher MacDonald:** What it really means is that when you're trying to support decision-making and when you're trying to know what is happening, it's really good to have a system that you can get information from and not seven different systems. You really would like to have those systems linked to the financial system so that you can easily generate reports, rather than having to look at shared drives, such the Ecolab site, which is an Internet site, or different PIMS, which is one of the systems they use, or GCIMS, the other system they use.

We would really like to have a better system to hold this information, and also better practices at the working level for how people store their information.

As we mentioned in the report, there were 14 files that were not found, but then at the end of the day, they were provided to the audit team after the audit was done. We've seen this in other audits as well.

• (1130)

**Ms. Rachel Blaney:** Thank you for that.

We know that the audit also found that indigenous applicants are more likely to be labelled as high risk. Almost half the proposals were rated as medium risk. A higher-risk rating really means an increased reporting and oversight of requirements, which leads to a lot of additional administrative costs for the recipients. I'm curious, because the report also found that in the majority of the files they reviewed, there was no documentation to support the risk rating. That's very concerning to me.

Could you talk to us a little bit about how your assessment reviewed this? Why are indigenous applicants being disproportionately labelled as high risk? How do we make sure that in the future, any kind of risk ratings for anyone is fair and there's actual documentation to support those ratings?

**Mr. Christopher MacDonald:** We looked at the hundred files. We looked at the documentation provided with respect to the final risk assessment done by the program officers and any supporting documents that supported their risk assessment. We found very little documentation to support that.

Actually, when you're looking at the investment oversight committee and looking at those kinds of projects, it leads to asking further if there's a consistent way that this is being done. You could put a good oversight mechanism in place, but if the information that supports it is not well done, it could lead to issues with respect to that oversight mechanism.

In terms of what the department is doing, this was actually identified as one of the 17 recommendations in the DG report. They've been working on guidance and training for people to make it more consistent across the department. As we mentioned in the report, in many areas there's a lack of consistent approaches across the eight program branches. Training and better tools to support them in making this risk assessment will go a long way toward helping the recipients get their projects approved and get the appropriate risk

assessment done, which will, as you mentioned, impact the administrative costs.

**Ms. Rachel Blaney:** Well, it's interesting to me that you talked earlier about the idea of being objective, so when we see these kinds of incidents happen, it's very clear that there's a lack of objectivity, and you answered that question well, but the part I didn't see addressed was the issue of racism.

If we're seeing this consistently—and it is fairly consistent—are there any steps taken in the process toward what we can do to better educate people around making assumptions that are often very unconscious and so that there's more accountability?

**Mr. Christopher MacDonald:** Yes. I think the most important thing that was done in the audit was to raise this issue to management so that they can know this is happening. We actually have evidence of this happening in the department.

I know that over the past several months there has been a renewed effort by our indigenous engagement group, which is in the strategic policy branch, to really look horizontally across the department to identify and address these types of issues. This is one source of information for them to use and to improve practices across the department in this regard.

**Ms. Rachel Blaney:** Thank you. That's very helpful.

I do confess that I have a small bias. I come from a non-profit background, so I spent a lot of time reading federal government contracts, making sure we were compliant and looking at all the systems built internally to address that.

I really appreciate what you're talking about in terms of being the internal auditing process, which is very different from an external auditing process. I hear that you're focusing internally, but as you go through that process, I'm wondering if there is any component of that in which you actually talk with grant recipients to see how things work for them.

I often found it interesting to have conversations about what would be more effective in getting us to have a higher level of accountability. I'm wondering if in that internal process there is any of that discussion happening as well.

• (1135)

**Mr. Christopher MacDonald:** Yes. Last fall, actually, I was out with the evaluation team doing site visits on the west coast. When we were in British Columbia, we were meeting with farmers who were using some of our contribution money to put different crops in during the fall and winter to support migratory birds. When we were talking to the farmers, they were really appreciative of not only being able to participate in this and to help the department in its mandate with respect to supporting migratory birds, but it also helped them in their crop rotations. We were right on the ground, talking to the farmers, which was a great experience for me.



We also met people who donated land as part of the ecological gifts program and who explained why they did it. Actually, we had a meeting on the land with the people who donated the land and the NGO that was restoring the land and with the program officials who were managing this whole project. It was really wonderful to see the work they had done to restore the area and to see the migratory birds that were using that area.

We do make it a focus of our audits to actually go out and meet with people.

**Ms. Rachel Blaney:** Thank you for that.

**Mr. Christopher MacDonald:** You're welcome.

**The Chair:** Thanks very much.

We have Mrs. Kusie, please.

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

Thank you, Mr. MacDonald, for being here today.

Could you please provide the committee with a list of the grants and contributions reviewed for this audit, the companies they were awarded to, the amount of money awarded and the purpose of the grant or contribution?

**Mr. Christopher MacDonald:** I can provide that information to the committee.

**Mrs. Stephanie Kusie:** I appreciate that.

Mr. MacDonald, when this committee heard from Treasury Board officials on this issue, they continually stated that it's up to the deputy heads to ensure that their department is up to standard and that the mandate of their program is met.

Do you think that the deputy minister of ECCC has properly ensured that his department is running efficiently?

**Mr. Christopher MacDonald:** I believe, as I mentioned in my opening remarks, that the deputy minister has made the grants and contributions one of his top priorities, and the implementation of the 17 recommendations of that DG committee is a top priority as well as the five recommendations that we made in our audit report.

In fact, reflecting on this, I think this is one of the times in my 20-something-year career as an internal auditor when a deputy minister has made a decision to put in place a team that is solely focused on implementing recommendations coming from an internal audit.

I think the commitment is there to really look at this system and make it better, make sure that the controls in place are solid and that we have an information system that will support decision-making.

**Mrs. Stephanie Kusie:** I'm hearing in your response, then, that you feel as though the deputy minister has taken upon himself the responsibility to see the good overview of this program.

In that case, is the program impossible to run properly, in your opinion, because of the insistence of Minister Guilbeault that his department issue hundreds of millions more in grants than its capacity allows? Do you think he was just pushing through these mil-

lions of dollars to be distributed on his initiative—that it was his force, his will, that created this level of error and incompetence?

**Mr. Christopher MacDonald:** Well, as you know, public servants use their Treasury Board submissions to get program approval, and in your program approval documentation you do identify the list of resources that you require in terms of the people and the operating money so that as the decisions are made by Treasury Board, they give the department the resources.

We did an audit of classification in our department a few years ago, and it takes time to.... Once a program is approved, the money just doesn't come instantly and the program can't get up 100% on day one, so there's a period in time when you have to classify positions and hire the people, and as this committee has seen in the past, the time needed to staff a program is an issue in the government. It takes time to hire people.

The resources are provided through the submissions, through the budget process, and it's up to the department to implement it.

**Mrs. Stephanie Kusie:** It's sounding, then, like it even goes beyond Minister Guilbeault and goes all the way up to the Prime Minister.

Do you think that the Prime Minister, and with him the Minister of Environment, Minister Guilbeault, should consider the actual capacity of a department's resources before they dump hundreds of millions of dollars to them to just roll out programs?

**Mr. Christopher MacDonald:** As I mentioned earlier, the departmental officials are really the ones who identify the resources required to implement the programs.

**Mrs. Stephanie Kusie:** Is the deputy minister able and comfortable, do you believe, to bring his concerns from this audit to the minister and the Prime Minister?

**Mr. Christopher MacDonald:** My role is really as an independent person in my department to talk to the deputy minister, and it's up to the deputy to express his concerns to the minister and the Prime Minister.

**Mrs. Stephanie Kusie:** As the auditor, do you believe that this program is sustainable with its lack of clear standards, the mismanagement of documentation and the granting of millions without a proper justification, or does it need space and time to fix these issues and allow the department to fulfill its mandate?

**Mr. Christopher MacDonald:** Well, I believe that the processes are in place, and we didn't just look at one program here. This is actually the management control framework that is in place to support delivery of all of our programs, and I believe that the actions being taken are going to support the delivery of those programs.

• (1140)

**Mrs. Stephanie Kusie:** I've looked through many of the grants and contributions that ECCC has distributed, and there are many examples of multi-billion-dollar corporations receiving millions from this program.

We have Glencore receiving \$10 million; over \$18 million being received by Rio Tinto specifically, which has a market cap of \$103.549 billion U.S. as of last year; and, of course, Cornell University, a university that isn't even within Canada, receiving funding.

Are there any clear standards in place to ensure that businesses that are clearly able to fund their own interests are not receiving grants and contributions from Canada, especially at a time when Canadians are suffering as a result of the overspending of this government?

**Mr. Christopher MacDonald:** Our internal audit looked at the processes that supported the delivery of these programs, and we didn't find any instances of terms and conditions not being met in the funding decisions.

Funding is provided to eight different types of recipients, including not-for-profits and going all the way up to those types of corporations. It is done for specific purposes in accordance with the policies that have been developed.

**Mrs. Stephanie Kusie:** Thank you, Mr. MacDonald.

Thank you, Chair.

**The Chair:** Thanks very much.

Go ahead, Mr. Kusmierczyk, please.

**Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.):** Thank you so much, Mr. Chair.

Thank you so much, Mr. MacDonald, for being here with us today.

This Liberal government is making historic investments in the environment and in fighting climate change. We've seen hundreds of millions of dollars to leverage the tremendous work that is being done by environmental organizations, business organizations and other organizations across Canada. We've seen that work in action in my community of Windsor—Essex.

About two weeks ago, I had a chance to join about 30 to 40 community stakeholders to announce roughly \$78 million for the restoration and protection of the Great Lakes in my community. This was the single largest federal clean water restoration investment in the history of Canada, and it took place in my backyard in our community of Windsor—Essex.

This allows us to leverage the tremendous work that is being done on the ground by organizations like the Great Lakes Institute for Environmental Research, the University of Windsor and the Essex Regional Conservation Authority, among many community partners that protect the Great Lakes and their environment.

Sir, I would much rather have this conversation that we're having here with you today about how we strengthen the grants and contributions program at ECCC than have the conversations we were having when the Conservatives were in office. They had completely gutted environmental efforts and environmental protection from top to bottom. They eliminated hundreds of millions of dollars, cut hundreds of millions of dollars to Environment and Climate Change Canada and fired hundreds of dedicated public servants who were protecting the environment and working to fight climate

change. I'd much rather have this conversation that we're having about strengthening the grants and contributions program.

On that note, I want to ask you about the independence of the internal audit function. My colleague raised a question about that earlier, and I want to ask you whether can you talk about the unrestricted access that you have in terms of records, in terms of witnesses and in terms of talking to staff when you are doing your job of auditing as the chief audit executive. Talk about the unfettered access that you have.

**Mr. Christopher MacDonald:** As I mentioned earlier, we have an internal audit charter that is reviewed every year by the departmental audit committee and approved by the deputy minister. This gives us access to all the records and individuals we need, but if I feel that my independence is being impeded, I have a few avenues where I can go. I can talk to the comptroller general of Canada and raise issues or concerns that I have. If there are departmental officials who are not giving me the information I need, I can work with them collaboratively, and if that doesn't work, I can use the charter to get the documentation through the support of the deputy minister.

**Mr. Irek Kusmierczyk:** In your work, did you find that there was any friction or any opposition in your ability to conduct unfettered interviews and get unfettered access to documents?

**Mr. Christopher MacDonald:** I did not have any impediments in conducting this work.

**Mr. Irek Kusmierczyk:** As the auditor, how is the auditor himself or herself audited as well? Can you talk a little bit about that?

• (1145)

**Mr. Christopher MacDonald:** Yes. In accordance with the internal audit standards, every year I have to have an internal quality review of the work that we do. This is done by a professional practices team in my function. Once every five years, we have to have an external review of the work that we do to make sure that we're following the standards.

What they will do is take a sample of some of the audits that we did and look at how we did our work, if we concluded against our objectives, if the team was independent and objective and whether the team had the proper training to do the work.

**Mr. Irek Kusmierczyk:** That's excellent.

In your earlier statement to the committee, you stated, "I believe that the department has put a robust management action plan together to address the audit findings and recommendations." Can you tell us in your own words how satisfied you are with the response of ECCC and this department to the recommendations and findings that you brought forward?

**Mr. Christopher MacDonald:** As I mentioned, having been in this area for about 20 years, I believe that this is the first time I've seen a deputy take it very seriously and put in place a dedicated team to address the recommendations and to work on the action plan.

Some of them are going to take time. Developing a new system is not going to happen overnight, but I think that the steps are in place to strengthen information management practices and achieve that departmental enterprise vision, which has been lacking, as the deputy mentioned. A lot of areas are doing work in silos, and there's a lot more room we can make for coordination and collaboration.

I think once those things are in place in the system—the enterprise vision and the information management practices—they will go a long way toward strengthening the administration of these programs in our department.

**Mr. Irek Kusmierczyk:** Sir, your work has come at an important time, an inflection point, an important time for ECCC, and I thank you so much for your work, dedication and rigour. Thank you very much for your testimony today.

**The Chair:** Thank you, Mr. Kusmierczyk.

We'll now go back to Mrs. Vignola.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

When the deputy minister appeared before the committee, he talked about decentralizing the grants and contributions processes and recognized that excessive standardization and centralization was problematic. How do you strike a balance? How can we avoid the risks associated with standardization and make processes more efficient?

Please answer quickly, because I have another question for you.

[*English*]

**Mr. Christopher MacDonald:** When the management action plan is implemented, this is the thing that the chief financial officer and program managers are going to be working on to make sure there is balance. They will ensure that we don't do overkill in some areas and that we strike the right balance between centralization and giving the flexibility to program managers to manage appropriately.

[*Translation*]

**Mrs. Julie Vignola:** Thank you.

Here's my next question. The people who manage all these different programs don't necessarily talk to each other. Environment Canada deals with weather and climate change and so on. All the different services don't necessarily talk to each other. Given that, how can we ensure that a person who receives a grant or contribution for a project from one service doesn't get a duplicate grant and won't be double-dipping from another service for the same project?

Has anyone ever received a duplicate payment?

[*English*]

**Mr. Christopher MacDonald:** We did not find any evidence that there were duplicate payments or duplicate types of funding in our audit with the files we reviewed. However, those that manage the programs have processes in place to satisfy themselves that with applications, the sources of funds are there. It's up to program managers to investigate these areas.

[*Translation*]

**Mrs. Julie Vignola:** Okay.

Absolutely everyone talks about implementing best practices. We see it in government departments here and abroad. It's been that way for some time.

Is there a whole-of-government evaluation system that includes best practices for each area or an interdepartmental sharing network where people can ask for help? Is there anything to support the departments that have to do this research? I've been a member of Parliament for five years, and over those five years, I've noticed that everyone does research.

Somebody's going to have to find a solution at some point.

[*English*]

**Mr. Christopher MacDonald:** There are a few areas here. The Auditor General, obviously, and the commissioner of the environment do horizontal types of audits that look at program delivery across multiple departments. There is also the Office of the Comptroller General, which can do horizontal audits of certain issues.

When you get to the program level, there are programs, such as the low carbon economy fund, in which there are tables where people from different departments sit and talk about these issues. There is a sharing of information there.

When we're looking at the totality of management in our department, one of the questions that came up during the DG review committee was on looking at what was happening in other departments, because we needed to have an investment oversight type of committee that we did not have there. The committee looked at a couple of departments and got some best practices and implemented them.

• (1150)

[*Translation*]

**Mrs. Julie Vignola:** Thank you.

[*English*]

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

Ms. Blaney, before we get to you, I forgot to officially welcome you to OGGO. It's wonderful to have you back, not just as a guest but as a permanent member. I extend our warm welcome to you.

The time is yours.

**Ms. Rachel Blaney:** Thank you for that warm welcome. Many have welcomed me, and it's very good to be here.

You're my first witness as an official member of the committee, so it's wonderful to have this opportunity.

You talked about doing the audit, and at the very end of the audit, getting the 14 documents. I believe you said they were not available and then became available.

How did the department get to that place where there were 14 documents that took quite a while to find?

I've seen it in other departments when IT workers were contracted from outside the department, which can lead to some very interesting realities. They're actually not working internally with the rest of the group to see what their needs are on a day-to-day basis.

Is there any correlation with that?

**Mr. Christopher MacDonald:** The most important thing with respect to how we came to 14 files not being where they should have been goes back to the finding that there are multiple systems that are being used, and when you get down to the program manager level, it's also about where they are storing that documentation. It was also identified in the audit that there was a lack of controls over who could actually access the databases, so they have to put more strict controls over that.

With respect to your second question on IT consultants, that did not come up as an issue in our audit. Our audit really focused on the program delivery and the controls that were in place to deliver the programs.

**Ms. Rachel Blaney:** You also talked in your testimony about a "community of practice" that is starting to come together on a regular basis. Was this a model that was found in other departments? What are the outcomes that you're hoping to see coming out of that through the auditing process?

**Mr. Christopher MacDonald:** I'm not sure how the "community of practice" came about. It was one of the recommendations in the DG committee review, one of the 17.

They started, I think, in late 2022, when they put a monthly meeting in place. Attendance is about 70 to 80 officials from across the department, and they're sharing practices and sharing what lessons they're learning. I think it's really good that it's going to support more consistent delivery of the programs over time within the department.

**Ms. Rachel Blaney:** That's perfect. Those are all my questions. Thank you.

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

We'll now go to Mr. Genuis and then over to Mr. Sousa.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Thank you very much, Chair.

It's been really interesting seeing the various areas of spending within this audit. There is one thing I had asked other officials about, and I wonder if you have some context on this. There are multiple entries of American universities that are funded through this. I tried to get some clarity, and couldn't, around why we are funding foreign institutions.

I wonder if you have a comment on that, and then, just in general, on whether grants and contributions are required to be spent or not be spent on things that are actually in Canada, or whether there are a lot of different areas of spending on items that are not obviously related to Canada.

**Mr. Christopher MacDonald:** With respect to the first question, I believe the documentation will be provided to the committee in the coming days. It's just in the approval process right now.

In terms of funding institutions outside of Canada, it depends on the terms and conditions of the program these funds are coming from. We do have some international obligations with international climate financing, and we also have some obligations with respect to contribution funding to organizations such as the World Meteorological Organization. There are some terms and conditions on programs that you can fund outside of Canada.

**Mr. Garnett Genuis:** Is there an expectation that other states would fund those activities if they're happening outside of Canada, or is that considered normal?

I was surprised to see this funding for these other institutions. Of course we're affected by things that happen elsewhere, but other countries are affected by things that happen here, and generally you'd expect this kind of research monitoring to happen with a focus on your own country, surely.

● (1155)

**Mr. Christopher MacDonald:** Yes, as I mentioned, it would be part of the terms and conditions of the program where the funding is going.

**Mr. Garnett Genuis:** Okay. I guess that's more of a policy question.

**Mr. Christopher MacDonald:** Yes, that's it exactly.

**Mr. Garnett Genuis:** You're giving me the auditor answer, which depends on whoever it's posed to. Fair enough. We have asked these policy questions and we will continue to ask them.

I wonder if you can compare your analysis of the things happening at the environment department and other departments. We had an audit here recently of some very concerning things that have happened at Global Affairs. By the way, we tried to get the minister to come in on that, but Minister Joly has not made herself available to this committee on various matters we've asked her to come for.

There have been issues at Global Affairs. There have been issues at the environment department. How would you compare what you're finding in this department to some of those other audits and what exists at other departments?

**Mr. Christopher MacDonald:** When we undertook this audit, the first step that a team would normally take would be to look at other types of grants and contribution audits that have been done across the government. We did notice that there were a few in certain departments, such as Global Affairs. What we learned from those was where the risks were so that we could strengthen our internal audit programs and strengthen the work that we're going to do in our department.

I would not be able to comment on the actual findings of audits of other departments, but what I can say is that we do take that information into account when we're doing our work.

**Mr. Garnett Genuis:** Are you making comparisons between things that are happening at certain departments, such as whether you're doing better or worse in this than that other department is?

**Mr. Christopher MacDonald:** We have a network of chief audit executives, and we get together on a regular basis with the Office of the Comptroller General to share practices and findings. However, as I said, we are learning from the work others are doing, and we are making sure we include those types of risk in our assessments when we develop our audit programs.

**Mr. Garnett Genuis:** Are there departments that aren't doing audits like this at all? Are all departments doing this kind of work, or are there places where it's just not being looked at?

**Mr. Christopher MacDonald:** I believe each department has their chief audit executive, and they would be doing their individual risk-based audit plans. It would be up to the risks they identify in their departments to determine what they would look at.

**Mr. Garnett Genuis:** All right. Thank you.

Can I ask as well about some of these internal processes?

**The Chair:** Make it a short question.

**Mr. Garnett Genuis:** Okay. I'll just jump to this, then. Of contributions that are paid out, how many are repayable, and how are we doing at actually getting back contributions that are supposed to be repayable?

**Mr. Christopher MacDonald:** I don't have an answer for that. We did not include that in the scope of our internal audit work. What we looked at was the governance risk and the controls that supported program delivery, but we didn't get to that level of detail in this report.

**Mr. Garnett Genuis:** Did you not get to it because you didn't have the resources or because you didn't think it was important? What was the reason that you didn't include that in your work?

**Mr. Christopher MacDonald:** It was just not a step that was in our process. We had enough resources to do the work. We took enough time to do this work properly, but this is not an issue that came up in the internal audit.

**Mr. Garnett Genuis:** Maybe it's something to think about for the future.

**Mr. Christopher MacDonald:** Yes. Thank you.

**Mr. Garnett Genuis:** Is that my time, Chair?

**The Chair:** That's your time.

We'll go to Mr. Sousa, and then we will have a bit more time, so we're going to go back to Mrs. Block and Mr. Jowhari, and then to the Bloc and the NDP for two and a half minutes each.

Go ahead, Mr. Sousa.

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

Thank you, Mr. MacDonald, for being here and enlightening us further in terms of the good work that's been done by you and the department to try to regroup, to the extent that's necessary, to improve our processes.

Let me ask this question first, though. Don't Canadian universities receive grants and funds from other institutions in the United States as well? Is that not part of the research engagement?

**Mr. Christopher MacDonald:** I'm not sure. It's not my area of expertise, but I am happy to get back to you on that.

**Mr. Charles Sousa:** Well, they do. Canadian universities and many schools are engaged in global initiatives around research and development that are funded by other countries. Did you not just mention that we are part of global engagement on these matters?

**Mr. Christopher MacDonald:** Yes.

**Mr. Charles Sousa:** Who funds that?

**Mr. Christopher MacDonald:** Multiple countries are funding the international climate financing objectives, based on meetings they have at global fora, yes.

**Mr. Charles Sousa:** It's not unique that Canada participates in support of other research developments in other parts of the world. Is that correct?

**Mr. Christopher MacDonald:** Yes.

**Mr. Charles Sousa:** We made clear that there have been growing pains here. Obviously there has been a lot of demand and growth, and a lot of initiatives have been put forward. The budget has been increased somewhat as a consequence of that. This all came after the ECCC was gutted previously and a lot of things faltered. A lot of work was missed in terms of opportunities to improve on our—

• (1200)

**Mrs. Kelly Block:** Nine years....

**Mr. Charles Sousa:** —environmental capacity and engagement. Notwithstanding the heckling that you're hearing from the other side, it's true, and we need to make certain that we can do better. As a result, how many agreements are now under way? Do you have a sense?

**Mr. Christopher MacDonald:** In the audit that we did in 2022-23, there were 1,808 agreements in place.

**Mr. Charles Sousa:** The recommendations you made around governance and standardizations were important. Did the department agree to that? Did it adopt the recommendations?

**Mr. Christopher MacDonald:** Yes. The audit committee recommended approval to the deputy minister, and the deputy approved the action plans that were developed by management to address the recommendations.

**Mr. Charles Sousa:** Obviously, noting why we're going to these investments, what are some of the obstacles you saw as a result of getting to where we're going?

**Mr. Christopher MacDonald:** I think the obstacle, really, was the growth that happened in the department and the multiple programs that were put in place across the various branches. There was central support, but the rapid pace of growth in some of the programs led to areas where there were inconsistencies that grew over time.

I think that what this audit is saying right now is, “Let’s get an enterprise vision in place. Let’s put those management controls in place that can be used horizontally to the extent possible, with the proper systems to store the documentation to support better decision-making.”

**Mr. Charles Sousa:** Is that proceeding?

**Mr. Christopher MacDonald:** Yes.

**Mr. Charles Sousa:** With regard to the motivation behind the grants and contributions program and the initiatives that are being taken, can you explain what those are? You made reference to the specific policies and priorities of the various aspects of the program. Can you reinforce or let the public know why it’s happening?

**Mr. Christopher MacDonald:** Over the last nine years, the department has taken an approach to fund grant and contribution programs that will help achieve multiple priorities, including decreasing greenhouse gas emissions, conserving nature and protecting land. These contributions and grants are being used to support multiple priorities.

**Mr. Charles Sousa:** That is where the money is going. Is that right? There is a requirement, not just in Canada but around the world, to ensure we lower overall emissions and protect the environment—land, water and air. Some of the programs being put in place are not unique to Canada. They’re a coordinated effort with other parts of the world.

Regarding those grants being initiated, can you tell us to what extent there has been some success? Where are the merits in some of these initiatives?

**Mr. Christopher MacDonald:** We did not look at outcomes as part of this audit. We looked at strengthening the processes in place in order to support departmental program delivery. This work was not necessarily focused on the outcomes and what we are achieving; it was more about the foundation and how the department can deliver these programs better.

**Mr. Charles Sousa:** In the approval process for these grant submissions, were there any elected officials interfering? Did you see any conflicts of interest?

**Mr. Christopher MacDonald:** Based on the review we did on the sample of 100 files, we did not find this in our audit.

**Mr. Charles Sousa:** You didn’t see any engagement of elected officials. You didn’t see....

What did you see, in terms of enabling the program to grow or initiate?

**The Chair:** That is our time, Mr. Sousa. Perhaps you can get back to us in writing, Mr. MacDonald.

We will now go to Mrs. Block and then over to Mr. Jowhari.

**Mrs. Kelly Block:** Thank you, Chair.

As I referenced earlier, this committee has seen the consequences of an utter failure of governance, risk management and internal controls in the cases of Sustainable Development and Technology Canada, ArriveCAN and others.

You mentioned that you have a good team as the chief audit executive. There’s a big team of finance and audit professionals and a CFO, and you have chief audit executives.

How are there, then, such inconsistent approaches to financial management? What’s the breadth and scope of inconsistency, and how loose are the internal controls?

**Mr. Christopher MacDonald:** I can speak for our department.

The CFO is responsible for signing attestation on controls—for the system of internal controls over financial management and reporting. It’s her obligation to review those. Our role is to come in and look at whether they are doing it appropriately.

I think every department goes through this. You go through your risk assessment. You see what the priorities of that department are. What are the key risks they’re facing? Then you develop a plan to provide assurance to the deputy in the areas that need focus, such as grants and contributions, across administration.

However, in general, I believe the controls are pretty well established. It’s oftentimes a case of the implementation of controls at the program’s working level.

• (1205)

**Mrs. Kelly Block:** The controls are established, but they’re not implementing them. The recommendation to strengthen controls and practices, including conflict of interest, cash flow and claim review processes, is very concerning. If the audit has to make such recommendations, there have to be serious lapses, leakages and weaknesses in the internal controls.

Did you advise your deputy minister, minister and comptroller general about these issues?

**Mr. Christopher MacDonald:** Yes.

First of all, we advised the CFO throughout the audit process, going through a validation of the facts. We also advised the deputy minister when we went to the audit committee meeting. This was more a case of inconsistent application of the controls versus no controls. It’s inconsistency across the department.

**Mrs. Kelly Block:** There are controls in place, but they aren’t being applied.

**Mr. Christopher MacDonald:** The majority of the controls were being applied.

**Mrs. Kelly Block:** Okay. I’m a little confused by what was in your audit and what you answered today. You’re saying that they’re there, but they’re not being applied. Then you’re saying the majority of them are applied. That sounds a little inconsistent to me.

Did you advise these individuals about the risks of not applying the controls consistently?

**Mr. Christopher MacDonald:** Yes.

**Mrs. Kelly Block:** Okay. Thank you.

My last question is this: If there are no section 32, section 33 and section 34 issues, why is the audit making recommendations to strengthen financial practices around cash flow processes?

**Mr. Christopher MacDonald:** Again, we did note some inconsistencies in how this was done across the department. For example, when you're looking at program officers who are probably just trying to help the recipients by pre-populating some forms, it's not really a good practice for departmental people to pre-populate forms for the recipients to submit their final funding. I think it's better to have an arm's-length approach so that the recipients are filling out their work and the departmental program managers do their job in terms of validating and monitoring.

**Mrs. Kelly Block:** Right. Then it's not a good practice.

**Mr. Christopher MacDonald:** It's not a good practice.

**Mrs. Kelly Block:** Thank you.

**The Chair:** Thank you.

Mr. Jowhari is next.

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

Thank you, Mr. MacDonald, for joining us today and for the testimony you provided.

You've talked about priorities and you've talked about the government having certain priorities and those priorities translating into different streams or different programs. Then those programs naturally are designed with an outcome in mind. Then there's allocation of funds to them. Is that a fair statement to say at a very high level?

Can you talk about the top three or four priorities for ECCC?

**Mr. Christopher MacDonald:** Do you mean in terms of our department's priorities?

**Mr. Majid Jowhari:** Yes.

**Mr. Christopher MacDonald:** One would be climate change. The other one would be pollution. Then it would be predicting the weather.

**Mr. Majid Jowhari:** Okay. Let's talk about about pollution. How much of that fund was allocated to pollution?

**Mr. Christopher MacDonald:** I don't have that answer with me, but I can get it.

**Mr. Majid Jowhari:** Can you provide that answer? If I want to go back and look at the number of projects that were granted, whether they got a grant or loans, under each one of those priorities, that would be really appreciated.

I understand the process you went through and the audit that was done. The audit process was focused on understanding how they can bring synergy, going from a decentralized system to a centralized system, supported by sufficient resources with the skill sets that are needed to be able to manage all of this. I got that. I also understand that there were a number of recommendations made and that you're working on them.

What took me aback a bit, when you were asked about the outcome, was that you said you did not look at the outcome. Did you

did not look at the outcome because it was not part of the mandate of the audit, or is there is a separate audit that needs to be processed to look at the outcome?

I ask that question mainly because, at the end of the day, regardless of the priority and regardless of the program, there must be an outcome by which we could measure how successful we are. In the case of pollution, I would assume the reduction of the greenhouse gas emissions would be something we would want to measure as an outcome. Can you comment on that?

• (1210)

**Mr. Christopher MacDonald:** Yes. In terms of outcomes, there are multiple ways the department can talk about the outcomes it's achieving, and there are also multiple ways this could be audited. The Office of the Auditor General and the commissioner of the environment and sustainable development have undertaken 19 audits of our department over the last three years. They are consistently looking at us in terms of what we're doing and how we're doing it to achieve our mandate.

Also, when you look at our evaluation function, we look at programs individually to satisfy our financial administration requirements to provide evaluation advice on those.

Also, internally in the department, they have a departmental results framework. They also have performance measures, and they report annually through their departmental results report.

There are multiple ways that the department can communicate the results, then, but the focus of this audit was looking at the foundation of how we're delivering those programs. As well, we didn't look at just one; we looked across all program branches and all the programs to make sure we had the right systems in place to effectively deliver them.

**Mr. Majid Jowhari:** Thank you, sir.

If I want to look at the outcome of the project and the progress made today, I should look at the results reported by each one of those streams and at the projects and the aggregate of what the target was and what's been achieved. As an auditor, have you had a chance to look at that interim report or progress report, and can you tell me whether we are on track, we are ahead or we are behind?

**Mr. Christopher MacDonald:** I can only speak based on the work I have performed in the department, and we're not tracking that, per se. You can find other reports to find that information, and the Auditor General has done a good job over the last few years to report on our progress.

**Mr. Majid Jowhari:** I have about 45 seconds. Where would I go specifically to get that result?

**Mr. Christopher MacDonald:** You can look on our website. There are evaluation reports. There is also the departmental results framework. They're putting the departmental results report on there, and you can get that type of information there.

I may be missing some things, so I'll have to get back to you after talking to department officials.

**Mr. Majid Jowhari:** Just to close, the focus of your audit was more on the financial side and the management of the process rather than on determining whether the outcome has met the objective of the process. Okay. Thank you very much.

Thank you, Mr. Chair.

**The Chair:** Thank you, sir.

Mrs. Vignola is next.

[Translation]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

For funds that are sent internationally, does the public have any way of knowing how the funds are being used to achieve transition objectives and ensure that no organization or company is using those funds to do inappropriate things?

[English]

**Mr. Christopher MacDonald:** That's a question I would probably take back to the department and ask of department officials in order to get a proper response.

[Translation]

**Mrs. Julie Vignola:** Thank you.

I want to talk some more about the challenge around growth. I understand that managing growth is not easy. However, I'm concerned about problems with management, processes and documentation not only in your department, but in a number of other departments as well.

I'm sure Quebeckers and Canadians who are keeping tabs on this issue are as concerned as I am right now, especially since, as I said, it seems to be quite common. It looks like Canada was created yesterday and we have to start from scratch. It's absolutely incredible.

What do we need to do to bring order to this chaos? I'm talking about your department, Environment and Climate Change Canada. How long will it take to be sure that funds, taxes and taxpayers' money are being used effectively and efficiently?

[English]

**Mr. Christopher MacDonald:** I believe the implementation of the management action plan will address a lot of these issues, and there are timelines associated with the implementation of these action plans.

[Translation]

**Mrs. Julie Vignola:** Thank you very much.

[English]

**The Chair:** Thanks.

Go ahead, Ms. Blaney.

**Ms. Rachel Blaney:** I have a couple of questions. Again, thank you for being here. I've learned a lot today.

One of the things I want to come back to is that many indigenous applicants were labelled medium or high risk. With regard to that review process, there was a clear identification that there wasn't really any paperwork providing a meaningful rationale for it. I appreciate that they were reviewed and that there's an ongoing process in

place to address that issue, but what does that mean for the people who currently have an agreement?

When that issue was identified, was anything done with the current agreements? We know the oversight requirements increase.

There are a lot of additional administration costs for recipients when they are rated this way. If there's nothing saying why they were rated this way, what happens in your process to provide feedback about what should happen with those current agreements that have not been properly dealt with?

• (1215)

**Mr. Christopher MacDonald:** There are two points I would make. We're going to track the implementation of the action plan through the follow-up process we have in place, but your question goes beyond that. What is happening, from the program manager perspective and from the departmental perspective of how we are going to fix some of these issues if they have led to inconsistent practices across multiple recipients, is a good question that I can bring back to the centre of expertise for grants and contributions—

**Ms. Rachel Blaney:** Thank you for that, because I'd hate to think that this was found out and then the people in those contracts are not going to get the support they deserve with the system.

Could I get clarity on another thing? I know this audit was done prior to that one. When was the last one done?

**Mr. Christopher MacDonald:** The last audit of grants and contributions that looked beyond more than one program was in 2019.

**Ms. Rachel Blaney:** Okay. Are there any plans to have it be a more normal thing or a more frequent activity, or are there any discussions about what that might look like?

**Mr. Christopher MacDonald:** The evaluation plan will do evaluations of individual programs. We're just about to launch our current process for the development of our 2025-2030 plan. Through the consultations and through our risk assessment, we will look into whether there are any further risks that we need to explore with respect to grants and contributions. We would then consider those in the development of our plan.

**Ms. Rachel Blaney:** Okay. Thank you. That's my question.

Thank you.

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

Mr. MacDonald, before we send you on your way, if you don't mind, I have a couple of quick questions myself.

The recommendation on page 3 talks about—and my colleague spoke about it as well—strengthening controls over conflict of interest. I think you kind of answered it in saying that the controls were not being followed properly. Were you able to identify issues of conflict of interest that triggered this note in the report, or was there just a lack of control around it?



**Mr. Christopher MacDonald:** There are two aspects. There's the values and ethics code for public servants that we all have to follow and that we have to sign every year, attesting that we're going to adhere to the values and ethics code for public servants. However, also, when you're a program manager in the grants and contributions, before you make decisions, you should really reflect on whether you're in a conflict-of-interest position.

It's not necessarily that we found anything, but it's just a really good practice that people making decisions—

**The Chair:** You said, "it's not necessarily". Did you find any, or were you not looking...?

**Mr. Christopher MacDonald:** No, we did not find any instances of conflict of interest, but we're saying that further strengthening of the controls is a good practice.

**The Chair:** Okay, I understand. It's not well written—I'm going to be critical—or well explained, I guess, in the report.

You didn't do a value-for-money audit. That's supposed to be part of the original process. Did you identify any grants that were not eligible, or was that again not part of the scope of the audit?

**Mr. Christopher MacDonald:** For the 100 files that we looked at, everything was eligible under the terms and conditions.

**The Chair:** Wonderful. That's all I had.

Mr. MacDonald, thank you very much. We'll send you on your way.

Colleagues, we'll suspend very briefly. Then I'll come back and go over some of the schedule issues for everyone.

Thanks.

• (1215) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1220)

**The Chair:** We are back in session, everyone.

Very quickly—yes, I'll get to you, Mrs. Kusie—I just want to go over what's coming up in the next month. There could be a couple of changes, depending on ministers' availability.

On November 5, we have Minister Joly for the first hour—well, it will probably take an hour and 10 minutes to get through.

For the second hour, we're trying to get Minister Hajdu on indigenous procurement. We are still going back and forth in confirming availability. It may be November 5 for her, or it may be November 19. We will fit in when she's available, so if she agrees, on November 5 it will be Minister Joly and Minister Hajdu. November 7 is a full day. We have, I think, five witnesses on indigenous procurement.

For the break week, we have three meetings set.... No, there will be nothing on the break week.

**An hon. member:** That's a shame.

**The Chair:** Yeah, I know.

November 19 I'm holding open right now for Minister Hajdu if she cannot do November 5. If she does November 5, then hopefully

we will slot her in there. November 21 is the second Canada Post study. This is the one on the bilingual issue with the post offices. November 26 is the PBO.

Now, on November 5, if Minister Hajdu is not available, we will finish off, hopefully, the recommendations of the Canada Post rural study. If Minister Hajdu shows up on November 5, then Canada Post will go back to November 19.

Now, I do have one issue, and then we'll get to Mrs. Kusie and then Mr. Sousa, unless there's a question on the schedule.

An issue came up on a motion, and I'm going to ask the committee if we can agree to have them in. They're the Public Sector Integrity Commissioner and the procurement ombud. They both indicated.... The procurement ombud has mentioned before an issue around resources. Now the integrity commissioner has brought up an issue around resources, and I'm looking for agreement to bring them both in for an hour to talk about that.

They're both obviously very important to our committee because they are part of the OGGO world, especially the integrity commissioner, because she is new. However, we've also just passed Bill C-290 on whistle-blowers. The integrity commissioner commented that she doesn't have the resources to do her mandate, and we already have a very, very weak whistle-blowing regime in Canada, so I'd like to hear from her about that. Then the procurement ombud made a comment to the effect that he's just not able to do what is necessary on the existing budget.

Therefore, somewhere in there—not on Remembrance Day, I promise you—if we're fine with that, we'll slot them both in for an hour.

• (1225)

**Mr. Irek Kusmierczyk:** Mr. Chair, can we—

**The Chair:** I think Charles is first.

**Mr. Irek Kusmierczyk:** Oh, I'm sorry.

**The Chair:** Is it on the schedule?

**Mr. Charles Sousa:** Yes, it's on the schedule.

We've had this discussion many times in the past. I know the will of the majority of the committee has spoken on a number of occasions. I think it's necessary. I want to move forward, and I want to reinforce....

Rachel, this is the first time that you're part of the committee, but I just want to be able to reiterate some of the concerns that the committee has had.

I'd like to move a motion with regard to it, and it reads as follows—

**The Chair:** Mr. Sousa, keep it to the schedule. There are other people in front of you. Keep it on point.

**Mr. Charles Sousa:** It's about scheduling. This is all about scheduling.

**The Chair:** Okay. This was just about about the schedule that I've put forward. There was someone else in front of you. I should have gone to her first if you want to do a motion.

What is the issue on the schedule?

**Mr. Charles Sousa:** Well, I'd like to read it to you, if I may.

**The Chair:** No, I'm not asking about the motion. I'm asking about your issue—

**Mr. Charles Sousa:** No, the motion makes it very clear what the issue is with regard to scheduling, and it's—

**The Chair:** I will get to you after Mrs. Kusie.

**Mr. Charles Sousa:** No, I think I want to discuss it, because we have had these discussions often—

**The Chair:** Mr. Sousa, let me interrupt quickly.

I've put forward the schedule that we've basically agreed to going forward—

**Mr. Charles Sousa:** I'm concerned. I am talking about the schedule.

**The Chair:** If you wish to put a motion, we'll do a motion, but after the one I've put forward just asking the committee's opinion about the ombudsman. Then we'll start in order, and Mrs. Kusie is the first.

**Mr. Charles Sousa:** We have discussions in this committee many times around scheduling. You've kindly given us a little bit more of a preface as to what is happening, which is welcome, but it hasn't always been the case. I think it's important for us to have this discussion, and now that we're having it, to further elaborate some of the concerns of members of this committee. I think it's important for us to reiterate and explain what those are for the benefit of where we're headed.

**The Chair:** Do you have a motion that you would like to put forward?

If you do, then we will get to the issue I brought up first and then we'll recognize Mrs. Kusie, because I told her we'd get back to her—

**Mr. Charles Sousa:** The motion is in regard to this very issue.

**The Chair:** I'm sorry?

**Mr. Charles Sousa:** This is very much in regard to what you're talking about.

**The Chair:** That's not the question I asked, Mr. Sousa. It's a very straightforward question.

If you have a question on the schedule, I will answer it—

**Mr. Charles Sousa:** It seems to me—

**The Chair:** Let me finish, Mr. Sousa.

If you have a motion, then we'll hear your motion.

I did bring up the fact that I wanted feedback on the issue I brought up first regarding the procurement ombudsman and the Public Sector Integrity Commissioner.

Then Mrs. Kusie had her hand up. As soon as I open this, I will go to her and then we'll get to your motion.

If you want to do your motion, that's fine. We'll get to it. If it's just a question regarding the schedule, then I'll answer that.

**Mr. Charles Sousa:** This is all about the scheduling.

**The Chair:** Is it a question regarding the schedule or a statement regarding the schedule?

If it's a question, I'll answer it. If it's a statement and a motion, we'll get back to you and you'll have your time.

**Mr. Charles Sousa:** I'm trying to have an open discussion on a matter that I think is critical to all of us here and on some of the issues that have taken place, which I think need to be reminded of and corrected so that they will not be repeated. I think some of us want to have that discussion in regard to your scheduling.

**The Chair:** Okay, you don't have a question on the schedule. You'd like to have a discussion on it. That's fine.

I will ask what we want to do about the procurement ombudsman and the Public Sector Integrity Commissioner.

**Ms. Rachel Blaney:** I have a point of order.

**The Chair:** Then we'll go to Mrs. Kusie and then we'll go to Mr. Sousa—

**Ms. Rachel Blaney:** That's great, but we should deal with my point of order first.

**The Chair:** We'll go to Ms. Blaney.

You have a point of order. Go ahead.

**Ms. Rachel Blaney:** My point of order is that I actually don't know what we're talking about. I went to the bathroom because you told us we had some time.

If you could reiterate what we're talking about so that I have the context, I would really appreciate it.

**The Chair:** Certainly.

I explained to the committee what the schedule is going to be with our witnesses. It's dependent on whether Minister Hajdu comes in.

I'd asked the committee if we'd like to move ahead with bringing in the procurement ombudsman—I think you were here for that—and the Public Sector Integrity Commissioner.

Then Mr. Sousa wanted to have a discussion on the schedule.

• (1230)

**Ms. Rachel Blaney:** Just for clarity's sake, were any dates included in that?

**The Chair:** Yes.

**Ms. Rachel Blaney:** Could I have those dates?

**The Chair:** Sure.

November 5 is Minister Joly. That's Global Affairs for the New York apartment. Then possibly the second hour is Minister Hajdu, if she agrees. If she doesn't agree, then we'll have Canada Post, which I assume would be Mr. Bachrach.

On November 7, we have witnesses on indigenous procurement. On November 19, we will possibly have Minister Hajdu. That's our backup date.

The 21st is on the Canada Post motion that we passed, which is on the bilingual issues around Montreal. The 26th is the PBO, as we agreed to last week in the schedule put forward.

Mr. Sousa, we'll—

**Mr. Charles Sousa:** Do I not have the floor still?

**The Chair:** No.

**Mr. Charles Sousa:** I never conceded. I mean, I believe I have the floor and I believe I have the right—

**The Chair:** We're not having a debate, Mr. Sousa.

**Mr. Charles Sousa:** I don't want to have a debate. I want to move forward on the issue of our schedule.

**The Chair:** I will get to your motion. It sounds like it's your motion.

**Mr. Charles Sousa:** I don't understand why you're not allowing me to put it forward when I have the floor. I have the floor and I proceed—

**The Chair:** Mr. Sousa, I explained very clearly that there are a couple of things preceding that.

I had asked for unanimous consent about whether we could move forward to the Public Sector Integrity Commissioner and the ombudsman. Mrs. Kusie had her hand up. I stated I would get to her as soon as I was done.

I will go to Mrs. Kusie and then we'll go to your motion if you wish to put through a motion.

**Mr. Charles Sousa:** It's in regard to scheduling. I'm talking about the issue around scheduling.

You've moved a lot of stuff forward here, and I think it's important for us to—

**The Chair:** I'm happy to answer them.

If you have questions on the schedule, that's great. If you want to move a motion, then we'll get to it after the issue I brought forward, and I'd recognize Mrs. Kusie first.

**Mr. Charles Sousa:** Again, that's part of the issue that we want to respect on this, Chair. I don't believe that you're adhering to it, Mr. Chair.

**The Chair:** We'll get to it afterward.

Colleagues, I had asked, regarding the procurement ombudsman and the Public Sector Integrity Commissioner on their—

**Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.):** Chair, I have a point of order.

Mr. Sousa had the floor—

**Mr. Garnett Genuis:** I have a point of order as well, Chair.

**The Chair:** Go ahead, Mrs. Shanahan.

Please wait until I recognize you before you start talking on your point of order so that we're not talking over each other.

Go ahead.

I'll get to you, Mr. Genuis.

**Mrs. Brenda Shanahan:** Okay, very good.

Chair, it was very clear that you had recognized Mr. Sousa. He moved a motion and he has the floor.

Thank you.

**The Chair:** Go ahead, Mr. Genuis.

**Mr. Garnett Genuis:** Respectfully of colleagues, I think that we can all maybe just learn a bit about some aspects of process.

You can't have more than one substantive motion on the floor at the same time. If the chair puts forward a proposal in terms of a schedule and we're discussing something the chair has put forward, you can't have multiple motions on the floor at the same time. In the same way that if I had moved a motion and Mrs. Block said, "I want to move a motion now", you can only move a motion if there's not another motion on the floor.

I think it's important to be respectful of the chair and the process. It's not really a disputable question in terms of having multiple motions on the floor at once.

Let's just deal with this one at a time and hopefully we can actually move on.

**Mr. Irek Kusmierczyk:** I have a point of order, Mr. Chair.

**Mrs. Brenda Shanahan:** To that point of order...

**The Chair:** Sure. However, let me just comment that Mr. Genuis, as is often the case, is correct in this issue.

I have Mr. Kusmierczyk, and then it's back to you, Mrs. Shanahan.

**Mr. Irek Kusmierczyk:** I was going to say that as I understand it, you had engaged us in a conversation about scheduling, but there was no motion. You had not indicated to this committee that you have put forward a motion. The first motion on the floor was my colleague Mr. Sousa's, who clearly and audibly stated that he had a motion, and he had the floor. He was recognized by you. He stated that he had a motion, and so by right, Mr. Sousa has the floor, and he has the only motion on the floor for us to debate.

I want to make that clear in terms of process.

**The Chair:** Go ahead, Mrs. Block.

**Mrs. Kelly Block:** On that point of order, Chair, I'm sure that we could go back and look at the blues of what just transpired. It's my understanding that the chair was asking for unanimous consent to invite two of these commissioners to this meeting. When Mr. Sousa asked to intervene, the chair asked if it was on this schedule. That's exactly how it happened. You can go back and take a look at what was said.

• (1235)

**The Chair:** Mrs. Shanahan, I think we had one from you. I'm sorry. Did we hear it already?

**Mrs. Brenda Shanahan:** Yes. Mr. Kusmierczyk made my point. Thank you.

**The Chair:** Colleagues, I'm trying to get through the day and address all of the issues. Sometimes we do it in a rather informal way. However, I have stated and I've ruled that Mr. Genuis made the comment that I believe is correct, which is that we were on a different order of business. I will try to get to it. We have 25 minutes.

Mr. Sousa, we will be able to get to any discussion and any motions on this. I'm going to just move forward with whether we can agree or not agree regarding the procurement ombudsman. Then we'll get to Mrs. Kusie, then we'll get to Mr. Sousa.

I'm sorry. Go ahead.

**Ms. Rachel Blaney:** You're talking about inviting these members to be in our committee, which is interesting, and I'm okay with it.

I'm just wondering if you have dates that you're particularly hoping for. Is it just a general request?

**The Chair:** It's a general request. A lot is going to depend on Minister Hajdu's availability. If she's not available, period, that opens up a bit more time. We are operating around, as we often do, a minister's availability.

**Ms. Rachel Blaney:** Ministers' schedules are the norm. We all are used to it.

I want to state for the record, because I'm new to this committee, that I do understand that this committee meets a lot during break weeks. They're not break weeks for me. I have a large riding, and I spend a lot of time there. I do want to express concern and hopefully leniency to have conversations with the chair.

In some of the areas of my riding that I might be in, connectivity is a challenge. Some are quite great with that, and it just depends. I just want to bring that to the committee's awareness, and I hope that we can be respectful. If we had great Internet everywhere in the world, I think that would be great for the country. However, like some of the members here—

**The Chair:** I've worked and lived on the island, and I hear you. I state we will not be here two weeks from now—

**Ms. Rachel Blaney:** I would like just to say that perhaps we can have some consideration for that, because some days just may not work for me, because I book well ahead, as I'm sure everybody else does. I hope that we have an open dialogue around that.

**The Chair:** Yes, we can, 100%.

**Mr. Irek Kusmierczyk:** On that note, I just wanted to say to my colleague that I 100%, appreciate what you just said. I back you up on that point 100%.

Unfortunately, I have to highlight the fact that around this committee oftentimes we don't have a choice. Very often the decision to call a meeting during break week is made unilaterally by the chair, and it is quite often made with less than 24 hours' advance notice. I just want to tell my new colleague at this table that quite often the other MPs and colleagues around this table don't have a say when

those meetings are called. This is precisely the issue that we wanted to address with what my colleague MP Sousa was going to raise. He had the floor to raise this issue. We understand how incredibly disruptive it is when we are not consulted on when we meet, and the disruption it causes to our work as a member of Parliament and to our privilege as a member of Parliament doing our work. Thank you.

**The Chair:** Thanks.

Colleagues—obviously depending on the schedule of the minister—are we okay with possibly sometime in December, and the procurement ombudsman for an hour and the Public Sector Integrity Commissioner for an hour?

**Some hon. members:** Agreed.

**The Chair:** Wonderful.

I will follow up as well with our vice-chair about the minister. There were some signals that it was a possibility. She testified yesterday, I think, on a bit of this issue that we're studying here, so hopefully she will join us.

We'll now go to Mrs. Kusie—briefly, I hope—and then we'll get back to the discussion with Mr. Sousa.

• (1240)

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

Further to the events of early last week, I'm sure that as our new member of the NDP becomes briefed and familiar with the happenings of this committee over the last several months, they will be further informed as to the situation we were dealing with early last week around the former CIO of the CBSA.

Mr. Chair, I will now present the motion that I will be moving here today:

Given recent concerns regarding information management of public servant emails, pursuant to Standing Order 108(1), the committee call the following witnesses and undertake a four-meeting study to better understand how the Government of Canada's information management policy, the Privacy Act, the Access to Information Act, and the Treasury Board's directive on information management govern the handling and storage of government records:

The President of the Treasury Board, Anita Anand;

Treasury Board officials;

The president of the CBSA, Erin O'Gorman;

The Information Commissioner of Canada, Caroline Maynard;

The former chief technology officer of Canada, Minh Doan;

The chief technology officer of Canada, Luc Gagnon;

Former assistant deputy minister, Health Canada, Cameron MacDonald; and

IT security specialists involved in the investigation

As I indicated, Mr. Chair, I and I'm sure many other Canadians and those who follow the government operations committee have been in confusion and disbelief over the order of events of Minh Doan's emails. I will briefly review the timeline.

On February 23, 2023, Minh Doan is alerted that there is an access to information request on his email.

On February 27, 2023, he states that his PST file has been “corrupted” and that this has impacted his emails available for the ATIP.

In December of 2023, an IT employee submits a complaint to the internal investigator, Michel Lafleur, and describes the event as follows:

When I had my conversation with Mr. Doan, the things he was telling me or saying he was advised to do made no sense. I have never heard of a [vice-president] or an individual who receives VIP treatment in regards to IT related tasks taking it upon themselves to move files or organize information in the way he suggested he did.

In January of 2024, his email deletion is announced in The Globe and Mail, and Minh Doan responds:

I am deeply concerned that this all seems to be part of a pattern by certain individuals to deflect attention, to blame me for their actions and decisions, discredit, and harm my reputation, despite growing evidence that demonstrates I had no relationship with any of the vendors in question.

On June 5, 2024, Minh Doan appears at this committee and states that the CBSA and SSC have no backups of his corrupted emails. That is then followed by an email communication to this committee in October of 2024 in which Erin O’Gorman writes to the committee that this backup does not exist and that all local files were deleted when Minh Doan left the CBSA, as his email address was deleted upon departure.

The bottom line, Mr. Chair, is that something happened here whereby the CIO of CBSA inconveniently had his files corrupted days after they were sought under the Access to Information Act. I will add that this CIO went on to become the chief technology officer of Canada.

Whether it was malicious actions in the face of a sound process or a failure of the process, we must get to the bottom of finding out what happened so that this does not happen again in our public service and in the face of Canadians.

Mr. Chair, our study of ArriveCAN may be coming to a conclusion, but the level of process failure and the incompetence or the poor actions of individuals must be determined for the good of all Canadians and the confidence of all Canadians moving forward.

I will conclude my opening comments there after having moved this motion.

Thank you very much, Mr. Chair.

**The Chair:** Thank you.

I’m sorry, Ms. Blaney; is this in regard to getting a copy, or were you putting your hand up to speak about this?

**Ms. Rachel Blaney:** I want to speak about this.

**The Chair:** Please do. The floor is yours. Then we have Mr. Sousa.

**Ms. Rachel Blaney:** Thank you for this.

I don’t have a lot of concerns about it. I have an amendment I’d like to move, but prior to that I have a quick question.

You also talked about inviting the former assistant deputy minister at Health Canada, Cameron MacDonald. I’m wondering why it’s that person in particular. Based on other committees I’ve sat on, I often find that a former anything always says, “Well, I don’t remember”, so we don’t get much.

If I could get some clarity on that, it would be very helpful.

• (1245)

**The Chair:** I had Mr. Sousa next.

Are you fine if she responds to that question, Mr. Sousa?

**Mr. Charles Sousa:** To add the amendment....

**The Chair:** No, she had a question on it.

**Ms. Rachel Blaney:** I just have a question first. Then I’m going to do a quick amendment.

**Mr. Charles Sousa:** Yes.

**The Chair:** Go ahead.

**Mrs. Stephanie Kusie:** Mr. Doan indicated that he was limited in his conversations with the vendors. I believe Mr. MacDonald will add useful information in the corroboration of determining exactly what happened, again to learn, going forward. Mr. MacDonald is part of the piece in finding out whether there was a problem with the process or if it was the malicious actions of an individual.

**Ms. Rachel Blaney:** Okay. That helps.

Is it okay to offer an amendment?

**The Chair:** Yes, please go ahead. If you have a copy of it, send it to the clerk.

**Ms. Rachel Blaney:** That’s already been done. Isn’t that excellent?

**The Chair:** Thank you. It’s such an improvement over Mr. Bachrach.

**Ms. Rachel Blaney:** At the end of the motion, all I want to add is this:

And that the committee agree to conclude this study after hearing from these witnesses and move on to the review of a draft report; that the committee present a report to the House and request a government response.

**The Chair:** As I understand it, we’ve already started on the draft report. This would be separate from the draft report, because this is on the lost emails and such.

Was the intent to include this?

**Ms. Rachel Blaney:** I understand it is a motion for a new study.

**The Chair:** Right, but it won’t be.... My understanding—correct me if I’m wrong—is that we have already started the draft report. We’ll get to it, probably, in four weeks—

**Ms. Rachel Blaney:** Then there would be no harm in adding this.

**The Chair:** —so this would be a separate piece, off of that.

**Ms. Rachel Blaney:** Pardon me. I don’t understand.

**The Chair:** The draft report on ArriveCAN will be presented with recommendations. It will be from what we’ve heard up until probably a month ago. This is something separate coming out of ArriveCAN, so it won’t be....

I understand what you’re saying with the amendment, but it won’t be needed. We’ve already started the—

**Ms. Rachel Blaney:** Are these two separate studies, or one? If they’re two separate studies—

**The Chair:** My understanding is that they're separate.

**Ms. Rachel Blaney:** Then I think this makes sense to me.

**The Chair:** I'm sorry. Yes, they're separate.

**Ms. Rachel Blaney:** If it's separate, then there's going to be another report. I want to make sure we get that done and move on.

**The Chair:** Yes. We were chatting this morning. The hope is that because it's a big report being drafted, we'll get to it in mid-December and start the line-by-line.

**Ms. Rachel Blaney:** That's excellent.

Therefore, I'm moving this amendment for the next report, I guess—for this report.

I'm done now. I'll leave you to chairing.

**Mrs. Stephanie Kusie:** Yes, that's acceptable.

**The Chair:** Yes, I think everyone's fine with that amendment.

That's perfect. We just have....

Okay, Mr. Sousa, go ahead on the amended motion.

**Mr. Charles Sousa:** Well, the whole motion suggests that there's an issue with the storage policies. It's based on the premise that we could not receive Minh Doan's emails. I think that's how it's being prefaced here.

However, Erin O'Gorman clarified that only the account was deleted, not the emails. The CBSA has access to his corporate emails. I know the clerk has received hundreds of pages for the committee, so the emails aren't lost. The emails are within our purview. They've been there since April.

Therefore, the premise of the motion is incorrect. That's not what has taken place. The emails are available. That part is a non-issue.

Consequently, as a result of that, I have further amendments to the amended motion.

**The Chair:** Can you send them to the clerk? Then you can read them off.

**Mr. Charles Sousa:** I can. I can read it as well.

I'm trying to determine what is actually at stake. If it's about emails, my first amendment is to remove Minister Anand. The directives in regard to the management—

• (1250)

**The Chair:** Can I interrupt for a second? When you say it's your first amendment, are you—

**Mr. Charles Sousa:** I actually have three amendments.

**The Chair:** Okay.

**Mr. Charles Sousa:** I'll make it as one.

**The Chair:** That's what I was going to ask. Thanks.

Can you read them all as one amendment, and then you can address them individually?

**Mr. Charles Sousa:** I'll try to read them together.

The first amendment is to remove Minister Anand. She has nothing to do with regard to the directives here and with respect to what's taking place.

Second is to remove all witnesses other than TBS officials, the Information Commissioner and the Public Sector Integrity Commissioner. Again, this is with regard to what is relevant. There is nothing here by which they would add value in terms of the discussion. If you're looking for witnesses to describe....

The other change is to limit the meetings to two. Given that there will be fewer witnesses, it is not necessary to have four meetings.

**Mr. Garnett Genuis:** We could just limit the meetings to half an hour.

**Mr. Charles Sousa:** We probably could, because there's not much more here, other than trying to get clips.

**The Chair:** On the amendment to the amended motion, I have Mrs. Block.

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

I think there's some confusion around what the motion is actually asking. In the example that was given in the follow-up, when the mover had the opportunity to speak to the motion, she provided a situation in which this was an issue.

If you take a look at the motion itself, you see that it is in regard to storage policies and how information is managed. We're not looking at delving into a specific issue. It's on a broader level. That is why all of these individuals have been invited to appear: It's to clear up the confusion that there seems to be as a result of the ArriveCAN incident, and the discrepancies that we heard from Minh Doan and the discrepancy that came out with the correspondence we recently received from Erin O'Gorman.

It's highlighting an issue, but it's not the issue. The issue is, how is information stored? How is it kept? When there's a need to access that information, will it be there when we need it, if anything like this ever arises again?

**The Chair:** Go ahead, Mrs. Kusie.

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

I would like to point out the absolute relevance of the motion, relative to the most recent letter received from Erin O'Gorman. She indicated in the second-last sentence of the letter that:

The response above was referring specifically to backup copies of emails in a PST file—a digital file folder created by an employee on a desktop computer—that was corrupted. No backup copies exist of this PST file.

Those two sentences in themselves indicate the necessity of looking into this. The fact that an employee—never mind the CIO of the CBSA—can create the backup copies in a PST file, that they can move them to their desktop computer, that they could be corrupted within their own desktop computer and then corrupted beyond recall so that they cannot be examined in situations like ArriveCAN, which requires the evaluation of all the emails....

In the last sentence that she gives, “No backup copies exist of this PST file”, if we don't have backup copies, we don't know what was in this PST file. We don't know what information we don't have.

My point is that the most recent communication from Erin O'Gorman absolutely indicates the necessity of this motion and of this study.

Further to the omission of the President of the Treasury Board from the motion, you will recall the motion that I moved last week, before receiving the second communication from Erin O'Gorman. The chair indicated that in an attempt to determine from the Information Commissioner the possibility of registering a complaint about the acceptability of this information being stored in that way and about why this information was stored, she indicated that she had no jurisdiction over it and that we actually had to go to the President of the Treasury Board. That was due to the situation that we found ourselves in—without access to these corrupted emails—being under the purview of the Treasury Board's directive on information management, which is governed by the President of the Treasury Board, Anita Anand.

This is absolutely a study that is needed, as I indicated in my opening, to ensure that we completely understand the processes and to ensure that we understand how this came to happen so that it doesn't happen again.

It is clear, by the directives that oversee the possibility of this situation occurring again, that these directives come from the Treasury Board; therefore, the President of the Treasury Board should be here to answer for that, Mr. Chair.

That was incredibly verbose, but I believe I've made my points.

Thank you.

• (1255)

**The Chair:** Next I have Mr. Kusmierczyk, and then Mr. Sousa.

**Mr. Irek Kusmierczyk:** Thank you, Mr. Chair.

I know that you wanted to say a few things, but I wanted to say that we are absolutely in agreement with a study on information management, on information storage. It adds a piece of the puzzle to the overall work that we're doing here in terms of process. That part we support. We feel, as has been tradition, that we listen to the officials when we're dealing with process in an issue; we don't call the minister up front. We talk to the officials first to get an understanding of the issue and of what the process looks like from the officials' perspective.

Again, removing Minister Anand from that makes sense to us. It adheres to what has been traditionally the way that we've done things here at committee.

At the same time, on removing witnesses, I believe that the only thing Mr. Doan and Cameron MacDonald add to this discussion is politics. They don't add any insight or anything additional to this study. Therefore, I absolutely do support removing anyone except the officials from this study, as my colleague has stated, and I support not including Mr. MacDonald and Mr. Doan as well.

Otherwise, we think this is a good study, and we appreciate its being brought forward.

**The Chair:** I'm sorry, but do you mind if I interrupt?

I see a few heads nodding.

Are we okay with losing Minister Anand, Mr. MacDonald and Mr. Doan?

**Some hon. members:** Agreed.

**The Chair:** Perfect. I'll take UC on that.

It is the original motion as amended by Ms. Blaney, and then we're losing the three. Are we all in agreement?

**Mr. Irek Kusmierczyk:** Could I just have that repeated really quickly?

Thank you.

**The Chair:** Sure.

I don't have the final part in front of me that Ms. Blaney added, but nothing changes in the preamble. For witnesses, it's TBS officials; President O'Gorman; Ms. Maynard from the Office of the Information Commissioner; Mr. Gagnon, who I think is the temporary chief technology officer; and the IT security specialist involved in the investigation. Then there was what was added by Ms. Blaney, which I think was two meetings, and then we get to a report.

Is that correct, sir?

**The Clerk of the Committee (Mr. Marc-Olivier Girard):** Yes, but the amendment moved forward by [*Inaudible—Editor*].

• (1300)

**The Chair:** It's just removing those names.

**The Clerk:** I thought the suggestion was that instead of having four meetings, you would reduce it to two.

**The Chair:** Yes, that's what I just stated.

Do you want the clerk to read it one last time?

I think we're all in agreement, but just to be on the safe side, do you mind reading it into the record?

**The Clerk:** It is as follows: “Given recent concerns regarding file storage policy following the departure of public servants, pursuant to Standing Order 108(1), the committee call the following witnesses and undertake a two-meeting study to better understand how the Government of Canada's information management policy, the Privacy Act, the Access to Information Act and the Treasury Board directive on information management govern the handling and storage of government records.”

**The Chair:** To be honest, we might have too many witnesses. Can we say three if necessary? We may not need three.

**Mr. Irek Kusmierczyk:** Having three meetings is fine.

**Mr. Garnett Genuis:** Three meetings if necessary, but not necessarily three.

**The Chair:** Yes, we may get through in two because if TBS sends one person, then that's....

**The Clerk:** The witnesses I have are Treasury Board officials, Information Commissioner of Canada Caroline Maynard and Public Sector Integrity Commissioner Harriet Solloway. At the end, we have the amendment that was put forward initially by Ms. Blaney, which reads, “And that the committee agree to conclude this study after hearing from these witnesses and move on to the review of a draft report; that the committee present a report to the House and request a government response.”

**Mrs. Stephanie Kusie:** Isn't Erin O'Gorman supposed to be on there?

**The Chair:** Yes, she is.

**Mrs. Stephanie Kusie:** Thank you.

**The Chair:** The Integrity Commissioner is out, but President O'Gorman is on the witness list.

Quickly, we will go to you. We're almost out of resources, but we'll start. We'll at least hear, and then we might have time Wednesday, depending on Minister Hajdu.

Actually, I'll follow up with you, Mr. Kusmierczyk, regarding submarines afterwards.

Go ahead, Mr. Sousa. We're very short on time, but we can at least get started, and I want to hear from you.

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

I'd like to move a motion. It reads as follows:

That given the chair made a unilateral decision to cancel the meeting on October 10, 2024, and then called a meeting with less than the usual practice of 48 hours of notice during constituency week, without consulting with other parties, the committee members request that the chair (a) adhere as much as possible to the committee's usual schedule, and (b) for meetings called outside standard scheduled times of the committee, or not due to Standing Order 106(4), the chair consult and obtain agreement from members, and (c) respect a minimum of a 48-hour notice period, and (d) that particular attention and respect to these requests be given during non-sitting weeks.

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

This motion does not appear to be substantially different from a motion that was previously moved at this committee, so the appropriate process is to....

The motion hasn't been distributed, so it's not entirely clear, but this appears to be virtually identical to a motion previously moved, so the proper procedure would be to seek the resumption of debate on the previous item.

However, maybe you need to reserve judgment on that until it's seen and distributed—I don't know—but you can't move a motion that's substantially the same.

**The Chair:** It is pretty much identical, and we're almost out of time.

Are you able to perhaps take it back, massage it a bit more, and then re-present it, Mr. Sousa?

**Mr. Charles Sousa:** Well, I can massage it all you want, and I may—

**The Chair:** It's not a matter of massaging it, but it does have to be substantively different. Just one item, I think, was changed on it, so I'm wondering.... Again, we're almost out of time anyway, and rather than just adjourning for lack of time.... We're almost out of time, so I think we may have to address this at another time anyway. I'm wondering if perhaps—

Yes, go ahead.

**Mr. Charles Sousa:** Mr. Chair, I just want to remind everyone in this room that whatever we've done in the past and regardless of what has been stated, it's not been adhered to. I think it's important for us to resubmit the motion or put this new motion forward to substantiate the will of the committee.

Thank you.

**The Chair:** I'm going to suggest that it is not substantively different enough. Perhaps do so and update it a bit for our next opportunity.

With that, we're out of resources.

We are adjourned.









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