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Chair

Mr. Pierre-Luc Dusseault

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• (1530)

[Translation]

The Chair (Mr. Pierre-Luc Dusseault (Sherbrooke, NDP)): Good afternoon to you all. This is our committee's eighth meeting. As in our previous meetings, we will be considering supplementary estimates (B) 2013-2014. We will also be considering the Departmental Performance Report for 2012-2013.

During our first hour, we will be hearing from two officials from the Privy Council Office, Ms. Michelle Doucet, Assistant Deputy Minister, Corporate Services, and Ms. Karen Cahill, Executive Director, Finance and Corporate Planning Division.

Thank you for coming. You have 10 minutes for your opening remarks. Committee members will then ask you questions.

Ms. Doucet, you have the floor for 10 minutes.

Ms. Michelle Doucet (Assistant Deputy Minister, Corporate Services, Privy Council Office): Thank you and good afternoon, Mr. Chairman and committee members.

Thank you for inviting us to appear before you today.

As you know, I am accompanied by Ms. Karen Cahill, Executive Director of the Finance and Corporate Planning Division of the Corporate Services Branch, in the Privy Council Office.

My introductory comments are about the 2013-2014 supplementary estimates (B) for the Privy Council Office as well as its Departmental Performance Report for 2012-2013.

In these supplementary estimates, PCO is seeking \$1.2 million for various items which I will explain.

[English]

The \$1.2 million for activities related to the continued implementation of Canada's migrant smuggling prevention strategy is headed by Mr. Ward Elcock. Mr. Elcock was appointed by the Prime Minister as the special advisor on human smuggling and illegal migration on September 15, 2010, with an overall mandate to coordinate the Government of Canada's strategy and response to migrant smuggling. This strategy balances preventive efforts with strategic and diplomatic engagement and is complemented by support for capacity building. Canada's engagement with international partners directly resulted in positive outcomes. In the last two years, Canada has successfully secured cooperation in transit countries in Southeast Asia and West Africa. PCO works closely with four other federal agencies to further Canada's objectives on this important initiative. This item was approved after the preparation of

the 2013-14 main estimates, which explains why the funding is sought through these supplementary estimates.

[Translation]

\$30,000 is for the transfer of the Outstanding Achievement Award Program from the Treasury Board Secretariat to PCO, beginning in 2013-2014. The Outstanding Achievement Award Program, which started in 1966, is distinct from other awards as it is the Prime Minister's award and accords the highest expression of recognition for senior leaders in the public service of Canada. The Outstanding Achievement Award Program recognizes the sustained and outstanding performance of career public servants occupying full-time positions at the executive or deputy minister level or equivalent. The award itself is a gold pin, a work of Canadian art with a maximum value of \$5,000, and a formal citation signed by the Prime Minister.

The Outstanding Achievement Award selection committee is composed of distinguished Canadians who are external to the public service and represent a cross-section of regions, backgrounds and experiences. Their mandate is to review each nomination and make recommendations to the Prime Minister. Previously, all the administrative support of the Outstanding Achievement Award Program was provided by the Treasury Board Secretariat. This included managing the call letter process, receipt of nominations, liaison and secretariat support to the selection committee, and coordination of the award ceremony.

Responsibility and resources were transferred to the senior personnel secretariat within PCO, in its role of supporting the Prime Minister and the Clerk in the management of the senior leadership of the public service. Funds are being transferred from the Treasury Board Secretariat to PCO through the supplementary estimates and there is no net new impact on the fiscal framework.

• (1535)

[English]

The increases in PCO's appropriations will be partially offset by a reduction of \$69,121 related to measures announced in Canada's economic action plan 2013 to reduce departmental travel costs by 5%, and to boost productivity by using modern alternatives to travel. The overall reduction for the whole-of-government is in the amount of \$42.7 million, and of this amount as I have indicated PCO's share represents \$69,121.

This completes the explanation of PCO's 2013-14 supplementary estimates (B). I will now briefly summarize PCO's departmental performance report for the fiscal year 2012-13.

Over the course of April 1, 2012, to March 31, 2013, the Privy Council Office played a central advisory and coordinating role to support the government in furthering its objectives, pursuant to its mandate to provide professional, non-partisan advice and support to the Prime Minister and cabinet. Inside our department, PCO also implemented a number of initiatives to streamline its own business processes and enhance operational efficiency in support of the government's deficit reduction goals. PCO met its planned level of performance in support of its four organizational priorities in 2012-13, and I will take this opportunity to tell you about that work.

To support the Prime Minister in exercising his overall leadership responsibility, as I have said, PCO provided professional, non-partisan advice and support to the Prime Minister and portfolio ministers on a wide range of issues and policies, including those pertaining to social, economic, regional development, and legal matters. PCO provided advice on the constitutional principles of our system of government and the prerogative responsibilities of the Prime Minister, such as the structure and organization of government. PCO also supported the Prime Minister's engagement with world leaders, assisting with 15 visits abroad and helping to welcome 10 such leaders to Canada. It supported the Prime Minister and the Minister of Intergovernmental Affairs in 50 bilateral engagements with their provincial and territorial counterparts throughout the year.

In order to focus on key policy and legislative areas and to strengthen medium-term policy planning, PCO played a central monitoring and coordination role for the government-wide implementation of Canada's economic action plan 2012, and supported the formulation of Canada's economic action plan 2013. As well, PCO supported a total of 147 cabinet and cabinet committee meetings and a total of 130 deputy minister meetings over the course of the year. PCO also coordinated an initiative with deputy minister policy committees to identify and examine medium-term policy planning issues within their respective mandates.

[*Translation*]

PCO was also able to establish the governance mechanisms necessary to coordinate and oversee the government's implementation of the Canada-U.S. Perimeter Security and Economic Competitive Action Plan. PCO coordinated and supported the process for 35 government bills that were introduced in the year, of which 24 were passed by Parliament. In addition, PCO monitored significant domestic and international developments throughout the year in order to help the government effectively manage and coordinate appropriate responses.

To support management and accountability of government, PCO provided the Prime Minister and the Clerk of the Privy Council with advice and support on public service renewal, business transformation, and the human resources management of senior leaders. We worked to find solutions that pooled the efforts and resources of departments, drive excellence and renewal, and ensure that the public service works effectively and efficiently as an enterprise.

We focused on strengthening leadership capacity in the public service within its senior ranks and helped identify succession needs. This included the appointment or movement of 32 different senior leaders at the deputy minister level. PCO led the timely development

of the Clerk's Twentieth Annual Report to the Prime Minister on the Public Service of Canada and also provided ongoing secretariat and analytical support to the Prime Minister's Advisory Committee on the Public Service.

PCO also supported the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River by securing funding for its operations, as well as by providing timely administrative support and advice throughout the year.

● (1540)

As you know, the commission's report was issued on October 31, 2012 and the operations of the commission were then wound down.

[*English*]

Finally, the Privy Council Office met these challenges while effectively implementing its deficit reduction commitments. This included, among other measures, the continued development of a new library services model; the streamlining of PCO's records centres to reduce resources dedicated to managing departmental paper records in support of the ongoing transformation of the department into an e-enabled organization; the continued rationalization of informatics and technical services by decreasing the number of supported printers and applications; and the re-engineering of the intergovernmental affairs function by creating a federal-provincial-territorial relations secretariat within the plans and consultations and intergovernmental affairs branch.

As you may know, PCO's commitment to deficit reduction means that there are now fewer jobs at the Privy Council Office. To minimize the impact on people, PCO successfully managed the workforce adjustment process in a fair and transparent manner, while treating affected staff with respect and making it a key priority to support them through this process.

In closing, I would like to thank you for giving us the opportunity to inform you of the initiatives related to the 2013-14 supplementary estimates (B) as well as PCO's departmental performance report for 2012-13.

We would be pleased to answer your questions.

[*Translation*]

The Chair: Thank you, Ms. Doucet.

We will now move right into questions from committee members.

Mr. Martin, you have five minutes.

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chairman.

Thank you, Madam Doucet. It's nice to see you again. Welcome back.

The government operations committee, of course, is the oversight committee for the PCO. This is why we invite you to give your departmental reports here, and we certainly welcome those.

In that light, though—I wear two hats, in a sense, because I also chair the Standing Committee on Access to Information, Privacy and Ethics—I have a question for you regarding your departmental review.

First, where specifically in your policies is it written that when a person leaves you destroy all the e-mails and correspondence associated with that person?

We've been hearing that it's standard protocol, and in fact PCO policy, that when a person leaves the employ of the PCO, all correspondence and e-mails are immediately destroyed. I find this in conflict with, as I say, my other role on the access to information committee, where it's in fact law to document and to retain documents of the activities of government.

Is the PCO somehow excluded from the Access to Information Act and the requirements to create documents and to retain documents?

• (1545)

Ms. Michelle Doucet: Thank you for your question, Mr. Chair.

I can assure you that the Privy Council Office is not excluded from the Access to Information Act.

First of all, I think it is important to appreciate that, based on the non-partisan nature of the public service, departments and ministers' offices have two complementary but different sets of rules around records management.

Ministers' offices are governed by various pieces of legislation and policies and court decisions. One of the things these say is that records of ministers' offices are not subject to the Access to Information Act unless they're under the control of the department. They also say that ministers' offices have to manage their records in a certain way.

On the public service side, we also follow the rules set out in various policies and pieces of legislation that tell us what to keep and what to delete. For example—

Mr. Pat Martin: But we have an Information Commissioner who adjudicates what information should be made public and what information shouldn't. She can't rule on information that's been destroyed. I don't see anywhere, even in excluded situations, or exempted situations, the right to destroy information. I don't see how it could be allowed.

Now let me focus on one thing you said. All through your departmental report, and even in your introductory documents, you make reference to the non-partisan nature of the PCO. I have never questioned or challenged that until Sunday night, at about 9:30 p.m.

Why was this information that the e-mails have been found released at 9:30 on a Sunday night instead of waiting till 8 a.m. the following morning? How can we see that as anything but partisan, in that it would be in the best interests of the Prime Minister for that information to be released while he's singing a song on stage at a fundraiser? Can you explain to me how we can believe that it's non-partisan when it's so clearly advantageous to the government that this information was rationed out to the public in such a bizarre timeline.

In the process of answering, could you tell me, when did you find those e-mails exactly?

[*Translation*]

Ms. Michelle Doucet: Thank you for the question.

[*English*]

As I was saying before, on the public service side, in fact, we do follow the laws and legislation that tell us what records to keep. Everybody has guidelines to follow. I believe that the question was, when staff leave do we have a policy of deleting all e-mails? What I should add is inferred in that is—

Mr. Pat Martin: Could you answer that question, then?

Ms. Michelle Doucet: —subject to the application of our records management rules and guidelines, which we follow, and—

Mr. Pat Martin: Do you destroy the e-mails when somebody leaves, yes or no?

Ms. Michelle Doucet: Pardon me?

Mr. Pat Martin: Do you destroy the e-mails when someone leaves the employ, yes or no?

[*Translation*]

The Chair: Thank you, Mr. Martin.

[*English*]

Ms. Michelle Doucet: The e-mails that—

Mr. Pat Martin: She still hasn't answered.

[*Translation*]

The Chair: You have the floor, Ms. Doucet.

[*English*]

Ms. Michelle Doucet: The only e-mails that remain are the residual e-mails that remain after the application of records management guidelines. Employees have a responsibility to go through their records, make sure they keep those of archival value, if they're public servants, and have them to be able to be accessible pursuant to the Library and Archives of Canada Act. What remains is residual and not required to be kept. We delete those e-mails because servers have a finite capacity. To keep unnecessary residual e-mails that are not required by the government would actually do damage to our servers.

I won't talk more about that because my colleagues at Shared Services Canada could probably speak more knowledgeably about that than I can.

[*Translation*]

The Chair: Thank you.

Mr. O'Connor, you have the floor.

[*English*]

Hon. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Madam Doucet, your organization, in public service terms, is relatively small, but it's the key because it's at the centre of everything. I notice that this last year you've decreased by 77 personnel, and yet you're still doing to the same work. Or are you doing different work? How do you get by with 77 fewer people?

[Translation]

Ms. Michelle Doucet: Thank you for the question.

[English]

Some of you will know that over the past couple of years we have gone through several deficit reduction efforts.

First, in our strategic review, as all departments did in 2011, PCO did theirs then. Then in 2012 we did the same thing in the deficit reduction action plan.

Some of you are new to this committee and so you may not know that at PCO we have no programs. We are all people, so we don't have any programs to cut, and that meant we had to find efficiencies. We did that through three main themes. We did that through business transformation, where the Privy Council Office adopted new and innovative ways of doing business. We realized savings by taking advantage of technology and finding less labour-intensive ways of doing our work. Examples of that would be how we manage our cabinet document system, library services, the paper record centres. As we move to digitization, we have fewer stacks of paper records that we have to worry about.

As I said in my opening remarks, in intergovernmental affairs we also realigned our capacity to match the change in government demand. Where we used to put a lot of effort in one area, we were able to realize that actually government's priorities had shifted and we were able to realize some savings in that regard. Then, obviously, there were other discrete initiatives.

You're right. The workload has not changed, but how we do our work is different. An example of that would be how we approach intergovernmental affairs. We used to have a discrete secretariat at the Privy Council Office that was headed by a deputy minister. Then we realized that, particularly in Canada, being cognizant of federal-provincial-territorial relationships really permeates every file that we do. That's something that all analyses of the Privy Council Office should take account of. So we decided to embed that horizontally. We still kept a centre of excellence in one of our secretariats, and that's in the plans and consultations and intergovernmental affairs secretariat. They provide expert policy advice, but it is the responsibility of all program analysts now to be cognizant of federal-provincial-territorial relations. So, rather than having a whole organization dedicated to that, we have a small centre of excellence and we have made our analysts more polyvalent, if you will.

• (1550)

Hon. Gordon O'Connor: Okay. I remember Mr. Elcock from a few years ago. He is equivalent, I guess, to a deputy minister responsible for human smuggling. I don't understand why human smuggling should be part of the PCO. Why isn't it part of public security or immigration, or somebody else?

Ms. Michelle Doucet: One of the key roles of the Privy Council Office is to provide coordination across government, and that is the reason that Mr. Elcock is nested within the Privy Council Office and he reports to the national security advisor to the Prime Minister. In addition to his role of providing advice to the Prime Minister, he has the role for coordinating the activities of all agencies and departments in government that are concerned with national security. In Mr. Elcock's mandate, he's responsible for coordinating the

government strategy in response to migrant smuggling, in particular, through engagement with governments in transit countries to promote international cooperation, adherence to international laws and norms, and with international organizations to find durable solutions. He works closely with key domestic partners to do that work and with a focus to combat migrant smuggling by sea. Then, as I stressed, he also does that with key international partners and engages in regional and international fora.

[Translation]

The Chair: Thank you, Mr. O'Connor, but your time is up.

Mr. Blanchette, you have the floor. You have five minutes.

Mr. Denis Blanchette (Louis-Hébert, NDP): Thank you to our guests for coming today.

I would like to talk about the Departmental Performance Report.

Your fourth priority is called "Strengthen PCO's internal management practices". Among other things, you are supposed to manage safety risks and emergency risks. According to your corporate plan, in the case of a disaster, you have to be able to get right back up on your feet in order to continue functioning. In terms of computer services, this implies having continuous email backups.

I find it hard to believe that if a user destroys their emails by mistake, they have no way of retrieving them. I do not understand why you said that this no longer exists, because I firmly believe that it always did.

• (1555)

Ms. Michelle Doucet: Thank you for the question.

[English]

I will start by picking up on my answer to the previous member's question about records management practices. To summarize what I was trying to say—I'm not sure I did that effectively—there are rules for records management. Whether you're an employee of the public service or an employee of a minister's office, you're expected to follow those rules. When you leave, you're expected to have organized your documents, so that the ones that are required to be preserved are there and set aside separately, and the ones that are not necessary can be deleted to make room in the server so that computer systems function efficiently.

Now, your question about backup is a very good question, and thank you for asking it. I particularly appreciate your linkage to disaster recovery, because the Government of Canada, in the Treasury Board guidelines, actually has a requirement that all government departments—and now with the support of Shared Services Canada, our colleagues who will be before you after me—have a backup capacity for that very purpose.

So we have a backup capacity, the purpose of which is to assist in disaster recovery, in business continuity. Different departments have that backup capacity for varying periods of time. The Privy Council Office—

[*Translation*]

Mr. Denis Blanchette: Ms. Doucet, you are telling me that you have backups. You have always had backups for all your operations. These may be daily, weekly, monthly, or annual. It is nothing out of the ordinary. This is normal standard practice in any professional sector.

I am convinced that Shared Services Canada provides you with a professional service. My question is very clear: did you store backups of these emails somewhere? Yes or no?

[*English*]

Ms. Michelle Doucet: We have backup copies for 30 days, and at the end of 30 days, the backup copies are not there.

[*Translation*]

Mr. Denis Blanchette: Is it the policy of the Prime Minister's Office to destroy everything after 30 days?

[*English*]

Ms. Michelle Doucet: The 30-day period to which I spoke is not related to the rules on records management. The 30-day period to which I spoke is related to the backup capacity requirement for the Government of Canada to assist in disaster recovery, or business continuity.

[*Translation*]

The Chair: Thank you, Mr. Blanchette.

Mr. Komarnicki, you have the floor for five minutes.

[*English*]

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Thank you very much.

I'll pursue some of the comments made by Mr. O'Connor a little further. I look at your actual spending in dollars and I note that in 2010-11 you were about at \$159.9 million down to \$121.9, a savings of \$37 million.

I take it you don't have much room to be able to make sure those reductions happen except by new ways of doing business, perhaps technology and people are the areas you might deal with. I commend you for going in the right direction and reducing the cost of operation.

One of the ways you mentioned is boosting productivity and using modern alternatives to travel. I know in our committees witnesses can travel to the committee or can do video conferencing instead and save some dollars; rather than sending people, you connect them electronically. It's a culture that takes some time to change to get to that place.

Are you experiencing some of that and is some of what I'm mentioning the kind of thing you might be doing or are there other things you're doing to reduce costs?

● (1600)

Ms. Michelle Doucet: Mr. Chair, I'm going to start with a short overview and then I'm going to ask Ms. Cahill to talk a bit about our expenditures.

At the Privy Council Office, because we have no programs, we tend to travel a bit less than some of the other departments in town. We have some folks who obviously travel. Mr. Elcock—you were speaking with him before—travels extensively, usually on very short notice on gruelling flights and times and distances to not particularly hospitable locations, but the rest of us have a tendency to stay a bit closer to home.

I'm going to ask Karen to take you through our spending on travel. Wherever possible, we use video conferencing and teleconferencing. We're starting to take advantage of technologies like GCconnex, where we can talk internally through the government.

One of the things we do at the Privy Council Office is, of course, coordination and so we make sure that we try to piggyback onto other coordinating meetings. If we know we have a group of American officials in town to meet with Mr. Moloney on the Regulatory Cooperation Council or the Beyond the Border initiative, and the national security advisor wants to talk to his American counterparts, those might be the same folks, and that saves him a trip to Washington when he can just go down the street to 66 Slater and see Mr. Moloney.

We take advantage of technology, but we also work smart. We use our common sense to try to reduce how much we've spent on travel in the past year or so.

Karen, would you like to add to that?

Ms. Karen Cahill (Executive Director, Finance and Corporate Planning Division, Privy Council Office): Thank you very much.

Our travel expenses have decreased quite a lot over the years. In 2012-13, our year-end expenditures for travel were \$2.3 million over a budget of \$3.5 million. This year, we expect these travel expenditures to be approximately the same, or even less than \$2.3 million.

As Ms. Doucet explained, PCO has focused a great deal on cost-saving measures, applying the new directive on travel, hospitality, and conferences very seriously and finding alternate measures rather than travel.

Mr. Ed Komarnicki: I have one other question, if I might. Despite the fact you're reducing costs in one area, I notice you are asking for additional funding to combat human smuggling. I understand that follows from a policy decision that's being carried out by another department or departments and there's probably funding there as well.

Wouldn't it be more efficient to have one or more of those departments do the coordination rather than having a separate department oversee the coordination of the program that is in large part emanating from another department or through another program?

Ms. Michelle Doucet: Justifying the need for a coordinating role is always interesting and I think what it does is it.... My first response to you would be that when we're engaged in work about which we are passionate, work that matters....

So if you're in the department of immigration and citizenship and you're involved in combatting human smuggling, you're going to be passionate about that because that really matters. If you're in another department that's working on that, for instance the Department of Foreign Affairs, Trade and Development, you're interested in the same broad objective, but you have your own way of getting to that and you're caught up in what you're doing. As folks work in line departments across governments, sometimes it can be hard to see the horizontal forest because you're sort of caught up in the trees. Thus the need for coordination.

Mr. Alcock has a fairly small team at the Privy Council Office in terms of his coordinating role. He's gone a lot of the time travelling, talking to key folks in international partner countries. In fact he has his folks out in the field a lot. The substance of the day-to-day work gets done in the line departments—

• (1605)

[Translation]

The Chair: I am going to have to interrupt you, Ms. Doucet.

[English]

Ms. Michelle Doucet: —but somebody has to pull all of the pieces of the picture together for the national security advisor.

[Translation]

The Chair: You are well over your time.

We will now move on to Mr. Byrne for five minutes.

[English]

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you very much, Mr. Chair.

Thank you very much for appearing before us.

Madame Doucet, you are in a very important position and you are appearing before us at a very important time because you have a unique capacity to be able to describe to this committee the information technology architecture that's inherent within the Privy Council Office.

You have intrigued the committee already with your statements that, from a disaster mitigation point of view, there is a mechanism to be able to hold electronic records, but only for.... By an architectural design, if I can summarize what you said, it will only keep those records for 30 days. There are obviously other architectural elements to the information technology systems of the Privy Council Office for the retention of electronic records. Could you describe to the committee what those systems are?

An individual writing an e-mail will obviously hold that e-mail on their own personal computer for an indefinite period of time, but there are also obviously other servers in the Privy Council Office that hold electronic records, e-mail records in particular. Would you be able to describe the architecture, being the assistant deputy minister of corporate services for the Privy Council Office?

Ms. Michelle Doucet: As much as I'd like to be able to give you the technical explanation that I understand you are looking for, I'm not qualified to do that. I have folks who do that for me.

However, appearing before you after me are the folks from Shared Services Canada who are much more knowledgeable on the architecture of our IT systems.

Hon. Gerry Byrne: Would one individual in the Privy Council Office fall under your mandate? That individual is the access to information and privacy officer. Would that fall within corporate services?

Ms. Michelle Doucet: Yes, it does.

Hon. Gerry Byrne: It does.

Was the Privy Council's access to information and privacy coordinator engaged during the course of the study or investigation or the look into those e-mails in question, from the Prime Minister's former legal counsel?

Ms. Michelle Doucet: On the subject of the e-mails to which you refer, I will begin by saying something I said before, which is that it's the mandate of the Privy Council Office to provide professional non-partisan advice and support to the government.

It's not our job to provide advice on personal or political matters to our ministers' offices and it would be highly unusual for PCO to have records on personal or political matters. So to answer your question, yes, whenever we receive an ATIP request, I have an ATIP division that coordinates the work around that and makes sure that the delegation instrument that is in place is implemented in the response to each and every request and that we follow the rules that the legislation, interpreted by court decisions, has set out for us.

Hon. Gerry Byrne: Shouldn't that decision be the matter of interpretation not by the departments themselves but governed by the access to information coordinators and subject to judicial review should there be a disagreement as to whether something falls within the mandate of the Access to Information Act or not? Something being severed, once you delete electronic records it's the ultimate capital punishment of that particular record. It cannot be recovered. Therefore there can be no adjudication.

Is it normal policy or is it anywhere written that it is acceptable, whether it contains political records or not, that these records are eligible to be destroyed?

• (1610)

Ms. Michelle Doucet: What you are speaking of is in essence the records management policy and, in addition to the legislation that governs what records need to be kept by public servants, is interpreted by Treasury Board guidelines on record-keeping. Information management is related to but does not fall under the rubric of the access to information coordinator. The access to information coordinator comes in after documents have been created and preserved once an access request is made. Then it is his or her responsibility to apply the legislation and—

Hon. Gerry Byrne: So you're saying you can bypass this by destroying the records? If the records are not produced and put forward to the access to information coordinator then there's nothing for the access to information coordinator to decide upon. A very convenient method of circumventing this is to simply destroy the records so that they're not presented to the access to information coordinator.

[Translation]

The Chair: Thank you, Mr. Byrne.

I will give Ms. Doucet a few seconds to answer your question.

[English]

Ms. Michelle Doucet: As I said before, there are rules regarding what records can be kept and what records can be deleted. All public servants are expected to follow those rules.

[Translation]

The Chair: Thank you, Ms. Doucet.

Mr. Van Kesteren, you also have five minutes.

[English]

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Mr. Chair.

Thank you for appearing.

I'm one of those newbies so I'm probably going to ask some questions that seem pretty elementary to you. I really didn't hear an answer to Mr. O'Connor's question. I'd really like to hear that.

It's a wonderful thing and we all agree on the importance of human smuggling, but why is the PCO office involved in it? Why is that part of your office as far as those investigations and the work that's being done is concerned. I just don't understand.

There was another one, the sockeye salmon commission. How does that happen? How does it become part of their function?

[Translation]

Ms. Michelle Doucet: Thank you for the question.

[English]

Mr. Chair, let me speak to why Mr. Elcock's function is nested in the Privy Council Office. It's because the Privy Council Office has the mandate to coordinate initiatives that are the priority of the government. Regarding illegal migration, Mr. Elcock's mandate is part of that. Whenever we have a national objective that requires system-wide coordination generally speaking that gets nested in the Privy Council Office.

Mr. Dave Van Kesteren: Does it get shifted over to another department at some point?

Ms. Michelle Doucet: If it gets to a point where it can be operationalized, yes, it does. If the requirement for coordination disappears and it can be operationalized, it does.

I'll give you an example. For a number of years we had at the Privy Council Office the Afghanistan task force, which coordinated the efforts in the Afghanistan mission out of PCO. When Canada withdrew from its combat role Canadian efforts remained in Afghanistan but that was handled out of the respective departments.

Mr. Dave Van Kesteren: Generally, say it was handed over to Public Security, the minister would be responsible. Under whose directive does this portfolio fall? Is the Prime Minister directly responsible for the actions of Mr. Elcock?

Ms. Michelle Doucet: Yes.

Mr. Alcock reports to Mr. Stephen Rigby, who is the national security advisor to the Prime Minister. Mr. Rigby reports to the Clerk of the Privy Council. The Clerk of the Privy Council reports to the Prime Minister.

Mr. Dave Van Kesteren: Okay.

This is a division of government that has a little bit of a cloak-and-dagger aspect to it. Maybe it's not something that is necessarily deserved. You mentioned something about the confidentiality. Oftentimes we speak of caucus confidentiality.

What are the rules of engagement when it comes to confidentiality within the Privy Council for all those who work there? To what extent can they make any contact with the public or with the press?

Ms. Michelle Doucet: The rules of engagement are for all public servants, and PCO is no different in this regard, and they are governed by how materials or conversations are classified. So whether they are not sensitive, whether they're somewhat sensitive, whether they're pretty sensitive, or whether they're really sensitive, there's a classification system that governs that. For instance, if Mr. Elcock had been here before us today, and he apologizes for not being around—he's actually in Indonesia—and if you had asked him about details on what he's doing, he probably would have had to say that he's not at liberty to discuss that.

With respect to communications with the public, if you were working in a department and in a program where you're engaging with citizens as stakeholders, it's part of your job to talk to the public. If you're working in the communications shop and you're the immediate spokesperson, it is your job to talk to the press. So everybody has roles and responsibilities, and you're expected to play your position and fulfill those roles and responsibilities.

• (1615)

Mr. Dave Van Kesteren: I just have a curious question. You offer advice and assistance to cabinet, to the PM, and to committees. Is there a shift that's happened in recent history? Is there more energy, perhaps, going to the PMO? Or is it pretty much consistent throughout its history?

Ms. Michelle Doucet: That's a really interesting question, so thank you for the question.

I don't know that I feel qualified to answer that question, because, like you, I am a bit new to PCO. I've been here for two years so I have a pretty good sense of what we do right now, but in terms of the longer history of the Privy Council Office, and the political science analysis of how decisions are made, I think that's probably best left to others more qualified.

You had asked me a question about commissions of inquiry, and if I have a few seconds left, I'd be happy to speak to that, because it's an interesting aspect of our mandate at the Privy Council Office.

If you look at our program alignment architecture—the jargon is the PAA—we have five areas of business. One of them is commissions of inquiry, and there's a piece of legislation that supports that. What that does is it supports the Prime Minister's prerogative to call a commission of inquiry into a matter that he feels warrants more in-depth investigation. Most recently, of course, he did that with the commission of inquiry into the decline of salmon on the Fraser River. It's the job of the Privy Council Office, when the Prime Minister does that, to work within the government system to secure the funding for that, and then to provide the administrative support so that the commission of inquiry can perform its activities in an independent and impartial way and report back to the Prime Minister.

[Translation]

The Chair: Thank you, Mr. Van Kesteren. Your time is up.

Mr. Martin, you have the floor.

[English]

Mr. Pat Martin: Thank you, Mr. Chair.

I just have one brief question, really, to follow up my original line of questioning.

Madame Doucet, the letter from the PCO that announced that somehow Benjamin Perrin's e-mails had been spared the shredder said that they had been spared the shredder because they were the subject of an unrelated litigation. What was that unrelated legal matter that caused you to preserve those e-mails instead of destroying them, which you say is your customary protocol?

Ms. Michelle Doucet: The nature of the unrelated litigation had to do with another federal government department.

Mr. Pat Martin: Which one?

Ms. Michelle Doucet: HRSDC.

Mr. Pat Martin: Thank you.

[Translation]

The Chair: Mrs. Day will use the rest of my time.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Thank you.

I was very interested by Mr. Martin's questions and I would like to get some further clarification on your part.

The Privy Council Office must keep up the highest standards of professionalism and ethics in the federal public service. It recently made the headlines because it found emails related to an RCMP investigation that were previously thought to have been deleted.

You stated earlier that you destroy emails after 30 days. Where were these emails between the time the RCMP requested them and the time the office found them? Were there individuals who had access to these emails? I think my questions are quite clear.

The Chair: Before Ms. Doucet responds, I would like to point out that several questions are about specific emails belonging to specific individuals.

It is within the scope of the Departmental Performance Reports and supplementary estimates (B) to ask questions about email management generally. However, it is more problematic to ask

questions about specific emails. I can allow you to reword your question so that it falls under the scope of the two topics under consideration.

• (1620)

Mrs. Anne-Marie Day: Mr. Chairman, my questions are about the Privy Council Office.

Ms. Doucet, are you able to answer those questions?

Ms. Michelle Doucet: I would like to thank Mrs. Day for the question.

[English]

I would draw your attention to the letter that the Privy Council Office sent to the RCMP on December 1, 2013. The letter speaks for itself, and I can't comment further on that.

[Translation]

Mrs. Anne-Marie Day: Do you know if individuals were aware of those emails in the office?

[English]

Ms. Michelle Doucet: Again, I would draw your attention to the letter that we sent to the RCMP on December 1, 2013.

[Translation]

Mrs. Anne-Marie Day: I will ask you another question.

There has been discussion about border safety and smuggling. Does that include the border between the United States and Canada?

Ms. Michelle Doucet: Thank you for the question.

[English]

At the Privy Council Office, we are engaged in implementing a couple of priorities related to borders. We talked today about Mr. Elcock's efforts with respect to illegal migration, but there's another aspect of the work we do at the Privy Council Office, which is led by Mr. David Moloney, and that is to implement the Beyond the Border initiative together with the Regulatory Cooperation Council.

The Beyond the Border initiative does speak specifically to borders. It reflects the action plans that were agreed to by the Prime Minister and the American President on December 7, 2011. Folks at PCO have been working with federal partners and our American counterparts over the last couple of years to deal with matters related to the border in order to address threats early, and to facilitate trade and economic growth and jobs, cross-border law enforcement, critical infrastructure, and cybersecurity.

[Translation]

Mrs. Anne-Marie Day: Mr. Chairman, I must interrupt Ms. Doucet because I was referring to smuggling across borders. Has smuggling increased? Some members have observed an increase in smuggling and firearms smuggling. There's no mention of it here.

How much money has been allocated to the problem of smuggling? What is the budget for resolving this issue?

Ms. Michelle Doucet: Thank you for the question.

[English]

I'll speak to the part that PCO controls. I can't speak to the part that other departments control.

With respect to smuggling, PCO focuses on combatting migrant smuggling by sea. Mr. Elcock has a mandate to coordinate the efforts of key domestic partners, specifically focusing on migrant smuggling by sea. We're not talking about land borders and we're not talking about air. We're talking about migrant smuggling by sea.

Then, Ms. Cahill, I'll just ask you if you want to talk about the PCO's spending in that regard. That would be helpful.

Ms. Karen Cahill: Certainly, thank you.

First of all, over the course of four years, human smuggling has been allocated \$5.6 million for just the PCO portion of human smuggling. On the spending for human smuggling, in 2012-13 we spent \$776,000 on this initiative. In 2013-14, as you know, we're requesting \$1.2 million and we are forecasting that we will spend this entire budget.

[Translation]

The Chair: Thank you for your answers.

Mr. Aspin, you also have five minutes.

•(1625)

[English]

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Thank you, Chair.

Welcome to our guests from the PCO today.

I have just a broad question as my first question with regard to the estimates and perhaps your report. What would you regard, Ms. Doucet, as the main achievements of the Privy Council Office in 2012-13?

Ms. Karen Cahill: As Mrs. Doucet indicated in her opening remarks, we've had great achievements over the course of 2012-13.

The additional achievements would be these. We administered the performance management program for the Governor in Council appointees, leading further changes to this program by placing greater emphasis on achieving corporate-wide organizational goals. Also, we strengthened the leadership capacity in the public service by promoting effective programs and services to develop leadership skills within the senior ranks.

Of course, one of the great achievements is the Regulatory Cooperation Council between Canada and the U.S. This was transferred from the Treasury Board Secretariat. Under PCO governance, we oversaw the creation of release of work plans for each of the 29 initiatives in the RCC joint action plan.

On a more statistical front, we coordinated and supported 35 government bills as well. Of the 35 government bills, 24 were passed in Parliament.

Those are some of the achievements of the department over 2012-13.

Mr. Jay Aspin: Thank you.

What is the mandate of the new public administration subcommittee of the cabinet committee on priorities and planning?

Ms. Michelle Doucet: In 2012-13, that committee was housed in the committees that PCO supports. As you indicated, in 2012-13 it was a subcommittee of P and P. I don't have the actual terms of reference here with me, but they had a series of meetings—I think there were 12 or 13 meetings that year—to look at finding government-wide efficiencies.

I talked earlier about being able to see the forest for the trees. When we were doing our deficit reduction action plans, every department went forward and looked at their own vertical perspective and what they could find.

That committee took more of a system-wide perspective and asked where we could make government-wide achievements: where do we find commonalities on that? They were supported by a group of public servants to aid them in that analysis.

Mr. Jay Aspin: Okay.

How's my time, Chair?

The Chair: You have one minute and 30 seconds.

Mr. Jay Aspin: There's one Privy Council Office program that provides support and advice to cabinet committees. There are six committees and one subcommittee, as I understand it. Could you tell us roughly how many times a year these committees meet, on average?

Ms. Michelle Doucet: Generally speaking, cabinet committees meet when the House is in session. Sometimes they'll have a meeting the week before the House comes back. After the summer break, there may be meetings the week before the House comes back. At particularly busy times of year, around Christmas, say, or in June, just when the House is getting ready to adjourn, they might meet the week after.

It is not unusual when the House is in session for committees to meet every week or every two weeks. There is a large volume of business that has to go through, whether it goes through one of the subcommittees like social affairs, or whether it goes through the economic committee. Then, of course, there are the foreign affairs and defence streams as well.

•(1630)

[Translation]

The Chair: Ms. Doucet, thank you very much for appearing before us today and for answering our questions.

I am now going to suspend the meeting for a few minutes in order to give an opportunity to the witnesses from Shared Services Canada to come forward. They will be appearing during the second hour of our meeting.

•(1630)

_____ (Pause) _____

•(1630)

The Chair: Order please.

We will continue with this eighth session of the committee and move on to our second topic on the agenda.

With us are officials from Shared Services Canada, Ms. Forand, President, Ms. Rallis, Senior Assistant Deputy Minister and Chief Financial Officer, Corporate Services, and Mr. Long, Senior Assistant Deputy Minister, Transformation, Service Strategy and Design Branch.

You have ten minutes for your presentation. Members of the committee will then ask you questions on the supplementary estimates (B) and the 2012-2013 Departmental Performance Report.

Thank you for being with us.

Ms. Forand, you have the floor for ten minutes.

• (1635)

Ms. Liseanne Forand (President, Shared Services Canada): Thank you very much, Mr. Chair.

[English]

I am pleased to be here today to discuss Shared Services Canada's departmental performance report for 2012-13 and the supplementary estimates (B).

I will not go to the trouble of introducing my colleagues since you've already done so.

[Translation]

I would like to begin by indicating that SSC was created in August 2011 with a mandate to consolidate, standardize and transform the delivery of Government of Canada's e-mail, data centre and network services. This mandate was reaffirmed under the Shared Services Canada Act which came into effect in June 2012.

Furthermore, shortly after the 2012-2013 fiscal year, SSC was given authority to take on new consolidation responsibilities for the procurement of workplace technology devices, such as laptops, keyboards and printers.

[English]

Our objectives remain the same as they were when we were created: to reduce costs, build better network security, and improve the IT services that the Government of Canada relies on to deliver programs and services to Canadians.

When we appeared before this committee last April to discuss Shared Services Canada's report on plans and priorities for 2013-14, I reported that Shared Services Canada had met the goals it set for itself in its first fiscal year. Our first departmental performance report, tabled by the President of the Treasury Board on November 5, provides further detail in that regard and reflects the progress we've made towards achieving these goals.

[Translation]

Mr. Chair, it is within this context that I would like to present some of our main results from 2012-2013.

SSC is responsible for both operating and transforming the government's IT infrastructure. In 2012-2013, SSC maintained 24/7 information technology service delivery to its 43 federal partner organizations, including maintaining the 2,100 different mission-critical systems in support of Government of Canada priorities,

programs and services, while moving ahead on enterprise transformation plans for e-mail, data centres and networks.

We began to put in place an enterprise approach to maintain and improve the delivery of IT infrastructure services to our 43 partner organizations. The importance of bringing a true enterprise perspective to managing the federal government's IT infrastructure to improve service, eliminate duplication and reduce costs cannot be underestimated.

[English]

At the same time, we've made progress on the transformation element of our mandate, which is at the heart of everything we do. In June of this year, we announced that a single solution to replace the 63 different e-mail systems across the federal government had been identified. The successful bidder for the implementation of the new system is now in place, and we are working closely with them and with our partner departments and agencies to complete the migration to the new system by March 2015.

We also completed an initial inventory of all our assets, including determining that the 43 organizations we serve rely on equipment in 485 data centres, many of which are 30 to 40 years old. We identified future requirements through extensive consultations with partner departments and industry, identified an end-state vision for the consolidation of data centres from 485 to seven, and performed a gap analysis to help us chart the path ahead.

• (1640)

The scope of telecommunications transformation includes all government networks and converged communications, including voice/telephony, video/audio conferencing, and contact centre services, which are more commonly thought of as call centres. There are some 50 wide-area networks interconnecting over 3,580 sites distributed across Canada and internationally, serving over 377,000 users. SSC will transition these networks to a common shared telecommunications network infrastructure. Each telecommunications service will be analyzed to meet the organization's objectives and requirements as well as to provide the best value to the crown.

[Translation]

Through its Transformation Program, SSC will achieve savings through consolidation; improve service through more standardized processes; increase capacity with more storage and bandwidth; and improve security.

Industry is a critical partner in developing innovative and cost-effective solutions for the Government's IT transformation initiative. In 2012-2013, SSC developed an ongoing and constructive relationship with the private sector in order to draw upon best practices and innovative approaches.

SSC engaged early with the private sector and consultations were held with vendors and service providers on an ongoing basis. Industry experts participated in discussion related to transformation principles, outcomes and methodology. The information and advice we received through that dialogue have been considered in our transformation strategies and plans.

In addition, Shared Services Canada is using a multi-step collaborative procurement process for its major initiatives, including e-mail transformation. This approach has resulted in procurements that are open, fair and transparent and that deliver innovative and cost-effective solutions.

[English]

Finally, another major milestone for Shared Services Canada in 2012–13 was meeting our budget 2012 commitment of nearly \$75 million in savings. This was accomplished through contract consolidation, leveraging the government's buying power, and streamlining internal services. The savings break down as follows: \$13.2 million and \$20 million in network and cellular contracts, respectively; \$9 million in toll-free long distance and teleconference services; \$7.5 million in network procurement reductions; and \$25 million in internal operations.

As for the 2013–14 supplementary estimates (B) for Shared Services Canada, the amount represents an increase in Shared Services Canada's reference levels from \$1.482 billion to \$1.495 billion, which is a net increase of \$12.9 million attributed to transfers to and from other partnering organizations and a small number of new initiatives being led by other departments for which Shared Services Canada will provide IT infrastructure.

In conclusion, Mr. Chairman, Shared Services Canada is working to deliver on the government's vision of generating and reinvesting savings, enhancing security, and improving services to Canadians through our information technology modernization initiatives. And as a result of SSC consolidating and streamlining the delivery of IT infrastructure services, federal organizations will have access to modern, reliable, secure, and cost-effective IT infrastructure services to support government priorities and program delivery.

[Translation]

Thank you, Mr. Chair. We will be pleased to answer questions from the committee members.

The Chair: Thank you for your presentation.

I will now give the floor to members of the committee.

Mr. Martin, you have five minutes.

[English]

Mr. Pat Martin: Thank you, Mr. Chairman, and thank you, Madam Forand.

You certainly loaded it up with some nice language at the end there—modern, reliable, secure, and cost effective—it's hard to find any fault with any of those for descriptors.

In the IT transformation initiative, or you call it the modernization initiative elsewhere in the document, the increase in storage and bandwidth, will this lead to any policy change on how much information can be retained and how much information has to be

destroyed, which was the theme we were talking about in the last hour?

• (1645)

Ms. Liseanne Forand: As I believe might have been mentioned by the previous witnesses, the requirement to retain and store information is based on the provisions of laws, like the Access to Information Act, and on the policies established by the Treasury Board Secretariat.

However, I will say that our transformation initiative will, in fact, increase storage capacity significantly for the Government of Canada. It will, in fact, by our calculations, increase storage capacity sevenfold, and as well, it will increase bandwidth capacity fourfold by the time we're done. That's very important, as you can appreciate, in an era of big data. We will, of course, continue to retain the records we need to retain, but it will also give government departments the ability to take advantage of the tremendous amount of data being generated all the time all around the world.

With respect to bandwidth, of course, that will be very important, to ensure that public servants and Canadians can maximize the opportunity for contact and collaboration and networking through video conferencing and teleconferencing as well as streaming, live video-audio, these sorts of things.

Mr. Pat Martin: As the president of Shared Services Canada, Madam Forand, were you aware that it was policy of some government departments to erase all electronic information when a person leaves and only keep electronic information for 30 days at any time? This was news to me, and I've been around here a long time.

Is that your understanding, that it's common practice in other government departments?

Ms. Liseanne Forand: There are policies and requirements with respect to the disposition of records of business value, as they're called, and as you probably know.

Mr. Pat Martin: Yes, there are. There are very strict rules. And none of them involve destroying information when the person walks out the door.

Ms. Liseanne Forand: Mr. Chairman, it's the responsibility of every public servant to ensure that records of business value have been properly managed. There are systems and there are programs that each department has to store programs.

The e-mail system, your e-mail box, is not really a records management system. Every department has records management systems. In fact, as a government we're moving to a single records management system that will be standard across all departments. It will be called GCDOCS, and departments are moving in that way.

Each individual public servant has the responsibility to make sure that records of business value have been properly filed in a records management system.

Mr. Pat Martin: In your professional opinion, as one of “the” professionals in this area, would you consider the correspondence between the Prime Minister's lawyer and another lawyer regarding the payment to the senator in question to be something that should have been saved?

Ms. Liseanne Forand: Mr. Chairman, as an employee of Shared Services Canada, I'm not really in a position to comment on what a record of business value is for a different organization.

Mr. Pat Martin: You know, we've come a long way since the days of Rose Mary Woods, when she performed contortions to erase 18 minutes of the Nixon tapes. But in actual fact, a bunch of Rose Mary Woods are alive and well, it seems, in government departments that are willy-nilly destroying information.

I understood the Access to Information Act to say that you have a duty to create documents and you have a duty to keep documents. Maybe, with this information that you bring to us today, we can get some people complying with those laws.

Mr. Dave Van Kesteren: A point of order, Mr. Chair.
[Translation]

The Chair: Mr. Van Kesteren, do you have a point of order?
[English]

Mr. Dave Van Kesteren: We're here to discuss the main estimates, not to have public servants on trial. This is completely contrary to what we've come here to do this afternoon.

I would ask the chair to direct the member to please direct questions that pertain to the estimates—or close to that, at least.

[Translation]

The Chair: Thank you for this point of order.

I will again remind you that we are discussing supplementary estimates (B) and the Departmental Performance Report, which cover a number of topics, as we saw during Ms. Forand's presentation. I will continue to monitor questions and ensure that they relate to the two topics we are studying.

Mr. Martin's time is up.

Ms. Ablonczy, you have the floor.

• (1650)

[English]

Hon. Diane Ablonczy (Calgary—Nose Hill, CPC): Thank you very much.

Thank you for an interesting path of questions today. I too want to ask about the e-mail system, but in a different respect.

As you know, you've taken on a responsibility to amalgamate about 63 government e-mail systems into one for greater efficiency and cost saving. I note in your report that you say that's going well.

I had the rather interesting experience of being around during the formation of the global case management system, where we heard year after year that it was going well. In fact it was not going at all. You had to keep dumping hundreds of millions of dollars into this thing. I guess it's going now.

So how is it really going? Can I have your comment on that? Is it on time? Is it on budget? Are we going to have a reprise of these rather bad experiences of the past?

[Translation]

Ms. Liseanne Forand: Thank you for the question.

[English]

I think there's no question that there are a number of examples in the past of IT projects that have not performed as they had been intended, or indeed as expected. As an organization that has been created to transform IT—we know there are a lot of big IT projects in our future—we took the question of addressing the risks inherent in large IT projects very, very seriously. We've just done a theoretical perspective, and we've done a literature review, to try to identify the things that contribute to the failure of large IT projects. That has informed all of our planning and execution up until now.

More practically, I would say, we began to do things differently through the procurement process. Rather than dream up a request for proposals all on our own and put it out to the marketplace to see what happened, we instead engaged with a broad cross-section of industry, anyone who had an interest in it. Over 50 companies participated in an information day with us, and then we qualified a number of companies on the basis of their experience. They just had to identify that they had experience in delivering large-scale e-mail systems to over 100,000 users, in both official languages, and a few other requirements.

Once we had four companies that had qualified, on the basis of their experience alone, then we spent three months building our RFP with them and getting to know the requirements and what works and what doesn't. Each one of the companies would go away—

Hon. Diane Ablonczy: RFP?

I know what that is, but some people might not.

Ms. Liseanne Forand: That's right.

We did that, and it was in a collaborative way, and then we had the four—

Hon. Diane Ablonczy: Can you just say what an RFP is, please?

Ms. Liseanne Forand: That's a request for proposals. I'm sorry.

We had the initial information engagement session and then we had the qualification period. Then we refined the requirements in collaboration with the four companies. This was just to make sure—because we've never purchased an e-mail system before—that we knew what some of the issues and problems and challenges might be, while maintaining our own need for such things as security. For example, data sovereignty was a very important piece for us to work through on this process. It is essential for the Government of Canada that data from the government's e-mail system be in Canada at all times. The data centres had to be in Canada. The information, in motion and at rest, had to be in Canada at all times. That was one of the requirements we had, and we had a number of other security requirements.

Once we had refined our requirements, then we did post the request for proposals, and we gave the companies a month to six weeks to complete it. Based on that, we had four compliant bids, which, again, is a really good success for a large RFP such as this one. In the end, the proposal put forward by Bell and CGI was the winning proposal.

That was the procurement process, and of course we are working very closely with the contractors, step by step, toe to toe, as we go forward in putting this in place.

I will mention, for example, in governance, I meet with my counterpart, the president of Bell Business Solutions, at least every three months, if not more frequently, to verify all of the time issues, the cost issues, and to make sure the project stays on track. Only at our level can we agree to any changes in the project plan that has been put in place.

We are working very, very closely with the contractor. They know this is an important project for us. We've made it very clear to them. They know it's a very important project to them, as a result, because it's very public.

• (1655)

[Translation]

The Chair: I will have to interrupt, as your time is up.

Mrs. Day, you have the floor. You have five minutes.

Mrs. Anne-Marie Day: Thank you, Ms. Forand, for being here with us.

During your presentation, you mentioned savings of \$75 million. Are these net savings?

Ms. Liseanne Forand: It is net savings of \$75 million.

Mrs. Anne-Marie Day: Thank you.

You said we would be going from 485 data centres down to seven. I have a small concern about that. Data is already being lost after 30 days. If we go from 485 centres, where it is difficult to lose data, to seven centres, where data is easily lost, do we not risk seeing even more data destroyed?

Ms. Liseanne Forand: Thank you for the question.

The 485 data centres we currently have are spread out here and there. There are some very small centres and about twenty that are large. They are all fairly old. They are, on average, 15 to 20 years old. Some are even 40 years old. Most are located in office buildings. No buildings were created to stock the data from these centres.

Members of the committee may be familiar with how modern current data centres are. You can see, based on pictures, that large data centres belonging to Google or Yahoo, for example, are extremely modern. We are moving toward a similar model. A building created specifically for this purpose is extremely safe and provides good protection in terms of power and air conditioning, among other things.

Mrs. Anne-Marie Day: In other words, we are eliminating outdated facilities.

Ms. Liseanne Forand: That is correct.

Mrs. Anne-Marie Day: And we are joining the modern era.

Ms. Liseanne Forand: Yes.

Mrs. Anne-Marie Day: Bell has obtained a contract. Can you tell us what the total value of this contract is?

Ms. Liseanne Forand: Do you mean the e-mail contract?

Mrs. Anne-Marie Day: I mean the contract with Bell Canada.

Ms. Liseanne Forand: Its total value is \$398 million over seven years.

Mrs. Anne-Marie Day: What are the security levels?

Ms. Liseanne Forand: In terms of the e-mails that will be handled through the system that will be implemented, there will be two levels. One of the two will provide security up to what we call "Protected B," within the Government of Canada. The other, which is separate and created by Bell and CGI, will protect e-mails at the "Secret" level.

Mrs. Anne-Marie Day: Bandwidth and storage are going to be recurring problems. We are increasingly and strongly encouraged—and this is likely the case in all offices—to use computers and information technology instead of storing our data on hard copies in our filing cabinets. Given the number of people this represents, storage needs will increase exponentially.

Have you determined at what point we would hit a ceiling?

Ms. Liseanne Forand: Mr. Chair, the objective of our transformation plan is to avoid such an occurrence. It would have happened at some point with our current equipment and capacity. Moreover, the former Auditor General, Ms. Sheila Fraser, outlined this in her 2010 report. She emphasized that our infrastructure is getting older and not meeting current needs.

We are therefore building and planning for the future to ensure that we have the capacity required to meet growing data storage needs.

Mrs. Anne-Marie Day: If our storage capacity is increased to be infinite or near-infinite, we can expect the 30-day time frame for the destruction of documents and e-mails to be pushed back.

Ms. Liseanne Forand: At Shared Services Canada, we are responsible for managing technology. In terms of information management, the files and documents that must be kept under Treasury Board policy and the legislation under which we operate are not destroyed. They are retained due to the obligations of the various departments. In the case of the Old Age Security Program, for example, the documents are kept for dozens of years, I believe. Documents that must be retained are saved in the information management systems.

• (1700)

The Chair: Thank you.

Ms. Day, your time is up.

I will now give the floor to Mr. Cannan for five minutes.

[English]

Hon. Ron Cannan (Kelowna—Lake Country, CPC): Thank you very much, Mr. Chair.

To our witnesses, it is a pleasure to have you back again.

This is a very good news story for Canadians as taxpayers. I'm also very excited about the \$75-million savings that you were able to achieve in budget 2012 and accomplishing your four goals. It speaks volumes to your initiatives as a team. As my colleague, Ms. Ablonczy talked about, the consolidation of 63 different e-mail systems down to one is a huge undertaking.

The consolidation of data centres.... In my riding of Kelowna—Lake Country, we have a state-of-the-art ICT high-density giga vault data centre called RackForce and we had Minister Rempel, the Minister of Western Economic Diversification, recently through it on a tour. It's amazing the advances and how far along they are. They're going to have customers from basically around the world who are located.... I know that, because of the fault and from an earthquake perspective, each province and territory has gone through reviews as well. British Columbia looked to the interior rather than the coastlines because of the earthquake aspects. So I understand the private sector and how it's been using data centres.

What is intriguing is this. You said in the preamble to your report that you're going down from 485 data centres to seven, which is a huge undertaking. Can you maybe expand on that for the committee, as to how you would expect to complete this and the timeline you would hope to complete this by?

Ms. Liseanne Forand: Thank you, Mr. Chair.

[Translation]

If you will allow me, I will let my colleague, Mr. Long, answer this question. He has been working very hard on this issue for nearly two and a half years.

Mr. Benoît Long (Senior Assistant Deputy Minister, Transformation, Service Strategy and Design Branch, Shared Services Canada): Thank you, Ms. Forand.

[English]

Our plan for the consolidation of data centres is to look at the services that are delivered inside those facilities, and then to consolidate them into fewer facilities. Our goal has been to identify the data centre locations using objective criteria and science to establish where those locations would be, and then to build those data centres in pairs. The reason for pairs is that it allows for disaster recovery between the data centres in cases of emergency, or for business continuity reasons.

The process by which we're going to consolidate is, first, to look at the individual servers that exist within the data centres, then to go to much larger computers and servers, and then to bring all of the applications and the systems that run on those servers into fewer, much more dense, much more efficient, and environmentally friendly data centres over the next seven years. It is a very large-scale effort. As Madam Forand said, the 485 data centres are located across the country in all sorts of buildings. There are very few—only two—purpose-built data centres within the Government of Canada. So our goal is to move to very modern facilities over the next number of years, because of the scale and complexity of what has to be done.

Hon. Ron Cannan: That's fantastic.

As a fiscal conservative, I'm always interested in the savings. Have you had a chance to do a preliminary estimate of anticipated savings?

Mr. Benoît Long: There's no question that our three objectives will be met: savings, improved services, and security.

On the security side right now, with the data centres located in multiple environments, and with diverse security policies being applied across all of them, moving to a much more standardized set of security services will provide enhanced security for all the data that is going to be stored in these data centres.

From a service perspective, we know we can standardize and enhance all of the support services, largely operating on a 24-7 basis. We're going to be able to enhance those services and those service levels.

Finally, on the savings front, we have looked at the savings we expect in our seven-year plan. Our goal is to achieve those savings over every year throughout the process and the planning period, and I believe it's in the order of \$99 million.

• (1705)

Hon. Ron Cannan: A savings of \$99 million—I love it. Thank you.

With regard to supplementary estimates (B), in your report you indicate your request for \$12.9 million, which is attributed to a couple of new initiatives. Could you share with the committee what those new initiatives are and what the IT funding will be applied to?

[Translation]

Ms. Liseanne Forand: Thank you for the question.

[English]

Our supplementary estimates involve two broad categories of new moneys for Shared Services Canada.

One grouping is transfers from other departments in the continuing effort to get the numbers right after the creation of Shared Services Canada. Appropriations from departments were transferred to us, and there's continuing calculation as to whether we got the right amount or not. There are some amounts we give back and some amounts that we get back. The transfers are about \$6.9 million.

The balance of \$5.98 million is for new projects that other government departments are leading but that need IT infrastructure. I'll give you an example: the committee was talking about borders during the earlier testimony. There are initiatives such as an entry-exit capacity at Canadian borders. They would need for that initiative some IT infrastructure. They're going to need bandwidth, servers, and equipment that we provide. The lead department would be Citizenship and Immigration Canada, and we would be a part of that. In the supplementary estimates (B), in the horizontal initiatives, all of those kinds of initiatives are listed.

Hon. Ron Cannan: Thank you very much. That's excellent. All the best, and keep up the good work.

[Translation]

The Chair: Thank you.

Mr. Byrne, you have the floor. You have five minutes.

[English]

Hon. Gerry Byrne: My thanks to our witnesses for appearing before us.

Would you be able to inform the committee as to whether or not the PCO is a client of Shared Services Canada with respect to electronic record-keeping in information technology?

[Translation]

Ms. Liseanne Forand: Thank you for the question.

Yes, the Privy Council Office is one of Shared Services Canada's partner departments.

[English]

—by virtue of the orders in council that were passed to that effect.

Hon. Gerry Byrne: In a previous meeting of this committee, a witness indicated that you would be a better source to explain to the committee the system architecture employed at PCO for the retention of records on their servers.

Would you be able to enlighten the committee as to the makeup of that architecture?

Ms. Liseanne Forand: We are responsible for providing, maintaining, and supporting the IT infrastructure that supports the Privy Council Office, which does include their e-mail system. So we are the technical authorities with respect to their e-mail system.

I will ask my colleague Benoît Long if he has any comments regarding the architecture of that system. I believe it's a standard way of providing e-mails, but I will ask Benoît, if you will allow, to comment on the architecture aspect of it.

Mr. Benoît Long: Briefly, the architecture is built around an application called Outlook and Exchange. The system is built around desktops that have a client through which users access their e-mails. Then inside the data centre there will be servers—computers—that house the data and the application itself.

The data may or may not be—in this case I don't know—stored on multiple servers or backed up in a different data centre, depending on the configurations departments have chosen. So that's the general architecture of the applications.

Hon. Gerry Byrne: So if there were a request to destroy data, as per some pre-existing protocol within a particular department, would the department in question, which is your client, be able to do that from their own system or would they actually have to provide you with a request to destroy data?

Ms. Liseanne Forand: I don't think I can answer that as to whether they would do it themselves or we would do it for them.

If there is something they want done on their systems, they can make a request to us. They put a request in, and I will say at this point that the people from Shared Services Canada who would be responding to such a request would be on a technical team. They would get a request from a client department and then they would set out exactly what was involved in that request.

● (1710)

Hon. Gerry Byrne: It's an interesting circumstance, because you just indicated that data could be held on multiple servers in multiple locations, as per the system architecture or configurations right now. It would be helpful if you could answer that question for us, and if you could get back to the committee with a more definitive response, through the chair, that would be very much appreciated.

Ms. Liseanne Forand: Mr. Chairman, I would simply say that users of the system do not have access to the servers. Only the administrator of an IT system has access to the servers. So the extent to which a user can affect what is on the servers is based on what that user can do from his or her desktop.

Hon. Gerry Byrne: So the administrator would be at Shared Services Canada, or would the administrator be from the client department?

Ms. Liseanne Forand: Shared Services Canada is responsible for the system infrastructure. The client department is responsible for the information management policies that apply there.

Hon. Gerry Byrne: Okay, so the administrator you're talking about would actually be from the client department.

Ms. Liseanne Forand: There is a bit of a shared responsibility, because the client department has a chief information officer who is responsible for working with the management in that department on the information management.

Hon. Gerry Byrne: I'll go back to my original request. Since you are not prepared at this point in time to provide a definitive answer to the committee, would you commit to providing a follow-up response to the chair?

Ms. Liseanne Forand: Mr. Chairman, I will commit to providing a response to the committee concerning the process that is used when records are deleted from accounts.

Hon. Gerry Byrne: I appreciate it very much.

You did indicate to the committee that you have some knowledge of the Treasury Board or the government-wide requirements for the retention and management of electronic records. Would it be your opinion, based on your knowledge of those requirements, that destroying e-mails 30 days after they are generated would be in compliance with the current requirements as established by the Treasury Board or government-wide directive?

Ms. Liseanne Forand: Thank you, Mr. Chairman.

I would simply say that my understanding, as a deputy head who is accountable for information management within Shared Services Canada, is that there is a requirement for every public servant to ensure that records of business value are retained, consistent with government policy. Records management systems, programs, and software are used for that purpose.

[Translation]

The Chair: Thank you.

Thank you, Mr. Byrne. Your time is up.

I will remind members that if more detailed answers are required, they can be sent to the clerk, who will in turn forward them to all committee members.

Mr. Trottier, you have the floor for five minutes.

[English]

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chair.

I want to get back to the subject of the estimates. I know Shared Services Canada hasn't been around a long time, but I always appreciate looking at the departmental performance reports, which came out at the same time as the supplementary estimates (B). You were formed in 2011, and I'm looking at the departmental performance summary table, which is on page 12 of the English version. It shows a ramp up in actual spending from \$622 million, in 2011-12, to \$1.38 billion in the following year. In the planned spending for 2013-14, you're planning to go up again, and then we start to see a decrease in spending.

At the same time, though, I notice that the actual spending for 2012-13 was considerably less than the planned spending that would have been approved in the estimates, a difference of almost \$100 million, from \$1.47 billion, which was planned, and the actual spending came in at \$1.38 billion. So actually it's more than \$100 million. Can I infer that the planned spending will be replanned or adjusted further downwards, that we'll see even further savings? Part of that question is, what is the baseline? Given that you're ramping up and then starting to take costs out, if you look at pre-Shared Services Canada, before the formation of Shared Services Canada, did you ever have a chance to measure the overall spending in all of these 43 client departments? So how is the new level of performance different from what it was before the formation of Shared Services Canada?

• (1715)

Ms. Liseanne Forand: The question of the baseline of spending in IT infrastructure before the creation of Shared Services Canada is a complex one. I would say that the best attempt made to identify what it was, was in fact through the exercise to transfer those moneys from the 42 departments to Shared Services Canada. The amount in the first year...and recognizing, as you probably have noted in the various materials, it was made up of both appropriations and revenues.... We were transferred appropriations, and we weren't transferred the authority for the revenues, but that was part of what was transferred from departments. The closest they could come was the amount that was transferred to us for our first year, which was in the area of \$1.8 billion.

Our appropriations have been going down from the very beginning, given that as a result of the 2012 budget exercise in our first fiscal year, we in fact turned back \$75 million worth of those appropriations. And this year it will be \$104 million, and next year it will be \$150 million. So in fact, notwithstanding the actual spending numbers that are there, the actual spending numbers are due to things like, for example, in our first fiscal year we were able to have a carry-forward of \$55 million from the previous year, based on unspent moneys by the previous departments. That gave us a little bit extra in that first year. We received some additional moneys for things like salary settlements and those sorts of things. So there have been little increases, or increases this year, as we've noted, for IT projects that were undertaken by other departments. Any increase that's happened in our appropriations has been due to projects for which we received particular funding or through carry-forwards.

Mr. Bernard Trottier: I realize it's not a straightforward answer. But your colleague Mr. Long mentioned \$99 million per year in savings. You mentioned \$1.8 billion in appropriations. There was an overall spending level that was considerably higher than what Shared Services Canada is looking to spend. We're talking about hundreds of millions of dollars, especially over a 10-year timeframe. That would pay for some Champlain bridges and all kinds of other interesting projects for the Government of Canada.

You talked about the three big areas: data centre consolidation, e-mail consolidation, and networks. In terms of priority or dollar value, where are the biggest savings coming from?

Ms. Liseanne Forand: I would say that the e-mail system is out of the gate first, and it will generate a significant savings as early as 2015. Proportionately you might say it's a large savings because it's about \$55 million out of an original spend of somewhere between \$104 million and \$124 million, depending on whether you're counting all of the IT security that goes along with it, so it's a big proportion.

However, the data centre consolidation, as Mr. Long mentioned, will also generate a \$99-million per year savings over time, but on a bigger base. The one thing that I would mention about that, Mr. Chairman, is that it's generating a \$99-million saving even as it is increasing storage by seven times, sevenfold, even as the security posture of those data centres is increased, so it's hard to do apples to apples in these sorts of calculations.

[Translation]

The Chair: Thank you, Mr. Trottier. Your time is up.

This brings us to the end of our testimony today, as we must keep a few minutes to adopt the votes. This is our last meeting on supplementary estimates (B).

Thank you very much for making yourselves available to appear, and for your testimony.

I will now suspend the meeting for a few minutes. We will return with members of the committee for the adoption of the votes.

• (1715)

_____ (Pause) _____

• (1720)

The Chair: We will now resume our meeting. There are a number of things to take care of before we finish.

Let us move on to the adoption of the votes. This is our last meeting for our study of supplementary estimates (B). I will put all the votes to a vote. There are about 10.

CANADIAN HERITAGE

Vote 95b—Public Service Commission.....1

(Vote 95b agreed to on division)

[English]

PRIVY COUNCIL

Vote 1b—Program expenditures.....\$1,067,755

(Vote 1b agreed to on division)

[Translation]

PRIVY COUNCIL

Vote 10b—Transportation Safety Board of Canada.....\$863,222

(Vote 10b agreed to on division)

[English]

PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1b—Operating expenditures.....\$78,964,148

(Vote 1b agreed to on division)

[Translation]

PUBLICS WORKS AND GOVERNMENT SERVICES

Vote 5b—Public Works and Government Services—Capital Expenditures.....
\$86,042,148

(Vote 5b agreed to on division)

[English]

SHARED SERVICES CANADA

Vote 15b—Operating expenditures.....\$110,999

Vote 20b—Capital expenditures.....\$5,752,330

(Votes 15b and 20b agreed to on division)

[Translation]

TREASURY BOARD

Vote 1b—Treasury Board Secretariat—Program Expenditures.....\$5,264,377

Vote 15b—Compensation Adjustments.....\$94,092,664

Vote 1b and 15b agreed to on division)

[English]

TREASURY BOARD SECRETARIAT

Vote 20b—Public Service Insurance.....\$918,264

Vote 25b—Operating Budget Carry Forward.....\$275,000,000

Vote 30b—Paylist Requirements.....\$955,000,000

(Votes 20b, 25b, and 30b agreed to on division)

*[Translation]***The Chair:** Shall supplementary estimates (B) 2013-2014 be reported to the House?

(Motion agreed to)

The Chair: I will report to the House.

In conclusion, there is nothing left on the agenda. Nothing is planned for Thursday, December 5? Unless otherwise stated by the committee, there will be no meeting on that day. We will therefore reconvene in seven days, on Tuesday, December 10.

The meeting is adjourned.

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