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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1530)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): Good afternoon, everyone. I call the meeting to order.

Welcome to meeting number 104 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I would remind you that all comments should be addressed through the chair.

[*Translation*]

Pursuant to Standing Order 108(3)(g), the committee is meeting today for its study of the Public Accounts of Canada 2023, referred to the committee on Tuesday, October 24, 2023.

[*English*]

Before I welcome our guests, I want to inform members that I found it necessary to split this meeting in two because several witnesses were not available. On top of that, you can see that we have a full house of witnesses, and we didn't think we could fit more people around the table. We're going to do about an hour of hearings today on the Public Accounts 2023, and we'll reserve our second hour for a later date. I'll also have an update at the end of the meeting with respect to the Auditor General's upcoming tabling of reports to Parliament.

Without further ado, I'd like to welcome our witnesses.

From the Office of the Auditor General, we have Karen Hogan, Auditor General of Canada; Sana Garda, principal; and Etienne Matte, principal.

From the Treasury Board Secretariat, we have Monia Lahaie, assistant comptroller general, financial management sector; Blair Kennedy, executive director, government accounting policy and reporting; and Diane Peressini, former executive director, government accounting policy and reporting.

From the Department of Finance, we have Evelyn Dancey, assistant deputy minister, fiscal policy branch.

From Export Development Canada, we have Mairead Lavery, president and chief executive officer.

From Development Finance Institute Canada—FinDev Canada—we have Lori Kerr, chief executive officer, and David Bhamjee, vice-president and chief strategy and engagement officer.

I understand that just three of the five have opening remarks, which will go to a maximum of five minutes. After that, we'll proceed to a round of questions.

Members, I plan to do two rounds, which will give government members and the official opposition three spots and the NDP and the Bloc Québécois two spots each.

Without further ado, Ms. Hogan, you have the floor for up to five minutes, please. I understand your remarks are brief today. We'll go to you.

Ms. Karen Hogan (Auditor General of Canada, Office of the Auditor General): Thank you, Mr. Chair.

They're very brief, actually. In the interest of making sure that committee members have as much time as they'd like to ask questions, my opening remarks from our first hearing were distributed to all the members.

With that, I'll just tell you that we're happy to answer any questions members might have.

The Chair: Thank you very much.

Next, from the EDC, we have Ms. Lavery.

You have the floor for up to five minutes, please.

[*Translation*]

Ms. Mairead Lavery (President and Chief Executive Officer, Export Development Canada): Mr. Chair, members of the committee, thank you for inviting me here today.

[*English*]

I'm looking forward to discussing with you Export Development Canada's contribution to the 2023 Public Accounts of Canada, one of the government's key accountability documents. For those less familiar, Export Development Canada is a Crown corporation that operates with a mandate to support and grow the country's export trade.

Canada is a trading nation. Together, imports and exports represent 68% of the country's GDP, with exports specifically accounting for 34% of GDP. EDC supports this critical driver of our economy through a suite of financial solutions to help mitigate risks for Canadian exporters and investors, as well as through our knowledge products like webinars and digital content. Together, these offerings give Canadian companies the tools they need to reduce financial risk and the capital to enter and invest in new markets with confidence and, ultimately, grow internationally.

As the committee may be aware, EDC has been consistently financially self-sustaining throughout our 80-year history and regularly pays a dividend to the Government of Canada. We operate on financially sustainable principles, always ensuring our work complements that of private market bankers and insurers.

Our mandate and strategy are helping Canadian companies. In fact, last year, our economics team enlisted the support of Statistics Canada to help us better understand the value we provide to our customers. This seminal study found that Canadian exporters receiving EDC support generated 22% more revenue and had 15% higher employment and 5% greater employee productivity than similar exporters that were not EDC customers.

Transparency and accountability are central to our values, principles and practices at EDC. As Canada's export credit agency, we have a responsibility to the public. We disclose information about our business in a manner that balances the information interested Canadians seek with the confidentiality required by our customers.

This extends from reporting on sustainability targets to proactive disclosures on travel and hospitality expenses to individual financing transactions, and from reporting on environmental targets to publishing our integrated annual report, which includes the financial statements the Office of the Auditor General audits each year. Beyond facilitating accountability and oversight, these practices are fundamental to building trust with Canadians, our stakeholders and our shareholder, the Government of Canada.

Our reporting to our minister includes quarterly reporting on transactions broken down by province and territory, industry, customer segment and region, among other categories. We also provide regular reporting on the Canada emergency business account, or CEBA, a pandemic program, and require the minister's approval of our capital and operating budgets, as well as our corporate plan, which details how we plan to execute against the minister's statement of priorities and accountabilities.

Our shareholder appoints members to EDC's board of directors, a deeply experienced group of business professionals who oversee our direction and management and who support the achievement of our organizational objectives.

• (1535)

[Translation]

Thank you for giving me the time to share some information about EDC.

[English]

As the committee is aware, I am also here with colleagues from FinDev Canada, which is a subsidiary of EDC and of which I am

the chair. They are here to answer questions related to FinDev Canada.

I look forward to your questions and comments. Thank you.

The Chair: Thank you very much.

Now, from FinDev Canada, we have Ms. Kerr.

You have the floor for up to five minutes, please.

Mr. David Bhamjee (Vice-President and Chief Strategy and Engagement Officer, Development Finance Institute Canada Inc.): We haven't prepared any remarks.

The Chair: That's okay. I caught that at the end, but I just wanted to double-check.

All right. We'll turn to our first round.

Mr. Genuis, you have the floor. I noticed that you might be splitting your time. I'll let you notify me if that's the case.

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

This committee and Parliament in general have been seized for some time with the arrive scam app scandal. There have been many shocking revelations over the previous months. The latest is that one of the people at the centre of this scandal was both an external contractor receiving money on ArriveCAN and a government employee. At the same time as he was receiving millions of dollars supposedly as an external contractor—for what work we still do not know—he was a government employee. The government apparently doesn't know enough about who its employees are to have noticed this at some point earlier in the process.

With that in mind—and I hope this is a simple matter of house-keeping—I would like to see, before I move on to my questions, if we have the agreement of the committee to issue a summons for Mr. Yeo to appear before the committee within seven days and for at least two hours. I hope that's simply a matter we can have the agreement of the committee on so we can move on.

The Chair: I've stopped the clock. I'll turn to members in a second.

I informed Mr. Genuis beforehand that this motion could be tabled today. It is not the business before the committee. He is seeking unanimous consent to move it.

I'll look to members. If there's a government member who wants to speak to it, you're welcome to. You can speak to it and you can accept it or reject it.

Yes, Mrs. Shanahan.

• (1540)

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): As a member of this committee, I object to a motion of that nature being sprung on us in that way. No, I do not give unanimous consent.

The Chair: All right.

Mr. Genuis, you have five minutes left. As you know, I give members discretion. You're welcome to speak to it in your time, but we will not move this motion. I can consider that you presented it so it can come up at another time during committee business, but it will not be dealt with here.

We're back to you for five minutes.

Mr. Garnett Genuis: Thank you, Chair.

I thought it would have been a matter of obvious and simple housekeeping that the committee, in part of its ArriveCAN work, would want to hear from Mr. David Yeo. I'm sorry to see the Liberals blocking us from moving forward on this in an expeditious manner, but Conservatives will bring it back to the committee at the earliest opportunity in order to proceed with a decision on summoning Mr. Yeo to appear before the committee. The fact that he was able to be both an arrive scam app contractor and a government employee—and supposedly nobody noticed—is really the height of absurdity.

Unfortunately, with the Liberals blocking this, it will be a notice of motion for the moment, but I will bring it back at the earliest opportunity. The motion on notice says:

That the committee issue a summons for Mr. David Yeo to appear before the committee within seven days and for at least two hours.

With that, I will share the rest of my time with Mr. Lawrence.

The Chair: Mr. Lawrence, you have four minutes remaining on the clock.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you. It's a pleasure to be back here at public accounts.

It's a pleasure to see you again, Ms. Hogan. My questions will be directed towards you. Thank you for your work with respect to the ArriveCAN application. I think it was a well-written and well-done report.

We are here today to discuss the public accounts, but to the broader context of that, after seeing what you saw in the ArriveCAN review and audit, you said—I believe I'm not misquoting—that it was some of the “worst” bookkeeping you've ever seen in your career. Are you concerned that this might exist in other departments if we take a deeper look into it? It certainly gives me pause to think about what else is going out in other government departments.

Ms. Karen Hogan: I agree that it has caused me to reflect on bookkeeping more in general across the public service, but for several years, even before I was Auditor General, I have been involved with the audit of the Government of Canada's financial statements. We spend a large amount of time in many of the very large, significant departments, and bookkeeping and record-keeping are well done. There are thousands of employees across the public service

who contribute to the Public Accounts of Canada, and it is usually very well done.

One of the comments I did make around ArriveCAN is that it was a bit of a “head-scratcher” for me as to why this all happened. I believe part of the pandemic contributed to it, with the need to move quickly to support Canadians and the flexibility the Secretary of the Treasury Board afforded the public service. However, I think it was forgotten that it came with a reminder that public servants should demonstrate due diligence and document their decisions. That's really what fell through here during the ArriveCAN development and implementation.

Mr. Philip Lawrence: My concern is that—maybe you can rebut this, and that's fair—but for the audit requested by the Conservative Party, which your department willingly obliged, we may not have ever become aware of the terrible bookkeeping. I'm using that term very kindly, I think, and diplomatically. It could be far worse, and I think many commentators have pointed to that.

With respect, Ms. Hogan, how can you say with any type of confidence that this isn't going on in other government departments?

Ms. Karen Hogan: I'm not sure that I said I felt confident it wasn't happening in other departments. I feel that in the past, what I have seen is public servants who really care about making sure the books and records of Canada are well maintained.

This is a situation that I have not encountered before: to see such a glaring disregard for what I think are some of the most basic elements you would see in record-keeping in project management. There were failures at so many levels during ArriveCAN, and I think every layer of management within the Canada Border Services Agency should feel responsible and figure out what happened. I just caution that we shouldn't add more rules to complicate things as we try to address the weaknesses and failures that we found in ArriveCAN.

• (1545)

Mr. Philip Lawrence: I completely agree with those comments. We need to hold people accountable.

With your considerable experience and expertise, is there any advice you can offer to this committee in sussing out if there is any? I agree with you. I think the vast majority of public servants are doing a great job, but if there's one more arrive scam out there, that's one more too many.

The Chair: Ask the question, please.

Mr. Philip Lawrence: What advice would you offer this committee?

Ms. Karen Hogan: I think the committee is doing what it's meant to do. It's trying to figure out what happened and what went wrong and then how the public service can do better. I think one of the amazing things about the federal public service here in Canada is that accountability and transparency are always at the forefront, even when something goes wrong, so we can all find the solution to move forward.

I think the committee has spent a lot of time studying this and hopefully will conclude with a report that will provide good recommendations to the government.

The Chair: Thank you very much.

Mrs. Shanahan, you have the floor for six minutes, please.

Mrs. Brenda Shanahan: Thank you very much, Chair.

I just want to put this on the record again so that my colleagues understand it. When members pull stunts such as we just saw from Mr. Genuis, who was trying to put a motion to us and get unanimous consent, it is disrespectful to members of this committee. We have discussed many matters here. We have been able to come to agreement on the study of a wide range of topics that quite frankly, in my experience, were not normally part of public accounts. However, with the consultation of all members, we have come to that conclusion.

I just want to put on the record that I'm disappointed with that stunt and we will see what comes of it.

I now turn to the Auditor General. I wish to thank her once again for the excellent work she has put forward. I was travelling overseas, as I mentioned, and I heard very good things. I had questions about public accounts and how we operate. The independence of our institutions is much admired, and I was asked many questions about it.

I'd like the Auditor General to tell this committee—and indeed Canadians and people around the world—once and for all whether there was any political interference with the Office of the Auditor General. I ask that because we had a suggestion that it was because members of Parliament from a certain political party demanded it that an audit was done. Is it not in the purview of the Auditor General's office to decide independently of Parliament what audits will be done?

Ms. Karen Hogan: It's very clear in the Auditor General Act that the decision to carry out our discretionary audit work, which is performance audits, is at my discretion. I should be able to choose who we audit, when we audit and how we audit.

Most of our financial audit work, however, is provided to us through legislation, whether it be through the Financial Administration Act, through the Auditor General Act or through enabling legislation of Crown corporations, as in the case of Export Development Canada. We would be named in their act as their auditor.

We always—because I am accountable to Parliament—take very careful reflection on motions passed in the House and motions passed in committee and weigh those with the lake of information we put together to determine what we audit next and where to go. It is foundational to our independence that we get to choose where we audit, who we audit and when we audit them.

Mrs. Brenda Shanahan: I certainly don't want to put you on the spot in this way, but is it entirely possible that you would have conducted the audit of ArriveCAN, as you well and should do, without any call, necessarily, from this committee or from Parliament?

Ms. Karen Hogan: I often get asked questions, and I wish I had a crystal ball to tell you what I would have done. Hindsight is lovely as well. I can't tell you whether I would have decided that this was the next audit or one of the most important audits we should have focused on, but I can tell you that we pay attention to what's going on.

For example, there was a great deal of concern around the sustainable development technology foundation. We talked to the department responsible, and they took some action. We watched that play out. When we saw the preliminary report, we felt that more was needed, and as you know, we started an audit on SDTC. Just because we don't respond immediately doesn't mean we aren't listening and paying attention to what's going on around us.

• (1550)

Mrs. Brenda Shanahan: Thank you very much for that, because I think it can be reassuring to Canadians that the Office of the Auditor General is on the job.

I agree with you that the scope of the ArriveCAN contracting situation is of great concern. We had the procurement ombud here the other day and had to ask him several times to clarify the statements being made by the leader of the official opposition, who said that 76% of subcontractors didn't do any work. In other words, they were paid and didn't do any work. The ombud was very careful to correct that statement, saying it had to do with a bait and switch gambit that the contractors were using.

Auditor General, how do you feel when your words are taken out of context?

Ms. Karen Hogan: The English and French languages are complex. We try so hard to make sure that our reports are easy to understand, but at times they are misunderstood.

I watched the testimony of the procurement ombud and I thought he was very clear in explaining his words. I would hope that all parliamentarians and all Canadians remember that he tried to clarify what it was. I would do the same should it happen to me.

Mrs. Brenda Shanahan: The spring reports will be coming out in a few weeks, and we look forward to seeing those. Can you describe somewhat how you and your office go about constructing your message? Are you looking for that hit? Are you looking for those headlines? What is it you're trying to convey to Canadians when you issue your reports?

Ms. Karen Hogan: When we do our work, we try to be very factual about what we saw and what we heard, and we provide some background information about the subject matter. We try to balance our message. When we can talk about the good work the public service does, we do so. When we identify opportunities for improvement, we explain them and issue recommendations. It's my goal to make sure our reports are balanced so that we can encourage confidence and trust in the federal government when it's needed, but also identify opportunities for improvement.

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

[Translation]

Ms. Sinclair-Desgagné, you have the floor for six minutes.

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Mr. Chair.

I'd like to thank the many witnesses for being with us today.

I'm going to jump right into my questions for Ms. Lavery from Export Development Canada.

Good afternoon, Ms. Lavery. This is the first time I've seen you here at committee. I have a number of questions for you. Let's start with the Canada emergency business account. I imagine you're familiar with that program.

[English]

Ms. Mairead Lavery: I do.

[Translation]

Ms. Nathalie Sinclair-Desgagné: You were mandated by the government to manage this program. However, we learned through various articles that Accenture was hired by Export Development Canada to manage the program.

Is that correct, Ms. Lavery?

[English]

Ms. Mairead Lavery: That is correct. We were appointed as the administrator for the Canada emergency business account program. Accenture is a contractor to EDC for that program.

[Translation]

Ms. Nathalie Sinclair-Desgagné: How much did Accenture receive from Export Development Canada to manage the Canada emergency business account?

[English]

Ms. Mairead Lavery: The latest data is for the full contract value from 2000, when we started the program. There were approximately 31 contracts awarded to Accenture for a total value of \$208 million.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Did you say \$280 million?

[English]

Ms. Mairead Lavery: Yes. It was \$208 million.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Okay. So we're talking about \$208 million.

How is it that these contracts are not on the Open Government website, as required by the government's transparency and accountability criteria?

• (1555)

[English]

Ms. Mairead Lavery: The contracts have been available on Merx as of 2021. Prior to that they were not published, but they were available through EDC.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Why are the contracts from before 2021 not on the Open Government site?

[English]

Ms. Mairead Lavery: At that time, EDC did not report their contracts on the site.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Okay.

The article states that there are expenditures totalling \$67 million. However, we learned through an access to information request that the Accenture contract to manage the Canada emergency business account, which was introduced recently, more specifically during the pandemic, is worth \$146 million. However, it was impossible to find this information online. It had to come through an access to information request.

Knowing that this program is very simple, I wonder what Accenture did in exchange for \$208 million. Financial institutions such as Desjardins loaned an amount directly to businesses. So there was no management of the government's financial flow or cash flow. We can agree that financial institutions manage themselves.

What did Accenture do for such a large sum of money, Ms. Lavery?

[English]

Ms. Mairead Lavery: As I said, there were 31 contracts that covered a number of activities that Accenture performed over the period when the CEBA program was launched, which was April 2020. At that time, it was anticipated that EDC would need support to engage what ended up being 233 financial institutions to establish with them a program to receive funds from the Government of Canada, which were then distributed onward to what ended up being 898,000 companies across Canada.

That program was subsequently amended six times. To enable that program to be facilitated, significant legal agreements had to be defined with individual financial institutions, as well as some institutions in combination. Also, at different points in the program, we established that we needed a call centre to handle questions. At one point, the program was receiving 10,000 calls—

[Translation]

Ms. Nathalie Sinclair-Desgagné: I'm sorry, but that call centre just doesn't exist. The businesses that were deemed ineligible had no one to answer their questions. That complaint was made on numerous occasions. Even the Minister of Small Business knows this is a problem.

I will repeat my question. Basically, what work has Accenture done?

No one here can convince me that financial institutions need assistance from Accenture to make \$60,000 loans. No one here will believe that Accenture needs \$146 million to help Canadian or Quebec financial institutions make \$60,000 loans.

I'd like access to the contracts with Accenture since the Canada emergency business account was introduced, because we need to look at this more closely.

The businesses just didn't get an answer. They had no way find out more about the eligibility criteria.

In addition, this program was particularly poorly managed, especially toward the end. A very large number of businesses were asking for an extra year and were denied. This led to an insolvency rate not seen in 10 years and the number of bankruptcies in Canada shot up 41% in 2023.

Did we get our money's worth, given what we spent with Accenture to have it manage a program that was ultimately managed by private financial institutions, not EDC, and even less so by Accenture? I seriously doubt it.

Would you be willing to share the contracts between EDC and Accenture, at least since 2020 and since the Canada emergency business account was introduced?

[*English*]

Ms. Mairead Lavery: Mr. Chair, do I have time to respond?

The Chair: Yes, you do.

Ms. Mairead Lavery: Thank you.

As I said, the call centre was one of the individual activities that Accenture performed. However, there were many other activities to enable the exchange of information with regard to the loan-holders, of which there were 898,000. They had to demonstrate an attestation. As the program developed, they also had to provide expense details to enable eligibility to the program.

All of that data had to be analyzed and assessed for loan-holders to receive the individual loans. Accenture provided support for that. They also provided support for the exchange of data between the banks and EDC to enable reporting and transparency on the loans that were being provided, as well as the technology teams to facilitate money flows and the proper recording thereof.

There was significant staff augmentation as well to include such items as programming interfaces, the call centre, as I mentioned, and the website, which was also available to recipients and potential recipients of CEBA during that time period.

• (1600)

The Chair: Thank you.

There was a request for documents, I believe. Is that something you can provide to the committee as well?

Ms. Mairead Lavery: Yes, Mr. Chair, I can. There have been two Order Paper questions where all the contracts with Accenture are detailed. I'd be happy to provide them to the committee.

The Chair: Very good. Thank you.

We'll turn now to Mr. Masse, who is joining us virtually.

You have the floor for up to six minutes, please.

Mr. Brian Masse (Windsor West, NDP): Great. Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

My first question is for Mr. Kennedy, I believe. It's with regard to the Phoenix pay system, which was irresponsibly activated. It's really been one of the biggest morale killers in the public service. You couldn't even pay people properly.

The comptroller general was in before, and he advised that there would be "system modifications and adjustments" to deal with the issue. Perhaps you can update us on whether that's happening. One thing I always wonder is why the paycheques of members of Parliament never get affected by the Phoenix system, whereas the general public and public servants continue to have problems that languish on.

Ms. Monia Lahaie (Assistant Comptroller General, Financial Management Sector, Treasury Board Secretariat): If I may, I'll answer this question.

Following up on what the comptroller general said last fall, we take this very seriously, and it is being addressed jointly with the Office of the Chief Human Resources Officer and PSPC to ensure that the situation is resolved as quickly as possible. There are teams working on this file, and the government recognizes that this is a huge issue we need to resolve.

Mr. Brian Masse: To be quite fair, we don't need it recognized, but have there been advancements? Is it better now and, if so, by how much? You're measuring that every year to eliminate this as a problem. My understanding is that there continue to be problems.

Ms. Monia Lahaie: I can come back to you with more information on the latest status of the file.

Mr. Brian Masse: I'd appreciate that very much. It's a very serious issue.

Again, I think it's ironic that the paycheques of members of Parliament were never affected. I'm sure if they had had the same experience the public service has had, this would have received different treatment. That is for sure, in my opinion.

I'd like to ask about loss of public money in property. About \$235 million has been attributed to losses from damage and a number of different things. Do we look at issues with buildings and so forth as damage, whether it is weather-related or person-related? Do we distinguish between those losses? Say, for example, that climate change is affecting a property in our country. Is that measured at all?

Ms. Diane Peressini (Former Executive Director, Government Accounting Policy and Reporting, Treasury Board Secretariat): I'll take that one.

At this point in time, we aren't identifying within the public accounts the actual reason for a loss of public property. There is just high-level information. The reason for the loss would be with the departments. Definitely there were some losses due to floods that were reported in last year's public accounts, but those are not necessarily identified at this point in time with the way they are tracked and reported for public accounts purposes.

Mr. Brian Masse: Is there any thought about doing that? Wouldn't we, even for insurance purposes, be identifying that? It just seems odd that we wouldn't attribute it. Municipally—and I know it's more than 21 years ago that I was a city councillor—we used to at least identify destruction that was weather-related or related to a change of policy or something else. Has there ever even been a thought about doing that?

Ms. Diane Peressini: As I mentioned, departments would have the information that explains the nature of their losses. A lot of the government properties are self-insured, so there isn't the same regime with respect to making claims against an external insurance company. I cannot speak to what mechanics and processes are in place within departments in that regard.

• (1605)

Mr. Brian Masse: I appreciate that. Here's one of the reasons why; I'll give a specific example.

We've all seen the news about stolen cars going out of the port of Montreal. CBSA has not fixed their equipment for scanning in Montreal. Two sets of scanning equipment are broken, so they moved the equipment from Windsor, Ontario. Thirty-five per cent of our daily trade comes through my riding. They moved that equipment to Montreal to deal with this.

I am wondering whether there is an assessment as to why CBSA is not fixing this and perhaps reporting back to Treasury Board or somebody else to try to get the money if they don't have the money. That is what I am getting at. It is pretty irresponsible not to fix the equipment, so either we do not have enough money or it's negligence. I just think somebody outside the department might need to look at this too.

Ms. Diane Peressini: It is within the responsibility of the deputy head for the management of assets within the department, so those questions would probably be better posed to CBSA so it can discuss how and why assets are in the state they are in.

Mr. Brian Masse: Do I have any more time, Mr. Chair?

The Chair: You have 50 seconds.

Mr. Brian Masse: Thank you.

I have a really quick one going back to the Phoenix pay system, if I may, because there is one other thing I want to ask about it. Have we had an assessment as to what we expect will be the overall projected cost to fix the system? Has that been done? Along with that, when we contract out again, will we include models like this to show the extra expense from contracting out versus staying in-house? Is that ever measured, or is that retained within our records so we won't do this again?

Ms. Monia Lahaie: As part of the approach for costing projects, the teams look at past experiences to inform the future. That's definitely an element that is considered. That would be how they go about doing that.

We don't look at it specifically right now.

Mr. Brian Masse: Thank you.

Thank you, Mr. Chair.

The Chair: Thank you very much.

To begin our second round, we'll turn to Mr. Brock.

You have the floor for up to five minutes, please.

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

Thank you to the witnesses for their attendance.

We're almost 24 hours removed from Justin Trudeau's political embarrassment regarding the two-person firm run by Mr. David Yeo receiving almost—

The Chair: I'm sorry, Mr. Brock. I've stopped the clock.

I have a point of order from Mrs. Shanahan.

Mrs. Brenda Shanahan: Can we mention full names?

Mr. Philip Lawrence: Yes, in committee.

Mrs. Brenda Shanahan: It's okay in committee. It was an honest question.

The Chair: Mr. Brock, I'll set you off from the top for five minutes. You have the floor.

Mr. Larry Brock: We're almost 24 hours removed from Justin Trudeau's political embarrassment that yet another two-person basement firm received \$8 million in taxpayer funding. To make the matter even worse, the person also receives a paycheque from the Government of Canada. It's an absolute embarrassment.

My question is for both the Treasury Board and the Department of Finance.

Treasury Board representatives, in light of this embarrassment, has Minister Anand asked you specifically in the last 24 hours if any employees in the ministry are also working as contractors?

Ms. Monia Lahaie: Speaking from my perspective, I have not been engaged on that file at this point.

Mr. Larry Brock: Has Minister Anand not spoken to the ministry, to your knowledge?

Ms. Monia Lahaie: She has spoken to the ministry—

Mr. Larry Brock: Was it in the last 24 hours and in relation to this embarrassment?

Ms. Monia Lahaie: I don't know what was discussed with the minister.

Mr. Larry Brock: To your knowledge, has she been in contact with the ministry in the last 24 hours?

Ms. Monia Lahaie: I don't know.

Mr. Larry Brock: You don't know.

What about the other representative from the Treasury Board? We have a few here from the Treasury Board.

Mr. Blair Kennedy (Senior Director, Government Accounting Policy and Reporting, Treasury Board Secretariat): I have no knowledge either.

Mr. Larry Brock: You have no knowledge as well.

To the Department of Finance, has Minister Freeland, the Deputy Prime Minister, in the last 24 hours, reached out to ministry officials—

• (1610)

Ms. Brenda Shanahan: I have a point of order.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): I have a point of order.

The Chair: Who's going to go first?

Ms. Brenda Shanahan: I'll let my colleague take it.

Ms. Jean Yip: What's the relevance?

Mr. Larry Brock: That's not a point of order. Stop the stunts.

The Chair: Mr. Brock is free to ask the questions. I think we just had a sample of what the answers are going to be. This is his time. The witnesses are more than capable of informing us of what they know and, in this case, don't know.

Mr. Brock, you have three minutes and 20 seconds left.

Mr. Larry Brock: Has Minister Freeland, in the last 24 hours, reached out and asked to know if anyone in the ministry is also receiving funds as a contractor, yes or no?

Ms. Evelyn Dancey (Assistant Deputy Minister, Fiscal Policy Branch, Department of Finance): To my knowledge, no.

Mr. Larry Brock: To your knowledge....

Ms. Evelyn Dancey: I simply wouldn't know.

Mr. Larry Brock: In light of the news you've heard in the last 24 hours, have you on your own—anyone here representing these ministries—double-checked to see whether or not people are moonlighting as contractors while already on the government payroll, yes or no?

Ms. Evelyn Dancey: For my part, no.

Mr. Larry Brock: What about at the Treasury Board?

Mr. Blair Kennedy: It's no for me as well.

Mr. Larry Brock: Okay.

I'm asking the Treasury Board to submit a list of all government employees who are also working as government contractors. Can you provide that within 15 days?

Ms. Monia Lahaie: We will attempt to combine the information into a list.

The Chair: You can take note of the request and get back to us, please. Thank you.

Mr. Larry Brock: This is for the Treasury Board.

Minister Anita Anand announced in November that the government—as crazy and ludicrous as this sounds—paid almost \$700,000 to KPMG, a consultant, for advice on how to cut costs on outside consulting fees. She indicated in November—she actually promised Canadians—that she would release the first wave of details that month. She did not do so. Why not?

Ms. Monia Lahaie: I can't speak to that either. I was prepared to talk about the public accounts today. I'm sorry. I don't have that information.

The Chair: That is a perfectly acceptable answer.

Mr. Brock, you have a minute and 40 left.

Mr. Larry Brock: Okay.

Mr. Kennedy, do you have any response?

Mr. Blair Kennedy: No, it's the same. I'm not prepared to speak to that either.

Mr. Larry Brock: All right.

She also promised that there would be about a \$15-billion savings over five years from existing spending. Contract work from Natural Resources was part of that department's contribution to the spending reduction effort.

To the Treasury Board, have they begun work on the House motion that was passed yesterday on a full accounting of all direct and associated ArriveCAN costs? Has the work started in light of the motion that was passed?

Ms. Monia Lahaie: Again, I don't know. I was prepared to talk about the public accounts. I would assume they're working on finding information for that, but I am not aware.

Mr. Larry Brock: Will you, within 15 days, provide the House with an update as to the efforts at the Treasury Board to acquire those costs so we can, as Canadians and parliamentarians, try to put a finite figure on the cost the Auditor General was unable to determine?

Her best guess was \$60 million. That did not include subcontractors. That did not include actual monies paid for the federal public service. This is very important to Canadians, and you will do so within 15 days. Is that correct?

Ms. Monia Lahaie: That's correct.

Mr. Larry Brock: Thank you.

The Chair: Very good. That is your time.

We're turning now to Ms. Yip.

You have the floor for five minutes, please.

Ms. Jean Yip: I'd like to direct this to Ms. Hogan. I just want to give you a second to finish.

Mr. Brock has just mentioned—he inferred—that it cost at least \$60 million. Facts do matter, and this is a serious situation. We see that the Conservatives are playing politics with this issue. That shows that they are not so serious about it.

Do you believe that when quoting you or your office, members have a responsibility to do so accurately and responsibly?

Ms. Karen Hogan: I trust that everyone will quote our reports accurately. Once they've been tabled in the House of Commons, they're a matter of public record, and they're there to be used for others as they would like.

What I would offer up is that our estimate of \$59.5 million was paid to all vendors that had a direct contractual obligation with the federal government. When they are not firms providing direct work but are hiring subcontractors, they are expected to take those funds and disburse them to their subcontractors.

We actually had an exhibit in our report to help understand the flow of funds. I would offer that up as some information to help inform committee members as they study the dollar value that we put on the app.

• (1615)

Ms. Jean Yip: Thank you.

The public accounts reported that the deficit was \$17.5 billion lower than forecasted. Given this fact and that we maintain both the lowest deficit and net debt-to-GDP ratio of any G7 country, what does that say about the direction of fiscal policy?

Ms. Evelyn Dancey: I'll take that question. I accurately quoted that information.

As to the government's perspective and all the documents—the fall economic statement and budget 2023—it continues to be the case that the government is putting forward a sound economic and fiscal plan. That includes a fiscal anchor the government is abiding by, which is the declining net debt-to-GDP ratio, over the medium term. That is our budgetary horizon. We also do long-term modelling, and it shows the continued downward trajectory, which is a key indicator around fiscal sustainability.

Ms. Jean Yip: That's good to hear.

Ms. Hogan, funding your office has been extremely important, as it allows you to continue the excellent work you have been entrusted to do.

During the first of Harper's years, your budget was \$78.6 million, and during the last year it was only \$81.8 million. When Pierre Poilievre was minister responsible for safeguarding—

An hon. member: Isn't she not allowed to name people?

Mr. Garnett Genuis: She said a name—

Ms. Jean Yip: Yes, because I believe you set the trend—

The Chair: All right. Order.

Ms. Yip, I've stopped the clock. The floor is yours.

Mr. Garnett Genuis: She's engaging in politics, Chair.

The Chair: We've settled this.

It's over to you. You have a minute and 50 seconds.

Ms. Jean Yip: Let me repeat that. When Pierre Poilievre was minister responsible for safeguarding our democracy, he did not ensure that officers of Parliament were funded adequately. Can you explain to the committee how your office is funded and what adequate funding means for the work you do?

Ms. Karen Hogan: I think every year, if you look at what we spend, it's a little different in terms of our funding increases, economic increases to employees and so on. What I would offer up is that we are part of the federal government. We seek funding as any other department does. We provide our annual budget to the Department of Finance, because that's the department my office reports through. This is why, as you may recall, that when I was initially appointed, I was seeking more funding, and we received the funding I was looking for.

I also mentioned at the time that once everything settled, I thought it was time to continue the quest for an independent funding mechanism for my office. I think all agents of Parliament should have independent funding mechanisms. It would ensure that we aren't turning to departments that we audit in order to receive the funding we need. An independent funding mechanism would include an accountability mechanism that might be played out right here by the public accounts committee, if they would like. Other countries have agents of Parliament that are funded independently. Here in Canada, some of the newer agents of Parliament that were established more recently, like the Parliamentary Budget Officer, have an independent funding mechanism outside of the core public service.

We haven't had issues with our funding, since we received additional funding in 2021, but that could always be an issue going forward. We are in the mix with all the other departments across the core.

The Chair: Thank you very much.

[*Translation*]

Ms. Sinclair-Desgagné is next.

[*English*]

This is going smoothly. We have booked the witnesses for an hour and 15 minutes, so I'll add a truncated third round. That would give the NDP and the Bloc an additional two minutes after their next rounds, and government and official opposition members four minutes.

[*Translation*]

Ms. Sinclair-Desgagné, you now have the floor for two and a half minutes.

• (1620)

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I'd like to continue in the same vein as before.

Ms. Lavery, was the call centre you refer to managed by Accenture or Export Development Canada?

[*English*]

Ms. Mairead Lavery: It was managed by Accenture.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: So it was managed externally.

Do you know how many people worked in that call centre? How many employees were there? When were they available?

[*English*]

Ms. Mairead Lavery: There were different numbers of employees at the call centre depending on the time of the program. In the very early days, when it was in ramp-up mode, I believe we reached up to 150 employees in the call centre. I would have to check.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Do you find it normal that the call centre cost \$146 million over the two and a half years of the pandemic? I'm sure we can all agree that the website didn't cost \$146 million. If so, there may be a problem.

[English]

Ms. Mairead Lavery: I'm not sure where the number \$146 million comes from, and I do not have the costs—

[Translation]

Ms. Nathalie Sinclair-Desgagné: It's from an article in *The Globe and Mail*.

[English]

Ms. Mairead Lavery: I would have to validate the specific numbers. What I can say is that at the peak of the call centre, it was in receipt of 10,000 calls a day.

Just to be clear, the cost of a call centre is not just the employees in the call centre. It's the technology that supports the handling and processing of calls. Many items required follow-up. It wasn't just the receipt of a call and the response thereto. There were actions that needed to be taken. It also included the production of material to train at the call centre as well as other activities to ensure that people received the responses they needed.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Ms. Lavery, I repeat that businesses dealt directly with financial institutions, and when they had questions to ask, the financial institutions couldn't even answer them. There was no one to answer the businesses' questions. It's a well-known fact. Everyone knows it. The Canadian Federation of Independent Business knows it. The Fédération des chambres de commerce du Québec knows it. No matter who you talk to, it's unanimous: there was no one to answer the businesses' questions.

You said the call centre received 10,000 calls a day, which I find very hard to believe. Why would anyone have called a number managed by Accenture number if the loan came directly from a financial institution?

[English]

The Chair: You have time for an answer.

Ms. Mairead Lavery: Thank you, Mr. Chair.

They were calling the call centre because at one stage in the program, I believe with version three or four of CEBA—there were six versions—there was an expansion of the program to include a category called non-deferrable expenses. That was a category whereby the potential recipient of CEBA had to prove they had expenses they were no longer able to fund and had had those in the past. They were providing information, and depending on the sector, type of industry or type of business, they wanted to understand if these expenses were eligible.

Often, there were many dialogues around whether expenses were eligible for the calculation, therefore allowing them to be in receipt of CEBA. The banks were not able to advise on that. The banks were there to ensure that the funds were appropriately distributed

after eligibility had been determined. That was conducted through the call centre.

The Chair: Thank you very much.

It's back to you, Mr. Masse. You have the floor for two and a half minutes.

Mr. Brian Masse: Thank you, Mr. Chair.

I'd like to ask a question about ArriveCAN and the training money for CBSA. They are related.

Some \$60 million went to this app. As I noted, I'm on the Windsor-Detroit border. Just across from me are three crossings that are understaffed. CBSA officers were not replenished during the pandemic. We lost around 800 graduates. We're not even filling in for attrition for the most part right now.

We spent \$60 million on an app. I'm wondering whether it's the Treasury Board or the minister refusing to put extra money into training. Have there been any estimates done on training to bring the number of officers up?

When we have the Gordie Howe International Bridge built here in the next year, there will be an increase in staffing. We're already on mandatory overtime, so we're going to have problems in the New York area, in the Buffalo area, right at Niagara Falls, in Toronto and the GTA, down here and across the country, of course.

My question is about the \$60 million for the ArriveCAN app. Is there more money allocated for any of this, or can we redistribute some of that surplus money, if there is any, to train officers? We need people on the ground more than we need an app.

• (1625)

Ms. Monia Lahaie: I'm not sure if the question is for the Treasury Board Secretariat. You would have to talk to the CBSA to get more information on the efforts that have been made to raise this important issue you're raising.

Mr. Brian Masse: Was it the Treasury Board that made up the difference, or did the CBSA have to make up the loss of the \$60 million?

Ms. Karen Hogan: I can try to answer that.

The funding for all of the expenditures linked to ArriveCAN—the development of the app, the cloud and all of those things—was mostly through the existing budgets of both the Public Health Agency of Canada and the Canada Border Services Agency.

I'm not sure I understand the connection you're making to the loss of fund money, so I apologize. I can just tell you where I know the money came from.

The Chair: I'm going to leave it there, but you will have another two minutes down the road, if you allow me to do that.

Mr. Brian Masse: Thank you. I appreciate it.

The Chair: I'm turning now to Mr. Nater.

I understand you're going to start for your side. It's over to you.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Chair.

I have a couple of quick questions for the Treasury Board Secretariat.

In a written response to a question I had the last time the Treasury Board appeared before us, it was provided that the PSAC strike resulted in a \$352-million reduced expenditure from salary and benefits not paid to striking employees.

My question is, where did that money go? That was \$352 million in savings. What happened to it?

Ms. Monia Lahaie: I'm not sure I can answer the question today. I prepared for the public accounts, so—

Mr. John Nater: Would you be willing to provide us with a written response of where the \$352 million in savings was reallocated?

Ms. Monia Lahaie: Yes.

Mr. John Nater: Thank you. I appreciate that.

This is my second question, and hopefully it's fairly brief.

In a written response to another question I asked the last time the Treasury Board Secretariat was before us, the Treasury Board wrote that GC Strategies had a \$47,324 contract for informatics services. Can you confirm that work was actually done for that \$47,324 contract with GC Strategies?

Ms. Monia Lahaie: My colleagues will be here next week appearing on the topic of ArriveCAN. That would be a good place to ask the question.

Mr. John Nater: Could you commit to providing us a written response in the meantime?

Ms. Monia Lahaie: Could I do so in the meantime?

Mr. John Nater: I mean as soon as possible.

The Chair: It might well be redundant, but I take your point.

Mr. Viersen, you have the floor for three and half minutes. Go ahead, please.

Mr. Arnold Viersen (Peace River—Westlock, CPC): Thank you, Mr. Chair.

I want to thank the witnesses for being here today.

I am just wondering if the Department of Finance could provide in written form how much carbon tax or carbon pricing has been collected over the last four years and break that out into four yearly increments.

Also, how much has been paid out, through that same program, to individuals, businesses, and first nations and indigenous communities across the country? I would love to see a breakdown of that.

The Chair: I would like to get acknowledgement from the witnesses.

Was that directed to Finance?

Mr. Arnold Viersen: Yes, it was for the Department of Finance.

Ms. Evelyn Dancey: It's been acknowledged.

The Chair: Thank you. I appreciate that.

Mr. Arnold Viersen: I want to pick up where my colleague left off about Export Development Canada and the Accenture company. Export Development Canada, as its name suggests, is about facilitating Canadians' desire to export their products around the world. Is that correct?

Ms. Mairead Lavery: That is correct.

Mr. Arnold Viersen: One interesting thing is that part of the CEBA rollout by Accenture was that they were getting...

First of all, could you clarify that it was a sole-source contract for Accenture? Is that correct?

Ms. Mairead Lavery: It was.

Mr. Arnold Viersen: Is that normal for this kind of thing?

Ms. Mairead Lavery: There were different components to the contract, which I guess no one anticipated at the start. Once we started with them, it was imperative to continue with them because the program had to stay operational for the participants.

I would say that over time, with a profile of three years, often you could perhaps look at different options, but during the period when CEBA was in operation, we didn't have that option.

● (1630)

Mr. Arnold Viersen: You said there were 31 contracts with this company. Were all of them sole-sourced?

Ms. Mairead Lavery: Yes.

Mr. Arnold Viersen: Was it under a special emergency recommendation that they were sole-sourced or was this just a regular practice?

Ms. Mairead Lavery: At the time—this was in April 2020—we were asked to administer the program and get it up and running as quickly as possible to support the companies that needed the facilities. That's when we sole-sourced it. We had an arrangement with Accenture, which was supporting EDC for other matters. That meant we were able to avoid what would have been a six- to eight-month RFP procurement cycle to get the funding into the hands of companies that needed it at that point in time.

Mr. Arnold Viersen: I didn't quite catch that. Was that done under the general emergencies of COVID or was that just done in general?

Ms. Mairead Lavery: The CEBA program for EDC was a directive, and then it was under ministerial authorization.

Mr. Arnold Viersen: Okay.

There have been reports that—

The Chair: You have time for a brief question, Mr. Viersen.

Mr. Arnold Viersen: —the company One Financial, which is based in Brazil, was subcontracted by Accenture. Is that correct, and were other foreign companies subcontracted by Accenture?

Ms. Mairead Lavery: It wasn't a subcontract, given that it is a subsidiary of Accenture. This is with respect to the loan accounting system, which will be able to facilitate the collection and repayment of CEBA amounts from the loan-holders.

Mr. Arnold Viersen: Is that appropriate?

The Chair: That is the time, I'm afraid. We're over the limit.

We turn now to Ms. Bradford.

You have the floor for five minutes, Ms. Bradford.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you very much.

Thank you to the vast array of witnesses here today for their excellent testimony. We appreciate that.

I would like to start with Ms. Lavery.

There was a question asked earlier about the call centre and the volume of calls. You probably don't know this off the top of your head, but could you maybe undertake to provide us with facts and figures for the call centre and the calls that it received month by month during the COVID period?

Ms. Mairead Lavery: We can, because that was tracked daily at the time.

Ms. Valerie Bradford: That's super.

This is for the Department of Finance. There's been a lot of talk lately about the CEBA loans and repayment. What is the repayment rate of the CEBA loans?

Ms. Mairead Lavery: Mr. Chair, I can [*Inaudible—Editor*].

The Chair: Did you hear that answer?

Ms. Valerie Bradford: Yes.

What flexibility is being offered to CEBA loan-holders who were unable to meet the—

Mr. Bryan May (Cambridge, Lib.): I'm sorry. I think there was a misunderstanding. She wanted to answer.

The Chair: Pardon me.

Ms. Valerie Bradford: I don't care who answers. I just want to know the answer. It doesn't matter to me who answers.

Ms. Mairead Lavery: Today, we are officially in receipt of \$26.1 billion of funds with respect to CEBA. That equates to \$6.5 billion of forgiveness in the CEBA program.

Of course, the period during which companies can still work with their banks to perhaps refinance the loan has not expired yet. That will expire at the end of March. Also, the banks have a time delay in providing data to us, so we expect to see some additional funds come in from the date that the official data corresponds to.

Ms. Valerie Bradford: The figure I hear bandied around a bit is 80% of small businesses that took the CEBA loan repaid it within the deadline. Does that seem approximately correct?

Ms. Mairead Lavery: Yes. The deadline was January 18 this year. We do not have the official data from the banks, but in the range of 75% to 80% have repaid and taken advantage of the forgiveness.

Ms. Valerie Bradford: Okay. Thank you.

This is for the Auditor General. "Professional and special services" is a broad category of spending. Can you break down what is included under professional and special services? What would that cover?

• (1635)

Ms. Karen Hogan: Do you mean the line item in the public accounts of the government's financial statements?

Ms. Valerie Bradford: Right.

Ms. Karen Hogan: I think you should ask the comptroller general's office. They would be well positioned to answer what's made up in that line.

Ms. Diane Peressini: Various components are part of professional and special services. They include business services, management consulting, training, legal services and translation. There are approximately 12 different categories.

Ms. Valerie Bradford: This is for the Department of Finance or maybe for the Auditor General—whoever knows the answer. Climate change is causing an increase in extreme weather events, which, of course, are very costly. The federal government is supporting the provinces when the burden is greater than their ability to recover.

Can someone inform the committee of the cost of those disasters to the federal government through its different programs? Who would know that?

Ms. Evelyn Dancy: We don't have that at our fingertips. There would be different types of programs. I don't know if you mean the disaster financial assistance arrangements or something broader where there have been specific measures, but we can pool our efforts and come back with something comprehensive about that category.

Ms. Valerie Bradford: If you could send us something in writing, that would be good.

In the public accounts, there was approximately \$26 billion related to indigenous claims. What impact did this have on the deficit? Do you feel this funding is important?

Ms. Evelyn Dancy: I'll take that question. Thank you for your question and for drawing attention to it.

That was a new and more specific disclosure in the past volume of the public accounts. In the 2022-23 year, there was an unusual and exceptional amount of contingent liabilities that were recognized as expenditures in relation, in particular, to indigenous claims, historical wrongdoing and redressing efforts.

The government thought it was important to be transparent about a number like that. It's clearly an indication of the advancement of a number of priorities on fronts related to reconciliation. It was fiscally quite significant, so the specific information was provided.

The Chair: Thank you. I'm afraid that is the time.

We're now going into our third round. As I mentioned before, it will be slightly truncated. Government members and the official opposition will each have four minutes, and they will each have two slots. The NDP and the Bloc will have two minutes each.

I'm turning now to Mr. Lawrence.

You have the floor for four minutes, please.

Mr. Philip Lawrence: Thank you very much.

My comments will be directed to the Treasury Board. My questions will be similar to the ones I asked the Auditor General. The Auditor General I think said she has reflected on some of the issues that have happened.

Of course, she's one of the last lines of defence. You're a bit further up the food chain, as it were. I believe it's your responsibility to make sure that taxpayer dollars are spent well.

Did the \$60 million—at least, or so we think—that was spent on it represent a good use of taxpayers' money, and what regrets do you have?

Ms. Monia Lahaie: In our role at the Treasury Board Secretariat, we have policies and control frameworks in place and the delegation to departments and deputy heads for the internal control they have to put in place. I'm reassured in a small way that the Auditor General has recognized that the control frameworks and policies we have in place are at the adequate level, that the majority of departments are managing public funds appropriately and that public servants are doing a good job.

We are very concerned with what has been found and are taking that very seriously. We are pleased that the departments are agreeing with the recommendations and putting the action plans in place to address this for the future for Canadians.

Mr. Philip Lawrence: That being said, I think that's cold comfort to the taxpayers, who saw \$60 million wasted. Depending on which number you use, whether you use a \$400,000 or \$80,000 app, it's still millions of dollars that have been wasted. Are you saying there's nothing that Treasury Board could have done to prevent this?

• (1640)

Ms. Monia Lahaie: What I can say is that the frameworks in place and the delegations are at the right level. We do not want to pull the government to a stop by having too many rules. However, there needs to be continued room for improvement. That's what the Treasury Board Secretariat is looking at with our—

Mr. Philip Lawrence: In your current regulatory framework, do you have restrictions or provisions that prevent someone from being a contractor as well as an employee?

Ms. Monia Lahaie: I'm not the expert in that area of the policies. Our officials will be here next week, and they can be prepared to speak to that.

Mr. Philip Lawrence: In general, though, this is public accounts, so we're looking at the finances side. This is a framework issue.

Would you undertake to provide to us in writing, if you don't have it off the top of your head, whether there are policies that prevent contractors from also being employees?

Ms. Monia Lahaie: I can look into that.

Mr. Philip Lawrence: Thank you.

I'll ask the same question of Finance. Do you have, within your department, any policies that prevent contractors from also being employees?

Ms. Evelyn Dancey: It would apply beyond Finance. It's for the whole public service. There is a code of values and ethics that all public servants must comply with. This is an employment requirement. It requires the ongoing daily consideration of potential conflicts of interest between your public service work and outside employment activities and other types of activities that you might be doing.

Mr. Philip Lawrence: Would that prevent, then, an individual from being a contractor as well as an employee?

Ms. Evelyn Dancey: I don't want to pretend that I'm an expert on that code, but at a minimum, all of us would be required as public servants to think about it: Are my activities outside of my public service work in conflict with the work I do within the public service?

Mr. Philip Lawrence: Do you know if—

The Chair: Thank you. That is the time, unfortunately.

We'll turn now to Mr. Chen.

You have the floor for up to four minutes, please.

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

With the rise of extreme weather events and natural disasters, tackling climate change is now more important than ever. The good news is that Canadians and Canadian businesses are ready to step up. In 2022, Export Development Canada set the goal of providing \$10 billion in support for clean-tech businesses in 2025. As of December 31, 2023, EDC has exceeded its target by providing more than \$12 billion in financing and insurance solutions.

Could you share how many businesses were supported through these investments and also provide some examples to our committee?

Ms. Mairead Lavery: We support approximately 400. It's been incrementally growing each year, so I'll say it's in the 400 range. The primary contributor is renewable energy. There's a lot of renewable energy in the numbers you quoted for our businesses, which were facilitated with over \$12 billion. However, you would see other examples of clean tech with water usage and lots of processes that actually make manufacturing processes more efficient.

Anything that reduces the use of resources, whether that's electricity as a resource or water as a resource, we will include in our definition of clean technology. It's over 400 Canadian companies.

Mr. Shaun Chen: That is certainly great news.

I also understand that in 2021, EDC became the world's first export credit agency to commit to achieving net-zero emissions by 2050.

Could you share more details with our committee about this particular commitment, the progress that has been made so far and what work lies ahead?

Ms. Mairead Lavery: We were the first export credit agency, and, indeed, at COP28 last year, we also signed up to be a founding member of the Net-Zero Export Credit Agencies Alliance under the banner of GFANZ, so we are participating in that as well.

With our plans, we have been working on this since well before we made the commitment to net zero and have been taking the opportunity to reduce the carbon intensity of the portfolio we support. Included within that was stopping support for the international financing of fossil fuels.

I am pleased to announce we did set some targets to achieve that in the period from the 2018 baseline, and we have overachieved those. We have also gone with science-based targets to ensure we continue to look at the support we provide.

However, most importantly, which is really important for Canadian companies, we are there to help them on their journey and help them understand what they need to think about. It's not only the risks to their business models by the effects of climate action but how this represents opportunities for Canadian companies in the international sphere given the system of regulation in Canada, particularly around labour laws, and given the abundance of clean energy in Canada. These are all selling points for Canadian companies to now be part of international supply chains.

We ask companies to start focusing on scope 3 emissions. We want to ensure that Canadian companies can access that. To access that, they need to understand the advantages they have here at home. We're also working with them to help them promote their participation in international supply chains.

• (1645)

The Chair: Thank you.

That is the time for that round of questions.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for two minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I had a whole bunch of other questions for everybody, but I have to go back to the same subject because this is too important.

To summarize the situation, in 2020, the government launched the Canada emergency business account program; it handed responsibility for it to Export Development Canada, or EDC; EDC delegated that responsibility by awarding a contract non-competitively to Accenture on the grounds that it was an emergency. That was permitted—it's good that we have the Treasury Board—during the pandemic, but one had to be careful, because the Treasury Board nevertheless issued a directive that this type of contract be awarded sparingly, knowing that sometimes there's no justification for using emergency as a reason, even during a pandemic.

So, to sum up, we realize that, although program management was delegated to Accenture, it was ultimately administered by the banks, which themselves provided the \$60,000 loans to businesses. A business had to apply and the bank had to provide the loan. So the banks were very involved.

Again, I have a really hard time understanding how a government could possibly set up a program during the pandemic and hand it to a Crown corporation, which then awards the contract, without a call for tenders, to a consulting firm, even though we know that many businesses can manage call centres. The winning firm therefore won the contract on a non-competitive basis and built a website at a cost of tens of millions of dollars as part of a program that was ultimately managed by financial institutions.

That's a quick summary—

The Chair: Please be brief.

Ms. Nathalie Sinclair-Desgagné: I would like to move the following motion:

That the committee request the Auditor General to conduct an audit of the management of CEBA, including the roles and responsibilities of suppliers.

[*English*]

The Chair: Thank you. You're putting that on notice, then.

[*Translation*]

Ms. Karen Hogan: Mr. Chair, excuse me.

The Chair: Ms. Hogan, the floor is yours.

Ms. Karen Hogan: We have already started an audit on this program, and we hope to release it in November. However, there may be delays if we have to wait for information from financial institutions.

The Chair: There you go.

Things move fast around here.

[*English*]

The Chair: Mr. Masse, you have the floor.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: The motion is on the floor.

The Chair: I understand, Ms. Sinclair-Desgagné.

[*English*]

Did you move the motion or did you put it on notice?

Pardon me. I understood you were putting it on notice, but I could be wrong on that.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: I am introducing the motion right now.

The Chair: Okay.

One moment, please.

• (1650)

[English]

I was just double-checking.

We have a motion that has been moved. It's relevant to the business at hand.

Yes, Mrs. Shanahan.

[Translation]

Mrs. Brenda Shanahan: I think everyone would like to see the motion.

Ms. Nathalie Sinclair-Desgagné: We're kind, we provide the translation.

The Chair: Thank you very much.

Mrs. Brenda Shanahan: This is quite interesting. The Auditor General has already started an audit, as she just told us. So I don't understand why my colleague wants to go further with her motion. I think we should see the motion, and we can deal with it right away.

The Chair: We haven't received the motion yet.

[English]

I think another member wants to speak to that.

Mr. May, if you would like to speak to that, go ahead.

Mr. Bryan May: Thank you, Mr. Chair.

I did have my hand up, but MP Shanahan basically stole my thunder, to a certain extent. I would have liked to hear the motion again with its specifics.

[Translation]

The Chair: Ms. Sinclair-Desgagné, could you repeat your motion in French, please?

[English]

If you don't have your earpieces in, please put them in.

[Translation]

Ms. Nathalie Sinclair-Desgagné:

That the committee request the Auditor General to conduct an audit of the management of CEBA, including the roles and responsibilities of suppliers.

I think the second part is very important. Today, it has more to do with value for money spent on the services provided by the suppliers.

Madam Auditor General, I would like to focus on that second aspect.

Yes, managing the program is one thing, but did taxpayers get their money's worth?

That's really what I would like to focus on, and that's why I am maintaining the motion.

[English]

The Chair: We have received the motion. We're going to send it around.

Ms. Yip, go ahead.

Ms. Jean Yip: Could we suspend and have a look at that?

The Chair: It hasn't been sent. I'm going to propose a way forward here. This is more for Madam Sinclair-Desgagné.

Is this something you would like to debate now? Given that there is an audit coming and given that the Auditor General is right here and has heard it—not to say that the committee has spoken on it—is this something we could pick up again after the recess, or do you feel that it's pressing and should be dealt with now?

[Translation]

Ms. Nathalie Sinclair-Desgagné: I think it's important that we finish the—

The Chair: We could pick up this motion on Tuesday, March 19.

[English]

We haven't set a schedule because we have the Auditor General that morning.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Can we suspend for a few moments?

The Chair: Sure.

[English]

Yes, we'll suspend for a minute.

I'm going to ask the witnesses to hold on a bit. I appreciate your patience.

I'm sorry, Mr. Masse. Do you have your hand up to speak to this?

Mr. Brian Masse: It's not on this, Mr. Chair. I'm just hoping I can get my two minutes in real quick.

The Chair: Okay, I'll come back to you, but we're going to suspend for two minutes.

Mr. Brian Masse: Thank you, Mr. Chair.

• (1650)

(Pause)

• (1700)

The Chair: I call the meeting back to order.

If I could ask members to take their seats, we have a motion in front of us that I will read and then I will look for speakers:

That the committee request the Auditor General to conduct an audit of the management of CEBA, including the roles and responsibilities of suppliers.

Do I have any speakers?

Mr. May, you have the floor.

Mr. Bryan May: Thank you, Mr. Chair.

I have to say that I'm just a lowly guest here today, filling in for my honourable colleague, but I do want to speak to this just a bit, given what has just been added by the Auditor General in terms of the fact that this is something the Auditor General is looking into. We talked a little earlier in the meeting about potential...the optics of this.

The Auditor General is independent. We need to continue to strive for that independence, and we talked about financing and looking into having an independent financing model for the Auditor General.

To suggest that we dictate what the Auditor General is to undertake in terms of a study, I think, is inappropriate—number one. We just heard her indication that they're already looking into this. I think it makes this motion redundant. Any suggestion that we could be influencing the Auditor General by having her here today and then suggesting that she undertake this study would also be inappropriate.

Again, I'm just simply a guest here today, so I'm not sure of the conventions of this particular committee. However, I have been in your seat, Mr. Chair, for a while, whether it was human resources or veterans affairs. I do know that there is a time and place for motions, and it is not when we have witnesses lined up.

I'm going to be brief on this, because I would very much like to get to the witnesses and not carve up their time any more than we have to, but I would ask that the member opposite, the honourable member, consider pulling this motion given the fact that the Auditor General is in fact already looking into this as a potential study topic.

Thank you, Mr. Chair.

The Chair: Thank you for that.

I'm just going to address this from the chair, diplomatically.

On the first point, the Auditor General is independent but does certainly respond to Parliament. The ArriveCAN audit came after Parliament voted in favour of it, and I believe, in reading the tea leaves and in discussions with the OAG, that the auditor and the office also look to this committee for what I'll call guidance.

A motion that is passed unanimously by this committee is going to be given greater weight by the auditor than one that is split, but it is certainly not interference and it is certainly not inappropriate for Parliament or this committee to pass these motions. At the end of the day, Ms. Hogan will use her independence as she sees fit and pursue an audit or not. On that first point, that has been the custom. The Auditor General has spoken many times about her office receiving correspondence from individual parliamentarians and that's acceptable as well. It's something the office considers. For a parliamentary committee to weigh in is not out of bounds.

On your second point on this motion, I too want to hear from witnesses. That's why we worked so hard to get them here, but this motion is directed at the business at hand and it is in order. If it had not been.... We had a motion that came at the top of this meeting that I was felt was not, and it would have required UC. We didn't get that, so we moved on. However, I take your point, Mr. May, about that.

Are there any other speakers?

Mrs. Shanahan.

• (1705)

[Translation]

Mrs. Brenda Shanahan: We discussed the motion at some length and, as we heard from the Auditor General, I want to propose an amendment to replace the word “request” with the word “recommend”. It will be the same word in both versions. That comes from our committee.

Perhaps it's just a matter of nuance. It's not a request, but a recommendation. Since this directly affects the work of the Auditor General, I don't think it changes a lot of things.

The Chair: Do you want to respond to that, Ms. Sinclair-Desgagné?

Ms. Nathalie Sinclair-Desgagné: Yes, I accept that recommendation as an amendment.

The Chair: Okay. This change will affect only the French version.

[English]

I'll look for a vote to make that amendment.

Are there any objections to changing...?

[Translation]

What is the word “*demande*” being replaced with?

Mrs. Brenda Shanahan: We are replacing “*demande*” with “*recommande*”.

The Chair: Okay.

[English]

Are there any objections to that?

(Amendment agreed to)

(Motion as amended agreed to: yeas 5; nays 0)

The Chair: I appreciate the witnesses remaining.

I am going to turn now to Mr. Masse.

You have two minutes, please.

Mr. Brian Masse: Thank you, Mr. Chair.

Thank you to the witnesses.

For my question, I want to go to the Auditor General, please.

I was shocked, I think, with a lot of people, in December, when the Conservatives singled out and voted against the completion of the Gordie Howe bridge, specifically a line item vote of \$335 million. The project had billions already put into it, not only into the roadway there. It would have literally become the world's most expensive viewing platform, albeit it would be noted as such on the American and the Canadian sides, because, at that time, in December, it was just being finished; the connection was not done yet. It is now connected.

Since that time, we have also had Bridging North America and the Government of Canada reach an additional funding agreement of \$700 million. The government could have insisted that it live up to the original contract, but it went ahead and renegotiated this P3.

Would this be something in line with a potential study? I believe this is new funding, and I thought we were past this, unfortunately, because, originally, Conservatives supported the DRTP, which was a rail tunnel through south Windsor. The Liberals, under Joe Volpe, were opposed to this project in the past, and I thought we were past all these things. I'm worried that there will be additional funds that might get thrown through the wash cycle and also that the contract has been amended versus lived up to.

• (1710)

Ms. Karen Hogan: I'm sorry. I have to admit that I'm not sure what the question was in the end, but I can tell you that we do the financial audit of the bridge, the corporation. When it comes to funding, that is a government decision that's made. We simply audit the financial statements of the bridge.

Mr. Brian Masse: Really quickly, the question is about this: We have another changed contract that the government has done with the P3 sector. The government has amended its contract, and that came after all these things took place. We have to put another \$700 million in, or whatever it might be, but we've amended the contract.

I'm just wondering if the AG's office would look at the amended contracts the government has had with P3s, because they have been looked at in the past.

Ms. Karen Hogan: We wouldn't specifically target that. We don't have that slated as a performance audit. We would look at the management of the public-private partnership when we do the financial statement audit of the bridge.

The Chair: Thank you very much.

Mr. Brian Masse: Thank you, Mr. Chair.

The Chair: Just to bring everyone up to speed, if you lost track, we have two more individuals. Mr. Viersen has four minutes, and then, I believe, Mr. May will have four minutes at the end to round us out.

Mr. Viersen, you have the floor for four minutes.

Mr. Arnold Viersen: Thank you, Mr. Chair.

I would like the Treasury Board to answer a few questions around the emergency contracting authority that is given to ministers. How often has that happened in the last four years? Has this been authorized to many ministries?

The report I read was just that the Department of Public Works got this authorization, but I'm wondering if it has actually used it and if other ministries have pursued this.

Ms. Monia Lahaie: I don't have the information. You could ask my colleagues next week when they come. The contracting expert will be here.

Mr. Arnold Viersen: Okay.

It looks like the Auditor General wants to jump in on that. I'll give her the floor.

Ms. Karen Hogan: What I could offer up is that, during the audit of the ArriveCAN app, we found that some of the contracts that were issued invoked the national security emergency exemption, which means that certain requirements in the normal procurement processes don't have to happen—certain compliances or elements. I know that it was used there. How often it is used across the government is not a question that I can answer, but I can tell you that it was used in the ArriveCAN contracts, for sure.

Mr. Arnold Viersen: Could you confirm that the authorization to use it had been given? They were probably saying—

Ms. Karen Hogan: We did see communication and authorization around that linked to some of the contracts for ArriveCAN, but off the top of my head, I can't tell you if it was invoked in all of them or not.

Mr. Arnold Viersen: Okay. It's just that sometimes one group does its homework on it, and then the next group just sees that it's doing that and uses the same authorization. You didn't really see....

Ms. Karen Hogan: To my recollection, we did not see that. We saw it being invoked in certain contracts, and we saw it being cited and used between the Canada Border Services Agency and Public Services and Procurement Canada. We definitely saw that the authority was there to use the exemption.

Mr. Arnold Viersen: Okay. I'll look forward to hearing from Treasury Board on this next week.

I'll go back to Export Development Canada.

When I got cut off last time, I was asking around.... I deemed it to be a subcontractor with this one financial, but you said it was a subsidiary. Is it appropriate for Canadian companies to outsource their work to other parts of the world when they are receiving a government contract?

Ms. Mairead Lavery: I don't feel equipped to answer that on behalf of all Canadian companies with respect to government contracts.

Mr. Arnold Viersen: Okay. Was there anything in the agreement that Export Development Canada had with Accenture that barred them from...? There is some report that this one financial in Brazil was doing the work that Accenture had won the contract for, and you informed me that this was not a subcontract. Is it appropriate for them to do that?

• (1715)

Ms. Mairead Lavery: If I may answer your question a little bit differently, this was with respect to the loan accounting system. There was a market scan done as to the providers that could accommodate the request and support such a system—support this number of loan-holders, should it be required, the 890,000 loan-holders. That scan identified 24 companies that went through a series of processes to identify which company could meet the requirements in the time frame that we needed them to meet. There was actually a full scan done. This company was identified as the one that met the requirements the most to actually meet the needs of delivering this loan accounting system.

The Chair: Thank you. That is the time.

Mrs. Shanahan, you have the last four minutes, please.

Mrs. Brenda Shanahan: Thank you very much, Mr. Chair.

I, too, appreciate all the witnesses who have been here today answering our questions, which have been kind of all over the place, but that is the nature of looking at the public accounts.

I would like to learn more about the Development Finance Institute Canada. We have Lori Kerr and David Bhamjee. I was looking up a little bit about your organization. Your mandate is to support private sector companies in developing markets to promote sustainable development.

Perhaps, Ms. Kerr, you can tell us a little bit more about what you do, when you started and how it all came about.

Ms. Lori Kerr (Chief Executive Officer, Development Finance Institute Canada Inc.): Sure. I'm happy to share a little bit about FinDev Canada.

We're Canada's bilateral development finance institution. As you've said, we support financing and investment in emerging markets in developing economies. We work with the private sector. We're a wholly owned subsidiary of Export Development Canada, and our initial capitalization of \$300 million came in 2018. There was also money in budget 2021, as well as under the Indo-Pacific strategy.

Essentially, what we do is support investment in financing in emerging markets. As a development finance institution, we also look through a development impact lens, so we make our capital allocation decisions looking at climate and nature action, local market development, gender equality and women's economic empowerment.

We work through a number of different sectors. We support the financial industry in emerging markets and developing economies, so we work with local and regional banks and investment funds. We work with agriculture and forestry in their value chains and then in sustainable infrastructure.

We ended the year last year with about a billion dollars on our balance sheet, so in a five-year growth period—we just celebrated our fifth anniversary—we grew essentially from zero to a billion dollars on our balance sheet.

Mrs. Brenda Shanahan: That sounds like quite the story. Maybe just walk me through a few of the elements again.

Is it private sector Canadian companies that approach FinDev with projects that they want to do, or do you help them discover projects in emerging markets?

Ms. Lori Kerr: As a point of clarification, we don't have what one might call a nexus mandate to support Canadian investment abroad in particular.

We're in the business of supporting private development in emerging markets and developing economies. Should there be Canadians who invest abroad, that's fine, but the export promotion piece is really what EDC does. We're about supporting development in emerging economies to support good-quality jobs, to support raised incomes, tax revenues, etc.

The way that transactions or deals come to us is through a number of different avenues. One is through our own networks, in terms of the sponsor companies or the financial institutions that are looking to invest. We work a lot with partner entities, other development finance institutions around the world, as well as with the private sector directly in emerging markets.

Opportunities come to us in a number of different ways.

Mrs. Brenda Shanahan: When you say the “private sector”, that would be for-profit, but would it also maybe include co-operatives or social finance entities?

Ms. Lori Kerr: Indeed. As a development finance institution we're an investor with impact, so again, we put that impact lens on everything we do. In the ecosystem of financing, we occupy a space that sort of sits between commercially oriented finance and more traditional aid. We look for companies and investment opportunities that will provide a return. That's required, but it's not sufficient. There has to be development impact associated with those investments.

• (1720)

Mrs. Brenda Shanahan: What do you mean by development impact? Is that actually contributing back to the community or funding schools? What does that mean?

Ms. Lori Kerr: Thank you for the question.

Indeed, it's those impact lenses that I mentioned around climate and nature action. We would take a look at how the particular company or financial institution that we're investing in is looking at climate change from a risk perspective as well as an opportunity perspective. How are they either mitigating or adapting to climate change?

When we look at local market development, we look at things like what types of jobs are being provided. Are there jobs that are created for women-owned small and medium-sized enterprises, for example? Are we contributing to the development of local capital markets? What's happening in the local economy that our investment, through those businesses, is contributing to?

Then again, on the women's economic empowerment side, as I've mentioned, we would look at the quality of jobs that are provided. We would look at how many women-owned, women-led SMEs are included or at how many women are in leadership positions in a company, in management, on the board—things like that.

The Chair: Thank you. I'm—

Mrs. Brenda Shanahan: Did you say you have an impact? It might be interesting to have a performance audit—

The Chair: Don't look at me.

Mrs. Brenda Shanahan: —on FinDev. We want to hear more.

The Chair: I look forward to your motion on that matter. We're over our time.

I want to thank all the witnesses for coming today so that we can continue our study on the public accounts of 2023. We'll see some of you very soon.

To the others, I wish you a nice evening. Thank you very much.

I'm going to suspend for five minutes as we prepare for our next witness.

• (1720) _____ (Pause) _____

• (1725)

The Chair: I call the meeting back to order.

Welcome back to the committee hearings.

[*Translation*]

Pursuant to Standing Order 108(3)(g), the committee resumes consideration of the 2024 report number 1 of the Auditor General of Canada, entitled “COVID-19 Pandemic - ArriveCAN”, referred to the committee on Monday, February 12, 2024.

[*English*]

I would like to welcome our witness from the Customs and Immigration Union, Mark Weber, who is the national president.

Mr. Weber, thank you for your patience. We're a little behind schedule, but I'm going to turn things over to you right away for a five-minute opening.

I see that most of the members are here.

Without further ado, you have the floor for up to five minutes, please.

Mr. Mark Weber (National President, Customs and Immigration Union): Thank you, Mr. Chair.

Thank you for the opportunity to appear before you today as the national president of the Customs and Immigration Union, which represents personnel working for the CBSA, including frontline border services officers.

For many of our members, or anyone familiar with CBSA management, the Auditor General's report on the ArriveCAN procurement process did not come as a surprise. This is not because our members were involved in the development of the application or in the procurement process that led to the ongoing debacle. They were not, nor were they consulted about the usefulness of such an endeavour. Had they had a chance to do so, they would have surely informed the agency's management of ArriveCAN's futility. Rather, much of what the Auditor General's office found resonated with our members because they are all too well acquainted with the agency's labour relations practices.

In her opening statement to this committee, the Auditor General noted the “glaring disregard” for basic management practices uncovered during the audit. As our members know, this disregard for proper managerial procedure is deeply embedded within the agency.

Be it in terms of the profound lack of accountability found at all management levels, the tendency to retaliate against employees for speaking up, or the poorly run and arbitrary internal investigation and disciplinary process, CBSA management's track record speaks for itself. While keen on punishing its lower level employees at the slightest allegation, the agency routinely turns a blind eye to far more serious breaches within management.

The situation within the security and professional standards directorate, which is responsible for internal investigations, is especially egregious, with the directorate showing little understanding of the basic principles of procedural fairness. Reform is badly needed to ensure the integrity of a process that should be fair, transparent and unbiased, yet is anything but.

It should come as no surprise, then, that the procurement process that led to ArriveCAN was fraught with issues, and it should come as no surprise that the resulting product has been found to be of poor value to Canadians. What must be stressed is how this poor value extends far beyond the mere economic aspect. ArriveCAN, in its current form, actively undermines the security of Canadians by removing crucial interactions between officer and traveller. It is the cornerstone of CBSA's border modernization strategy, which focuses entirely on facilitation, with little thought for the safety and security of our communities.

The reality is that ArriveCAN was far from a necessity in the first place. It is both the result and the continuation of a steady erosion of our federal public service, which has seen our ability to react in times of crisis drastically reduced over the years. This decline was hastened by policies such as the Conservatives' deficit reduction action plan back in 2014, when thousands of public service workers were removed, including about 1,100 border services officers.

At the border, this same decline has been further fuelled by the current administration's focus on inefficient technology and the hiring of more and more managers at the expense of officers. With important security matters at the forefront of national discussions, such as stolen car exports, gun smuggling, the opioid crisis, etc., it is extremely galling to see the agency squander in the worst possible way nearly \$60 million on an app that ultimately does very little.

It is irresponsible to inject such funds into a project of this kind, instead of hiring much-needed additional staff or seeking to improve existing infrastructure, which would bring real value to Canadians. This is to say little of the agency's decision to spend dozens of millions of dollars on the private sector, instead of choosing to invest in its workers and reinforce their capacity to act on behalf of Canadians. At a time when our members are being nickel-and-dimed at the bargaining table, this is nothing less than a slap in the face.

CIU members are proud of the work they do to serve Canadians and of their role as Canada's first line of defence, yet CBSA management's actions continue to cast a shadow on the organization as a whole. The Auditor General's report brings to light what many of our members have known for a long time.

I urge the federal government, along with the CBSA, to seize this opportunity to change course. Canadians are owed an agency built on solid principles, whereby the front line is properly supported to ensure the security of all.

Thank you. I look forward to your questions.

• (1730)

The Chair: Thank you very much.

Mr. Genuis, I know that you're moving a motion. You're not subbed in, so you'll need to speak to your whip. I will turn the floor over to you for five minutes and you can sort that out, or you can turn the time over to someone who is subbed in.

Mr. Garnett Genuis: Chair, I'll make a few introductory comments. The email is on its way from the whip's office.

Thank you, Mr. Weber, for sharing with us. Again, it's consistent with testimony that we've heard from many about what a broken process ArriveCAN has been from start to finish.

I will note in particular your observations that internal investigations are arbitrary and that there has been a problem of retaliation against those who make complaints. At the government operations committee, we had two public servants make some allegations in response to questions they were asked. Almost immediately after their testimony, they were told there was an investigation against them. They were subsequently suspended without pay following their testimony to a parliamentary committee.

It raises significant concerns about our ability to get to the bottom of matters related to arrive scam when there is an appearance of retaliation specifically against witnesses when they give testimony critical of the government and others within CBSA.

I'm sure we'll be able to come back to you shortly.

Earlier in this meeting, I tried to move a motion to summon Mr. David Yeo to this committee. In another outrageous revelation related to the arrive scam app, we found that a contractor's company, Dalian—another two-person company that made off like bandits during arrive scam—got \$7.9 million. We still don't have any sense of what they actually did, if anything, for that money. They got \$7.9 million while David Yeo, one of the two people working at the company, was also an employee at the Department of National Defence. The Department of National Defence had contracts with Dalian as well. The department and their relevant agencies report not knowing enough about who works for them to have been able to notice this problem earlier.

Recognizing the urgency of the matter and the need to get to the bottom of it, I do want to give my government colleagues one more opportunity to do the right thing. We tried to move this motion before. They blocked our ability to do so. They have fewer procedural tools available to them now, because it is the matter at hand, so I will move the following:

That the committee issue a summons for Mr. David Yeo to appear before committee within seven days and for at least two hours.

I hope we'll be able to have the quick support of the committee to get this done and be able to proceed with that summons.

• (1735)

The Chair: We will send that out forthwith.

Are there any speakers to this motion?

Mrs. Brenda Shanahan: Can we suspend while we're waiting for the motion to be—

The Chair: Yes, we can.

Mr. Garnett Genuis: Chair, we don't need to suspend. This motion was put on verbal notice prior—

The Chair: I appreciate it, Mr. Genuis. The clerk is just checking to see if your team has sent it in both official languages.

Okay. We do have it.

We'll have it out to you very shortly.

Yes, to answer your question, I will suspend for about two minutes here—

Mr. Brian Masse: Mr. Chair, can I ask a quick question?

The Chair: Pardon me, Mr. Masse. You had your hand up before. I didn't hit the gavel yet. You were fast on the draw there.

Go ahead, please.

Mr. Brian Masse: I'm sorry to interrupt.

The practice of the industry committee from all parties is that we usually invite a witness first and then summons later. I'm just wondering—and I'm a guest to this committee—whether this committee requested the person already.

The Chair: I'm sorry. What was your question?

Mr. Brian Masse: Has this committee already requested Mr. Yeo to come? We just summonsed the CEOs of Telus, Rogers and Bell, because they were asked. We always ask first. If they don't come or they refuse, then we summons.

I'm just wondering if this was asked before. I'm sorry for my ignorance on this.

The Chair: I think that's a valid question, Mr. Masse.

We don't have that protocol. It might be worth exploring it. I will allow the motion to stand and we'll debate it.

It's been sent out, so I don't need to suspend. We managed to....

Well, I'll still suspend for a minute, just to give members a chance to look at it. Then we'll jump into it.

Mr. Weber, I do apologize for this. I am anxious to hear questions around your statement, but I am a servant of this committee. A motion has been moved. I hope we can deal with it quickly.

We'll come back in a minute.

• (1735) _____ (Pause) _____

• (1735)

The Chair: I'll bring the meeting back to order.

Mrs. Shanahan, you have the floor.

Mrs. Brenda Shanahan: Thank you very much, Chair.

I don't know if Mr. Masse still wants to say a few words, but I certainly appreciated what Mr. Masse had to say about the usual practice of committees when having witnesses appear before us.

I wish to apologize to Mr. Weber. When we invite a witness, we actually take the time to ask questions and hear what the witness has to say. However, here he is being subjected to a member interjecting—

• (1740)

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

The Chair: Mr. Genuis, what is the point of order?

Mr. Garnett Genuis: I want to clarify the process. If we proceeded—

The Chair: No, you don't need to do that, Mr. Genuis.

Mr. Garnett Genuis: —with the vote, we would go directly back to the witness.

The Chair: Mr. Genuis, that is not a point of order.

Mrs. Shanahan is entitled to her rhetorical flourishes, and I will turn the floor back to her.

Mrs. Brenda Shanahan: Thank you very much, Chair.

Indeed, our normal practice, especially in this committee, public accounts, which is a committee that has historically worked on a consensual basis.... One long-time NDP member, Mr. Christopher-son, used to say that you should not be able to tell, when a member of the public accounts committee was asking a question, which party they come from, because we're doing the work of examining the public accounts of Canada as they are put forward by the Auditor General's office, which is tasked with the job of not only presenting the financial statements in accordance with the usual accounting procedures, but also doing—and I think it has evolved in the last 30 years or so—the performance audits, the value-for-money audits of different departments.

Because we study the work and reports of the Auditor General, it's normally pretty straightforward who we have—Chair, you'll agree—at our meetings: the Auditor General and her team, with the relevant department officials and the deputy minister of the department who is the subject of the report. Those are our witnesses. They are asked to appear. There's no summoning of witnesses, because they are asked to appear. They're happy to appear. Our committee team works out the times and the modalities of those appearances.

We have seen in this session of Parliament a trend towards asking for witnesses outside of those parameters, yet it has still been the practice of this committee to request. I would think the current witness was requested. He was not summoned or subpoenaed to come to this committee. It's only a matter of respect for the people who appear before this committee that we do so.

In this case, I'm looking at the text of the motion that we have before us:

That the committee issue a summons for Mr. David Yeo to appear before committee within seven days and for at least two hours.

It was sprung on this committee that this is of an urgency to do. There was no prior consultation with the committee. I find it very interesting that the member is very keen to have this person here, as we are all just learning about who this person is. Apparently, this employee of the Department of National Defence materiel section, having started or gotten involved in this company, Dalian, also had other activities. Apparently, he was active in political life as a candidate for the People's Party of Canada and was very outspoken about his anti-vaxx views. He was somebody who had a very public persona.

• (1745)

I'm not saying that I wouldn't welcome the chance to ask this gentleman some particular questions, but I find it very interesting that my colleagues, who have been trying to paint this whole ArriveCAN situation, which is very serious business.... We've been hearing from the proper witnesses in procurement, the Auditor General's office, public procurement departments and so on about how procurement should take place. My Conservative colleagues have been saying "Liberal insiders", yet here we see that David Yeo is anything but a Liberal insider. In fact, I wonder if he's a future Conservative candidate. I don't know, but I would be curious to question this person indeed.

However, even this gentleman should have the respect of this committee if we ask him to appear. It could be that he would be very eager to come and speak to this committee. It could be that he's just chomping at the bit to do so. He may have lots to say, but it's something that should be done within the normal scope of the work we do here, which I agree has now included us having multiple meetings during constituency weeks.

The work of the nation must be done, and we're certainly here to do it. You'll appreciate, Chair, that we won't always be here in person, but we know that you will be here, faithful to your post, making sure that all of these questions are being put to all these people so that we can in some ways.... I'm always concerned, just to be serious, that we undermine the serious work, the objective professional work, that is done by people like the Auditor General and the procurement ombud by running a sideshow that's feeding media headlines and really running up the tab, I would say.

This committee has always worked in a very orderly and systematic manner, making sure that we cover all the bases in the work we have to do. These meetings will now occur during constituency weeks and will require travel. I know our Conservative colleagues are very diligent to their posts and will come in person. With the travel costs, the cost of having staff here and the cost of operating a meeting, I heard it's somewhere around \$10,000, excluding individual costs, per meeting. This is on top of all of the money we're very much concerned about that has been wasted on ArriveCAN.

I am curious. We heard the opening remarks from our witness here. I would have very much liked to question him about the employees who had to deal with the ArriveCAN app to see how it actually operated in real time. I'm sure there are colleagues who want to express themselves on this issue, but again, going back to this motion, I cannot support it as it stands because—

• (1750)

Mr. Larry Brock: I have a point of order, Chair.

The Chair: Just one second, Mrs. Shanahan.

Mr. Masse, I do see you there.

Mr. Brock has a point of order.

Mr. Larry Brock: If Mrs. Shanahan was sincere about her desire to get to the ArriveCAN issue and allow Mr. Weber to speak—

The Chair: Mr. Brock, I will put you on the list to speak. That is not a point of order. I will put you down after Mr. Masse.

Mr. May, was that a wave or a request to speak? Okay, you're down as well.

Mrs. Shanahan, you have the floor.

Mrs. Brenda Shanahan: It's the wording of the motion that I object to. It's regarding this summons. It's the dramatic summons of this person. This is not becoming of the procedures and processes that this committee usually undergoes. We had a motion, just previously, presented by Madame Sinclair-Desgagné from the Bloc Québécois.

[*Translation*]

I will speak in French for a moment. I see that my colleague Marie-Hélène Gaudreau is with us. We were able to talk about the motion that Ms. Sinclair-Desgagné wanted to move. That's the proper way to do things in committees. We exchange views, even if we don't always agree.

We don't always agree, but at least we have a discussion. That way, we can achieve an outcome that suits everyone. But that is not really what is happening in the current situation. Mr. Genuis, who moved the motion, is trying to rush things. He thinks that we've fallen asleep on this side of the table, but we're wide awake.

As I already said, it may be a very interesting meeting, but you have to send a request to the person. I remember—I think that Ms. Gaudreau was present in those circumstances—the way witnesses were sometimes treated by certain members of the official opposition during meetings of the Standing Committee on Access to Information, Privacy and Ethics. The way these individuals who came to testify were treated was shameful. They were being threatened and harassed at home. Their privacy was invaded. It was really disgusting.

With that, Mr. Chair, I'll pass it on.

[*English*]

The Chair: Very good.

I'm going to look for agreement. I can see where this is going. I am inclined to excuse Mr. Weber, because it is coming up to sup-pertime. Is there any objection to that? I see none.

Mr. Weber, I'm going to apologize. Personally, I was looking forward to hearing from you, and I'm going to ask the clerk to work with you to see if there's another time we can ask you to come back. It's not a summons.

I live in a border community, and I know the good work that your officers do day to day and did throughout COVID, so I was very curious to hear your thoughts on this. I have spoken to some of those officers directly and have a sense of some of the things you might have said, but I wanted to hear it from you.

With your indulgence, I will excuse you and work to have you back very soon, if you're inclined to do so. Again, I appreciate it. I do apologize for this, but I hope you understand that this is sometimes how democracy works.

Mr. Mark Weber: Thank you—anytime.

The Chair: We'll turn now to Mr. Masse.

You have the floor, please

Mr. Brian Masse: Thank you, Mr. Chair.

I'm quite frankly disappointed that we didn't get to hear more from Mr. Weber. He represents thousands of workers who every single day put their lives on the line. He can't sit through this setting here, and at the same time we've just missed incredibly important testimony.

The CBSA union, right now, is short 2,000 to 3,000 workers alone, and I really think we've missed an important opportunity. Most recently, they were left out of the summit with regard to auto theft at the Montreal port—not even invited. Mr. Weber has really excellent testimony about the pattern of what's taken place.

Over the years since I've been a member of Parliament, we had CBSA in the Windsor region borrowing bulletproof vests. It's gotten to the point right now in Montreal that they just took equipment out of Windsor to scan for stolen automobiles because they haven't fixed the ones in Montreal that are broken. We're not going to hear other testimony that I'm sure Mr. Weber would have had. He's also identified that with the ArriveCAN app, we could have used the money for hiring staff.

During COVID, training did not go on, so we're short 800 workers from that alone and we were already short. There's been a habitual problem with Conservative and Liberal governments not even settling the negotiations on contracts with the men and women at the border. That's been ongoing for decades. They finish a contract and have to go back into negotiations because it takes years to get done. Unfortunately, we're not going to hear that testimony today. Perhaps we will in the future. It's so political.

I remember going to Vancouver when I was trying to protect the detector dog program that the Conservatives were cutting at that time. Yes, they cut the detector dog program. I was supposed to tour the Vancouver port, and all of a sudden there was a phone call somewhere, some place, and I was not allowed to go into the Vancouver port by the port authority. They rescinded my invitation once it was learned that I was going there. The union took me all around the perimeter and so forth anyway, and we learned about the loss of the detector dogs. It would take three hours to clear a freighter, and now it can take three weeks. We've had subsequent—

• (1755)

The Chair: Mr. Masse, I appreciate your frustration, but I'm going to gently nudge you back to the motion at hand. It is my intention to have Mr. Weber back, because like you, I represent a border community and I want to hear from him and his members.

I'll nudge you back to the motion at hand.

Mr. Brian Masse: That's fair enough. I'll wrap up soon.

Thank you, Mr. Chair. This is an important issue for me. I know you're a border person as well.

Going back to the main motion, OGGO is looking at this as well. I don't think it's the best practice to summon someone before they've actually been invited to appear. I'm not going to—

Mr. John Nater: I have a point of order, Mr. Chair. I know this isn't typically a procedural point of order, but I would note it has been officially announced that former prime minister Brian Mulroney has passed away.

An hon. members: Oh, no.

Mr. John Nater: I think all members would offer their condolences to the former prime minister's family.

The Chair: Absolutely. Thank you, Mr. Nater, for that update.

Mr. Brian Masse: Mr. Chair, at this point, if that's the case, I think we should consider adjournment, out of respect for the Mulroney family. Those are my thoughts on that matter.

The Chair: Give me one second, please.

Mr. Brian Masse: I'll leave it out there for people to decide. I'm done. I'm fine.

Thank you, Mr. Chair.

The Chair: We're going to proceed to a vote to adjourn the meeting.

• (1800)

Ms. Nathalie Sinclair-Desgagné: Are we going to adjourn or suspend?

The Chair: It's my intention to adjourn the meeting.

(Motion agreed to: yeas 11; nays 0)

The Chair: Thank you.

Before I drop the gavel, I have a couple of notices.

You have all likely received the update that the Auditor General will be tabling reports on March 19 when we come back after the recess. There will be a two-hour lock-up starting at 7 a.m., and then the Auditor will come in to take questions from all parliamentarians in an ad hoc set-up. Her reports will be tabled at approximately 10 a.m., and it's my intention that morning to have a meeting beginning at 10:05, so the Auditor's first comments on her report will be presented to this committee. That will last only about an hour that morning.

We're going to meet next week. I'm going to lay it out now the dates so you can prepare your calendars and your substitutions. We're going to meet Tuesday mid- to late afternoon. That will allow members who live close to come in that day. That's the afternoon of Tuesday, March 5, and then the mornings of both March 6 and 7 at 10 a.m. You will have the notices of those meetings shortly. I just wanted to highlight that to everyone so you're at least able to prepare your calendars.

On that note, this meeting is adjourned.

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