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• (1500)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, thank you very much for being here. It's good to see all of you virtually. I hope you've been having a good summer.

Today's meeting will only last approximately 90 minutes. We had originally scheduled the President of the Treasury Board to be with us today, but he informed us a few days ago that he was unavailable for today's meeting, so I have scheduled him for next Thursday for the full two hours.

Today's meeting will be somewhat truncated. We have a couple of witnesses, but I do not believe we will need the entire 90 minutes. We'll probably go through one complete round of questions with our witnesses and then I'll take about five minutes at the end of the meeting for some very brief committee business. Hopefully that meets the approval of everyone on this committee.

To our witnesses, you've probably received these instructions before but in case you have not, when you are speaking, please make sure that if you're speaking in English you are on the English channel. For those witnesses who may want to alternate between English and French, I suggest that if you start a statement or answer a question in one of the two official languages, complete your statement, question or answer in that official language. Please do not switch back and forth between French and English, because that causes problems for our technicians. I also ask that you speak slowly and clearly so that our interpreters can hear your statements and we are able to give proper interpretation.

Angela, I do not have, at this point, the speaking order of our witnesses. I wonder if you could introduce our three witnesses. My understanding is that each one of them will have a brief, five-minute opening statement. If you can inform me which of our witnesses is first, I will introduce that witness and then we'll commence.

Colleagues, we'll have our normal rounds of questioning, which will be six minutes for the first round, five minutes for the second round and then two and a half minutes for the last round.

Angela, who is our first witness?

The Clerk of the Committee (Ms. Angela Crandall): It's Mr. Greg Thomson of Charity Intelligence Canada. He's accompanied by Ms. Kate Bahen. Mr. Thomson will start.

The Chair: Thank you.

Mr. Thomson, the floor is yours.

Mr. Greg Thomson (Director of Research, Charity Intelligence Canada): Thank you very much. Good afternoon.

My name is Greg Thomson. I'm the director of research for Charity Intelligence Canada. Charity Intelligence is itself a charity, one that analyzes Canadian charities to help donors be informed and give intelligently. Our website hosts free reports on more than 780 Canadian charities, and provides insight into specific giving areas, such as the environment, cancer and homelessness. Last year, 314,000 Canadian donors used our website for information on Canadian charities, reading over 1.3 million charity reports. We estimate that our research helped inform and influence \$95 million in Canadian charitable giving last year alone.

Just as democracy depends on informed citizens, the fundamental health of philanthropy rests on well-informed donors. Our own research supports this case. In surveys of donors who have used our resources, 77% said that Charity Intelligence reports have improved their confidence in giving to charities and have inspired these donors to give 32% more money to charities.

Over the past few weeks, a significant amount of information has been reported about WE Charity. CI has focused our analysis and remarks on WE's financial position, how it spends its money, the results it achieves and its governance issues. We report fairly and consistently based on our analysis of hundreds of Canadian charities. We do not let unsubstantiated allegations impact our ratings, as we strive to remove subjectivity and report on objective measures.

At Charity Intelligence we are analysts, not auditors. As well, we are analysts of charities, not government programs. Our specialty is looking at how charities spend money and what impact their programs achieve. It's within this context that CI presents to the Standing Committee on Government Operations and Estimates today.

With that, I'll pass it over to Kate Bahen.

Ms. Kate Bahen (Managing Director, Charity Intelligence Canada): Hi. I'm sorry, but I'm having technical difficulties here. My computer has a glitch, so I will have to do my opening comments from scratch.

My name is Kate Bahen. I'm a managing director at Charity Intelligence. I did the updates on WE Charity's report in August of 2019 and more recently in this July of 2020. I'm happy to take your questions about that.

I would like to use these moments to talk to you about what is going on in the charity sector. One of the greatest concerns is how charities are so negatively impacted by COVID-19. Imagine Canada estimates that individual giving to charities will be down by between \$4 billion to \$6 billion. For context, in 2019, individual giving was about \$17 billion.

On top of this, we have the WE situation that is in the headlines every day and is really shaking donor confidence in giving to charities. The impact of this, we won't know.

I appreciate that part of the Canada summer students grant initiative was to help charities and that students would be volunteering and giving their time to help front-line charities at this time. For many charities, volunteers are an incredibly important part of program delivery, but what charities really need now is cash. We're in August, and so far there has been so little response to the needs of Canadian charities.

There is one simple thing that we at Charity Intelligence believe could significantly help Canadian charities, and that's called the disbursement quota. The disbursement quota is a little-known factor about how much foundations, community foundations and endowments are required to give of their assets to charities each year.

Currently, Canada's disbursement quota is 3.5%. Canada has the lowest disbursement quota in the world. In the U.S., the disbursement quota is 5% and there are calls right now in the U.S. for raising that disbursement quota to 10% for the COVID pandemic.

If Canadian foundations, endowments and community foundations were to increase the disbursement quota from 3.5% to 5%, we estimate that there would be an additional \$700 million going to charities this year. It is completely at our finance minister's discretion. It is written within the CRA regulations that the finance minister can change the disbursement quota by the stroke of his pen, and I ask all of you, from all parties, to go back to caucus and talk to your parties about what we can do to help Canadian charities for the COVID pandemic. I ask you to seriously consider raising Canada's disbursement quota to 5%—at least—for the COVID pandemic.

Thank you.

• (1505)

The Chair: Thank you.

Angela, do we have another speaker or have we concluded our opening comments?

The Clerk: We have Gail Picco from The Charity Report.

The Chair: Thank you very much.

Ms. Picco, the floor is yours. You may have to unmute your microphone. That's perfect. We can hear you now.

Ms. Gail Picco (Editor in Chief, The Charity Report): Great. Thank you, sir.

Thanks for the invitation to appear in front of you today and for giving me the opportunity to make this statement.

I'm not specifically sure why I was asked to appear, but I'll share with you some of my background in the charity sector.

I've worked for 35 years in the sector, starting with an eight-year stint as a counsellor in a shelter for abused women. During the past 25 years, I've worked as a consultant to over 100 charities, advising them on fundraising and governance, impact and relevance, accountability and transparency. For the past 10 years, I've written widely about the charity sector. My 2017 book was called *Cap in Hand*, and my forthcoming book, *Disconnect: Charity's role in the Age of Inequality* is due out on November 15. I'm currently the editor of The Charity Report, an independent news source for the charity sector.

I have three main points to cover in my statement specifically related to the government's partnership with WE.

The first is the question of whether WE was the only group with the capacity to execute the CSSG. I believe that this conclusion is not an unreasonable one. The government had already had some success in getting COVID relief delivered through partnerships with charities. In April, it gave \$100 million to five national food security charities for emergency food relief. Shortly after, three national charities were tapped to channel \$350 million to vulnerable communities through the emergency community support fund.

However, students, as a group, are a difficult cohort to reach. WE had student engagement, youth engagement, as its mission, with connections to 15,000 schools across the country. I believe that, at the time, that would have been seen as a plus as post-secondary students, particularly in racialized neighbourhoods, remain connected with their high schools.

The organization was also able to showcase its reach. Young people filled sports stadiums in 15 cities around the globe for annual WE Days. WE ambassadors were A-listers from the world of entertainment, politics, civil society and the corporate world. They were supported by everybody who mattered. Board members of WE included senior bank executives from Scotiabank and RBC, sophisticated people with long resumé.

Additionally, WE's finances, governance and unique structure were independently and favourably reviewed by two of the most well-known law firms in the country, Torsys LLP and Miller Thompson, as well as by former Supreme Court Justice Peter Cory.

All three founders of the organization had been awarded the Order of Canada. Additionally, Craig Kielburger had received 13 honorary degrees and doctorates. Marc Kielburger was selected by the World Economic Forum as one of the 250 global leaders. Roxanne Joyal, a Rhodes scholar, clerked for the Supreme Court of Canada and also received an honorary doctorate.

In 2018, the charity had 380 full-time staff and a budget of about \$48 million. To anybody from the outside evaluating WE, its qualifications would appear to have been unique and unassailable. In fact, the organization was able to generate 35,000 applications from across the country in nine days—35,000 young people whose stories have been lost now and whose hopes are on hold.

The second point that I want to make is around the idea that charities don't spend money on speakers or entertainment for fundraising events. Nothing could be further from the truth. While charities try to get speakers and entertainment—or anything they can—donated for an event, entertainment is typically part of an event budget.

In 2002, the Hadassah-WIZO children's charity paid former U.S. president Bill Clinton \$100,000 to speak at a sold-out fundraising dinner in Toronto. Also, the late socialite and philanthropist Anna Maria de Souza most certainly paid the 70 Brazilian dancers she flew in from Rio de Janeiro for the iconic Brazilian Ball in Toronto, which at its peak in 2010 raised \$7 million in one evening and which, according to Toronto Life magazine, “Everyone who was anyone in the world of politics, business or media attended.”

• (1510)

The reason charities pay for speakers and entertainment is that there's a lot at stake. The days of the lemonade stand are over. Every year in Canada charities raise more than \$20 billion from fundraising activities, and they spend several billion dollars in order to accomplish that.

Yet, even with that amount of money, all three levels of government are still the primary source of funds for charity. In 2017, governments supplied 70% of the \$280 billion that flowed to the charity sector, which leads me to my third and final point.

The charity sector is the primary means through which government executes health care and social service priorities. The sector employs two million people on a full-time basis and two million people on a part-time basis. Every day, millions of people rely on the services provided by charity, and as a consequence of the COVID pandemic, more people are becoming reliant on charity, not fewer.

In a world full of uncertainty, Canadians are suffering through the worst crisis in modern history. Their lives have been turned upside down. Many don't know how they're going to manage. The anxiety is making some Canadians sick. Others are becoming hopeless about the future. The situation is dire.

At the same time, the people who have been elected to help Canadians, through the good times and the bad, some of whom are now serving as the loyal opposition, have created a crisis of their own by transforming the weaknesses of one charity into a vehicle for an intractable partisan battle that is currently taking up the agenda of three parliamentary committees, including this one.

The charity sector is flawed and needs to work on many problems, such as better governance, inequity, and systemic racism, yet the increasingly partisan behaviour coming out of the House of Commons is like that of a herd of bulls in a china shop, destroying everything in its path as it reaches for the most expensive piece of china on the top shelf, presumably a snap election that could potentially defeat the current government.

You've invited me here to speak to you. My recommendation to you now is that you snap out of it, because the broken glass on the floor of that china shop is the collateral damage being inflicted on the charity sector, its employees, and the growing number of people the sector is trying to serve. As a citizen and someone who has worked all of her professional life to address the needs of the most vulnerable people in society, I cannot overstate how deeply disturbing I find this agenda.

I'm happy to take your questions.

• (1515)

The Chair: Thank you very much. We'll now go into our six-minute round of questions, starting with Mr. Aboultaif.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Chair, and thank you to the witnesses.

I didn't expect to hear a political speech from Ms. Picco, but I have to go to Mr. Thomson, and ask the following question. Is there usually scrutiny of charities to respect official languages?

Mr. Greg Thomson: Is there typically scrutiny of any that do not respect official languages. Is that your question?

Mr. Ziad Aboultaif: Yes, I'm asking about official languages. Is there usually a scrutiny of charities to respect Canada's Official Languages Act?

Mr. Greg Thomson: It would depend upon which jurisdiction they're working in. Certainly, for a charity working nationally, you would expect that it would have the ability to operate in both official languages.

Mr. Ziad Aboultaif: That's fantastic. You've answered part of my next question.

If an organization or a charity were to take on a project nationwide, that organization would need to respect the Official Languages Act. Is that correct?

Mr. Greg Thomson: I do not know the law on that. WE Charity did have some French-speaking folks on their payroll. I understand that some of them may have been let go, but that's all under review right now.

Mr. Ziad Aboultaif: Why then would the We Charity hire a Quebec organization to take on the operation if they have the capacity?

Mr. Greg Thomson: I believe that WE was weak in Quebec. They had an office there for about a year. I believe they closed their office in Montreal down in February. It was not an area of strength for them in the country, certainly.

However, they also reported that they were going to hire PR firms in other jurisdictions to help them as well with the program.

Mr. Ziad Aboultaif: That means they don't have the infrastructure to run a program in Quebec or in French-speaking cities in Canada.

Mr. Greg Thomson: From what we can see, they were somewhat weaker in Quebec, certainly. That's all that we know.

Mr. Ziad Aboultaif: If they are weak in Quebec and in the French language, they must be weak elsewhere, where the Acadian community is quite established.

Do you agree with that statement?

Mr. Greg Thomson: I'm not sure I can necessarily say that they must be.... No.

Mr. Ziad Aboultaif: Okay.

Are you aware of organizations in Quebec that would be able to take on a project that WE was going to take on, and with full capacity there be able to deliver the program properly?

Mr. Greg Thomson: All we know is that they were going to be hiring a firm, National, to operate their program throughout Quebec.

Mr. Ziad Aboultaif: If you can assist me.... I'm not interested in naming names. You don't have to name organizations.

How many organizations are you aware of that you think would be capable of handling the same WE project in Quebec?

• (1520)

Mr. Greg Thomson: How many other organizations would be able to handle the project in Quebec?

Mr. Ziad Aboultaif: Yes.

Mr. Greg Thomson: Unfortunately, I don't know the nature of a significant number of organizations in Quebec to be able to answer that question.

Mr. Ziad Aboultaif: Okay.

Would Ms. Bahen be able to assist us on that?

Ms. Kate Bahen: That's an excellent question, and that will require due diligence to do. That would be part of the government's looking at the program and at what the mandate was for the program. That would be part of any granting initiative.

I haven't done that work before, so I can't answer that question.

Mr. Ziad Aboultaif: Okay.

With regard to the process to select an organization, you mentioned the due diligence and the French-speaking community. Between Quebec and other Canadian cities, there is probably about 25% to 30% of the total Canadian population. It's a very significant number of people who needed the attention of a program that was going to cost us \$912 million.

I look at you as experts in this field. To understand the status in the French-speaking cities and provinces, it's quite important, as feedback to us, to be able to understand why any given organization would take on a national project. It must have that infrastructure to be able to deliver the project properly to all Canadians, fairly and equally, as it's supposed to be.

Do you believe it's a requirement for an organization to have that national scale program? The eligibility to be able to carry on this program does speak to a proper infrastructure across the country. Is that correct to suggest such a thing?

Ms. Kate Bahen: I would say that for the government, having a student grant program full of Francophone communities was a key priority, and it was part of their proposal. It was something that they asked WE Charity about. It was one of the key priorities. It was very important to the government in assessing the capacity of organizations, and WE Charity—I believe from what we've heard—said that it had the capacity in Quebec.

The Chair: We'll have to unfortunately interrupt now, because we're at the end of our six minutes.

We'll now go to our second six-minute intervention.

Mr. Jowhari.

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

Thanks to the witnesses for your testimony. I'm sure you are representing the charities and the impact that COVID-19 has had on them.

Let me start with CI. I understand that your organization was established in 2006, focusing on researching charities to help the donors.

In your opening remark, Mr. Thomson, you indicated that you have researched 780 charities. As a point of clarification, are these the ones that you have researched since 2006, or are these the ones that you research on a regular basis, annually, and generate the reports?

Mr. Greg Thomson: We now have probably 760 to 780 charities that we've analyzed in the last two to three years. They're ones that we regularly update.

Mr. Majid Jowhari: That's perfect.

You touched on three key criteria in your opening remarks. Can you list the research criteria that you use and how that translates into a ranking of the charities?

Mr. Greg Thomson: We look at a number of things. We look at financial transparency, so how transparent the charity is with its financial statements. We look at donor accountability, so how well the charity reports on what it does and how it spends money. We look at some financial metrics to make sure that they aren't spending too much money on fundraising and administration. We look at something that we call "program cost coverage" to see how much cash a charity has sitting around on its balance sheet and whether it would be able to continue to fund its programs for eight years or for two months.

• (1525)

Mr. Majid Jowhari: A lot of it is financial focused rather than delivery focused. Is that a fair summary?

Ms. Kate Bahen: No.

Mr. Greg Thomson: Our fifth and newest metric is what we call "demonstrated impact". With it, we dive into each of the programs and try to understand what value those programs—

Mr. Majid Jowhari: That's perfect. Please feel free, Ms. Bahen and Mr. Thomson, to jump in anytime.

Ms. Picco, I'll get to you, I promise, in a couple of minutes.

How many of these 760 or 780 organizations that you mentioned are specifically focused on empowerment programs, whether it's for, let's say, youth, indigenous people or visible minorities? How many of these organizations are focused on those types of support?

Ms. Kate Bahen: I'm just searching for that, Greg.

Mr. Greg Thomson: Are you pulling that up, Kate?

Ms. Kate Bahen: Yes. I have 180 for youth.

Mr. Majid Jowhari: Okay. That's great.

So I assume you have, as part of your criteria, a list of these organizations. How many of these organizations are specifically focused on delivering programs, such as the program we talked about, at the national level?

Ms. Kate Bahen: I only read the contract like you read the contract. My understanding is that it was a concierge service with an online platform for matching students who wanted to volunteer with charities, any charities—food banks, animal shelters, hospitals. It was an online platform. It was innovative. It was out-of-the-box thinking. It was a new pilot project. Was it done by any other charity? No, apparently no other charity does this service-matching, online-tutoring, mentoring concierge service.

Mr. Majid Jowhari: Out of the roughly 100 organizations that you talked about, because of the method and the platform that you indicated, WE Charity looks like it was uniquely qualified. Is that a fair statement?

Ms. Kate Bahen: I wasn't aware of WE Charity doing this work before either, so it was brand new territory.

Mr. Majid Jowhari: Have you, during the last three years, as part of the 780 organizations, evaluated WE Charity vis-à-vis empowerment and vis-à-vis program delivery?

Ms. Kate Bahen: Yes, since 2011.

Mr. Majid Jowhari: As far as program delivery on the national scale goes, I know one of my colleagues highlighted some of the areas that were a big challenge for them. How would you rank them?

Ms. Kate Bahen: We ranked them as "low impact".

Mr. Majid Jowhari: What was the driver for your ranking them "low impact"?

Ms. Kate Bahen: Greg, to be low impact, was it that the domestic programs were average?

Mr. Greg Thomson: There—

Mr. Majid Jowhari: "Domestic program", in my simple language, means their ability to deliver something at the ground level. Is that what you're—

Mr. Greg Thomson: It is within Canada.

Mr. Majid Jowhari: It's within Canada. Okay.

Mr. Greg Thomson: That is as opposed to operations in developing countries. We found its operations within Canada were fair and its operations internationally were—

Mr. Majid Jowhari: I only have about 20 seconds, and I want to ask a couple of closing questions.

Did the Government of Canada reach out at all to CI or The Charity Report to get feedback on any organization, including WE Charity or the WE structure?

Ms. Kate Bahen: No.

Mr. Greg Thomson: No.

Mr. Majid Jowhari: Thank you.

The Chair: We are completely out of time, Mr. Jowhari.

We will now go to Madame Vignola.

[Translation]

You have the floor for six minutes.

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

I would like to point out that I hear a great deal of static on the microphone of the interpreter who just started.

My first questions are for you, Ms. Bahen and Mr. Thomson.

I have here the analysis you did of WE Charity. This document is extremely detailed. How long did it take you to compile the details and release them?

• (1530)

[English]

Ms. Kate Bahen: This has come up a lot in questions regarding this. Some people say, “How can you analyze a charity in two days”, because that’s what this one took?

[Translation]

Mrs. Julie Vignola: I am sorry to interrupt, Ms. Bahen, but the sound of the interpretation is extremely bad and there is so much static that I cannot even hear the interpreter’s voice.

Can something be done?

[English]

The Chair: I will suspend for just a second, Madame Vignola, and I won’t charge you any time. We will see if we can get our interpreters or our technicians to clarify this. Give us a moment, please.

[Translation]

Mrs. Julie Vignola: The sound is perfect now with the interpreter speaking at the moment. I do not know if it is a technical issue with the previous interpreter’s microphone, but right now the sound is perfect.

[English]

The Chair: Madame Vignola, can you re-ask your last question? We will see if the audio has corrected itself.

[Translation]

Mrs. Julie Vignola: Once again, Ms. Bahen and Mr. Thomson, you did a report on WE Charity. How long did it take you to prepare it, compile the information and release it?

[English]

Ms. Kate Bahen: I would like to address this, because it has come up a number of times. How much time do we spend on charities? We have models, and they are now automated, so they will upload to the website. It took two days to do WE Charity from the moment we received the audited financial statements to when the report was published.

Some people ask, “How can you do a charity in two days.” When you do two days in 2020, and two days in 2019, 2018, and 2017, there is an accumulation of knowledge over that period of time. In addition to that, we have management interviews, we have management discussions, and we have ongoing communication with charities.

It took me two days to do this report in July 2020, but that is after a whole accumulation of years looking at WE Charity.

[Translation]

Mrs. Julie Vignola: Okay. Thank you.

Your report contains several red flags. I was wondering if they were obvious after a basic, superficial analysis or if you had to dig deeper.

[English]

Ms. Kate Bahen: They were obvious. They were in black and white in the audited financial statements.

[Translation]

Mrs. Julie Vignola: Would the red flags have been enough to make the government realize that WE Charity may not have been the best entity to administer the program?

[English]

Ms. Kate Bahen: I listened to the testimony of the government on Tuesday, and the government is lucky. You’re going to get your money back. WE has generously promised to repay the \$30 million. When donors make a donation to a charity, they don’t have the same recourse, so the due diligence we do has to go deeper perhaps.

In the government’s due diligence, it didn’t use the audited financial statements. It was looking forward at the program design. Different people will use different types of due diligence and for what is most appropriate for their needs.

[Translation]

Mrs. Julie Vignola: So the government may get its money back, but that will not necessarily be the case for donors. Should we see another red flag in what you just said?

[English]

Ms. Kate Bahen: No, donors do not get their money back. When you make a donation to a charity, if the program goes off track or runs into problems, donors don’t get their money back.

Donors take on 100% of the risk when they write the cheque to give to a charity, and that’s why at Charity Intelligence we’ve been doing due diligence for donors since 2007.

• (1535)

[Translation]

Mrs. Julie Vignola: This committee, the Standing Committee on Finance and the Standing Committee on Access to Information, Privacy and Ethics would all like to see the due diligence report but it is still not available. However, you were able to produce a report in two days. The report was apparently done; everyone thinks so, but no one has seen it.

Do you find it strange that everyone is talking about the report but no one has seen it, and yet you managed to produce a report in a few days?

[English]

Ms. Kate Bahen: Charity Intelligence’s report on WE Charity has been read by 30,000 people in the last month, so....

[Translation]

Mrs. Julie Vignola: I am talking about the government's due diligence report, the one for the government.

[English]

Ms. Kate Bahen: You mean the government's report?

[Translation]

Mrs. Julie Vignola: Is it not strange that everyone is talking about the report but no one has seen it?

[English]

Ms. Kate Bahen: Different people's notes would be public. Different people would keep their notes to themselves or not; I don't mind.

[Translation]

Mrs. Julie Vignola: All right. Perhaps that points to a transparency issue.

Earlier, you spoke with my colleague Mr. Jowhari about the factors you assess in your reports. Do you have any recommendations to make about the due diligence process? We are actually studying the due diligence process. We are talking about handing over \$900 million for a program. The WE Charity program represents many days of activity for young people, but it also involves organizing the allocation and management of \$900 million.

Do you have any recommendations for us about verifying the capacity of one or more organizations?

[English]

Ms. Kate Bahen: At Charity Intelligence we look at transparency and accountability, which is 60% of our overall star rating, and we do the financial analysis, which is 40% of the star rating. We look at a charity's results. One of the issues with WE Charity's results....

Let's say we're looking at how many schools it's in. It gives us a number for all schools in America, Canada and the U.K. We do not see a breakdown of how many schools it works with in Canada. We do not have that granular, detailed information on even the number of schools by province.

The Chair: Madam, unfortunately I'll have to interrupt you. We are completely over time. However, I would ask you to provide the remainder of your answer in writing and direct it to our clerk. That way we can distribute the full answer as quickly as possible to the rest of our committee members.

We will now go to Mr. Green for six minutes, please.

Mr. Matthew Green (Hamilton Centre, NDP): Thank you, Mr. Chair.

Thank you to all the witnesses who have made themselves available today.

I have had the privilege of serving for the Hamilton Community Foundation locally. As a former city councillor, I have been involved in our local enrichment fund, which gives out millions of dollars annually.

Through you, Mr. Chair, I'm curious to know whether the Charity Intelligence folks would care to comment on what their processes are for adequate due diligence for their clients and what that means.

Ms. Kate Bahen: I provided it in the opening statement. It's on the record for your committee.

Mr. Matthew Green: Fair enough.

For the record, you've raised a number of red flags publicly in other places. I'll recount them, and then you can comment on them.

These are huge real estate holdings, highly unusual for a charity of this nature; a large amount of debt; debt is constantly changing—

Ms. Kate Bahen: No, no, no.

Mr. Matthew Green: Perhaps I can finish and then you can comment. You can refute it or not.

Debt is changing. WE has been in breach of the bank covenants on its debt for two years, in 2018 and 2019, and through the auditor, says the bank had waived these covenants. ME to WE's app, their past app, was a failure and it's no longer available. It potentially was sold to the WE Charity for a dollar. I saw the question about where that loss went. Six board members of the WE board resigned in March, including their board chair. They were replaced by four new directors, one of whom has since resigned. The new chair is essentially a former high school teacher, so I'm unsure about where the professionally qualified independent board of directors is. ME to WE for-profit is supposed to generate funds for WE Charity, but it appears that funds are flowing in the opposite direction without proper or transparent disclosure. KRP LLP, as has been noted, is the only auditor WE has ever had. It is the only charity, as I believe you've claimed publicly, that KRP audits.

I'll now break that down, you can respond, and we can go from there, because I only have four minutes left. First, would you care to comment on the real estate holdings and the debt?

● (1540)

Ms. Kate Bahen: Sure, absolutely. At Charity Intelligence, we are financial analysts. We are research analysts and our research is objective and impartial.

On the real estate holdings, we see no red flags there. We see many charities across Canada—YMCAs, universities, hospitals, camps—having significant real estate holdings. That was nothing that Charity Intelligence ever drew a red flag to.

Mr. Matthew Green: These are points that have been drawn.

On large amounts of debt, you would agree?

Ms. Kate Bahen: Not in relation to its equity, no. Relative to its real estate, what we reported was that there was a breach in bank loan covenants. We did not say that it was overextended. We did not say it had poor credit.

Mr. Matthew Green: Okay. There has been—

Ms. Kate Bahen: I think it's really important to be accurate with what is reported and what is not reported.

Mr. Matthew Green: What was reported today was that they're looking at selling some of their assets. Would you care to comment?

Ms. Kate Bahen: Charity Intelligence did not report on that. We do not do real estate. I do not know what their listings are in the Toronto market.

Mr. Matthew Green: Given their position as the online pilot project, you identified that they had no previous history in this.

Ms. Kate Bahen: Yes.

Mr. Matthew Green: I would agree. They did have an app, though. Do you have any comment on the failure of their past app and its transition from what appears to be the for-profit to the charity?

Ms. Kate Bahen: The We365 app is in the audited financial statements, and it is immaterial when you're looking at a \$60-million charity.

Mr. Matthew Green: Relating to your due diligence, you talk about transparency and accountability. Am I to assume the accountability would be to the board?

Ms. Kate Bahen: No. We define accountability... When you talk about boards, that's governance, and governance is not a metric that Charity Intelligence reports on.

Accountability, to us, is this: When you take the time to go through a charity's annual report or the information on its website, is there enough information there for a donor to make an informed and intelligent giving decision?

Mr. Matthew Green: Do you comment on governance at all with your clients?

Ms. Kate Bahen: We will do it in due diligence, but it's not one of the metrics in our rating.

Mr. Matthew Green: Regardless of the metrics, would you consider it normal to have that kind of turnover within a board prior to a major project like this?

Ms. Kate Bahen: When the information came out in late June and was confirmed through our discussions with WE Charity management in July, our concerns led to us issuing a donor advisory, which is our most serious red flag.

Mr. Matthew Green: That is a serious red flag. It seems like a very basic level of due diligence, regardless of whether you're looking at it from a financial perspective or from a government perspective. This is something that you knew and that you identified in two days, and yet our government failed to—

Ms. Kate Bahen: No, that information only came to light after the contract was signed, almost after the contract was cancelled. That only came to light in late June.

Mr. Matthew Green: But the transitions happened before that.

Ms. Kate Bahen: That's the question. Is a charity under an obligation to inform a funder—or the government, in this case—when it's doing a serious deal of this size, and to do a full and frank disclosure?

Mr. Matthew Green: Would you comment on whether it is or not?

Ms. Kate Bahen: I believe it should be, but the question is, does the government have to ask or does a charity have to freely disclose such material information?

Mr. Matthew Green: Well, I think that if it's full and frank, the answer would be yes.

The Chair: Thank you very much.

We'll now go to our five-minute round of questions, starting with Mrs. Block.

● (1545)

Ms. Kate Bahen: I'm going to let Greg take a turn now.

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

I do want to thank our witnesses for joining us today. I appreciate the testimony that we've heard so far. I want to follow up on some of the previous questions.

This is for Charity Intelligence. A number of questions have been raised on the Byzantine nature of the WE network of charities and for-profit ventures. Is this type of convoluted network common in the charity world?

Mr. Greg Thomson: No, it's not common. When we're analyzing a charity, we usually look at one set of financial statements and one organization. We will often look at two. If they have a foundation that's associated with an operating charity, or if there's a national charity that's associated with a provincial charity, there might be two. The odd time, we'll see three.

In the case of WE Charity, at this point I think we have 13 related parties in North America that we would have to at least have an understanding of as we write up our analysis. WE Charity is not typical of charities in Canada.

Mrs. Kelly Block: Thank you for that.

Again, Charity Intelligence, you have publicly asked why Craig and Marc Kielburger are listed as co-founders of WE rather than as directors, officers or trustees. Can you provide an explanation as to why that question is important, especially as it relates to the CSSG contract?

Mr. Greg Thomson: If you are on the board of directors or if you are an executive of a charity, any financial transactions that take place between you and the charity have to be fully disclosed in the audited financial statements.

As a co-founder or a founder, there is no fiduciary responsibility, no executive responsibility, so that just led us to the question of why Marc and Craig, who seemingly have an awful lot of executive power in the WE organization, are neither executives nor on the board of directors.

Mrs. Kelly Block: I'm not sure how much time I have.

Mark Blumberg was quoted in a Globe and Mail article on August 1. He's a lawyer whose specialty is the charitable sector. He said this regarding WE Charity: "It's not like any charity that I've ever seen.... So I wouldn't draw too many conclusions about the charity sector from this group. But I think what makes it clear to me is that we need more transparency in the charity sector."

I think we've been hearing that a little bit, certainly in response to some of the questions by Mr. Green. There was this back-and-forth about full and frank disclosure, whether a government or an entity that's seeking to have an organization oversee a contract on its behalf...whether or not there is that full and frank disclosure, or whether that government or entity would need to ask.

I'm wondering whether you can comment on Mr. Blumberg's conclusion that more transparency is needed in the charity sector, and quite frankly on the process of governments and what they can rightly expect from a charity.

Ms. Kate Bahen: May I answer this one?

Mrs. Kelly Block: Yes.

Ms. Kate Bahen: Greg, do you mind if I take this one?

Mr. Greg Thomson: Go ahead.

Ms. Kate Bahen: This is my passion. We've been championing for financial transparency since the very beginning, and we still face this battle. This summer alone, we have over 100 requests for information, with the charities directorate. We're looking at some of Canada's largest charities with \$5 million to \$10 million in donations, which still refuse to put their audited financial statements up on their website. We have to go through that process of filing with the CRA, and it will take eight to nine months before we get that relevant information.

WE Charity was financially transparent. It had its audited financial statements on its website. We need to push for more financial transparency, but I also believe that people who have a fiduciary responsibility in writing cheques with other people's money need to do their homework, and the audited financial statements were right there on the website.

I appreciate that the vast majority of giving is marketing and branding and who's doing the ask, but at the end of the day, we are just such believers in due diligence. I hope all donors start reading the fine print.

• (1550)

The Chair: Thank you very much.

We'll now go to Mr. MacKinnon for five minutes.

[*Translation*]

Mr. Steven MacKinnon (Gatineau, Lib.): Thank you, Mr. Chair.

[*English*]

I have a quick question for you, Ms. Bahen. You seem a little exasperated that perhaps some of my colleagues here, or others, seem to be putting words in your mouth. I think we can all agree that financial accountability and transparency in the charitable sector is a desired outcome, and having knowledgeable donors is clearly an objective of yours and a passion, and one that we should all share.

I do sense that you're a little exasperated that people are trying to put words in your mouth. Is that true?

Ms. Kate Bahen: Maybe I'm more terrified about the defamation suits down the road.

I think we need to be very careful and very precise in the language we use and what we have reported and what we have not commented on.

Mr. Steven MacKinnon: That's a very good segue to my question for Ms. Picco. The opposition, I think, is responsible for your presence here today. Why do you think the opposition, the Conservatives, asked you to testify before us today?

Ms. Gail Picco: I got an email on Monday asking me to come to the committee and testify. I was surprised. I asked, "Who? Who would do that?" I only know now that it was the opposition. Possibly the opposition, because I have been critical.... As Kate Bahen believes, too.... I have been vocal and critical, for the past decade, about how the charity sector carries out its business. The full title of my book in 2017 was *Cap in Hand: How Charities are Failing the People of Canada and the World*.

Although I don't put as much focus on financial measurements as Charity Intelligence does, Kate and I both believe that it is really important to gauge the impact of charities. There are a lot of charities in Canada that don't give taxpayers a very good bang for their buck. You can talk about donors, but taxpayers basically fund charities more than anybody else.

So perhaps they thought that I would automatically take a negative approach to WE.

The point of the matter is that when bureaucrats were trying to deliver and make this program in an emergency setting, this program was endorsed by Telus. They had bank executives. The Globe and Mail was their media sponsor. They had stars. The cream of the Canadian crop was identified with WE. If I were a bureaucrat looking at an organization, I would say, “Well, hell, the committee that hands out appointments to the Order of Canada thought it was okay. The executive vice-presidents of the Royal Bank think it's fine. Telus thinks it's great.”

Mr. Steven MacKinnon: I'm reminded, Ms. Picco, in your testimony and your answer, of that old story that it takes a carpenter to build a house, but any old ass can kick one down.

Ms. Gail Picco: Well, yes. My concern, and it's real, is about the damage this is doing to other charities. What I ask, whether you're in government or in the opposition, is to stop for a second. I looked at the newspaper yesterday and saw that the Bloc was on its way to try to deal with a snap election. I thought, “Oh, man, that's all we need.”

I'm not a Liberal. I'm not an NDP. I'm not a partisan person, but I think the government was dealing with the best information it had at the time. The point is that the elite of Canada are the ones who had vetted WE. Bring in the senior vice-president of the Royal Bank of Canada and ask him, as a board member, what he thought was so great about the organization.

[Translation]

Mr. Steven MacKinnon: Unfortunately, the Bloc Québécois is not helping to end the pandemic. Rather, it is quite obviously focused on an election.

I have one last question for you, Ms. Picco.

A Conservative member asked that the Canada Revenue Agency investigate certain charitable organizations, including WE Org. How do you feel about political parties or politicians calling for investigations into charitable organizations?

• (1555)

[English]

The Chair: Ms. Picco, I know you have probably quite a lot to offer in your answer, but unfortunately we're completely out of time. We only had five minutes. I would, however, ask you and encourage you to give your complete answer in writing to our clerk, so that it can become part of the official record of this committee. It will be distributed to all members of our committee as soon as you respond.

Ms. Gail Picco: Okay.

The Chair: We will now go to Mr. McCauley for five minutes, please.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you, Mr. Chair, and thank you to the witnesses.

Ms. Picco, you talked about the elites, such as Telus and everyone supporting WE. Telus, Royal Bank, and all those people, when they found out what the situation was, dropped their sponsorship and support of WE. I don't think it's a great example to say, “Well, because these guys made a mistake, that's wonderful. The government made a mistake as well.”

I want to follow up as well on Mr. Green's comment, and the answer back, about the obligation for WE to be open about some of those financial issues. It's actually, believe it or not, the Treasury Board Secretariat. It's right in its framework. It's not as much on WE to bring forward all the faults around its financial problems. It's actually part of Treasury Board's mandate to have asked these questions.

For Ms. Bahen and Mr. Thomson, is there any further research that you've done since your last appearance that perhaps you want to bring to light?

Ms. Kate Bahen: I haven't done anything, no.

Mr. Kelly McCauley: Okay.

Ms. Kate Bahen: Greg?

Mr. Greg Thomson: In the past week, we have not done any further research on WE.

Ms. Kate Bahen: I would just add that the impact numbers are being updated. There has been new information disclosed about some of its impact, which came in literally two hours ago.

Mr. Greg Thomson: We haven't released any new information.

Ms. Kate Bahen: Yes.

Mr. Kelly McCauley: Are you ready to talk about it now?

Ms. Kate Bahen: No. It literally just hit the desk.

Mr. Kelly McCauley: I want to ask about your experience around this. Again, it's about the transparency and how things are set up within charities. One of the issues when we had the brothers appear before us was that they were talking about how the government forced them to set up a shell company, basically, to hold all the liability every step of the way. The liability they talked about that's in the contract is a standard government liability clause that goes into every single contract.

We've heard in this very committee about the problems for small and medium-sized enterprises in terms of the liability they have to take on. If you sell 10 dollars' worth of toilet paper, you have an unlimited liability clause. The brothers explained that they created a shell company to receive all this money because, supposedly, of this liability.

I used to be head of a hospital foundation for six hospitals for seniors. Whenever we received a penny from the government—and it was quite often—we didn't go out and set up separate shell companies to receive the money.

Are you familiar with this as a standard operating practice? Do the charities you deal with go out and set up a separate shell company every time they get a grant or contribution?

Ms. Kate Bahen: Special-purpose entities have been used in corporations and in real estate. I have never seen them used to anything like this extent in charities. Unfortunately, with the state of affairs right now, I do believe that fact-checking is really important. I know that as humans we default to trust, but I think that right now we just need to go back over everything and dot the i's and cross the t's.

Mr. Kelly McCauley: It's funny that you should make that comment. Again, if you look at the Treasury Board regulations, mounds of pages—pages and pages—go over and cover every single one of these possible things. They just seem to have been missed altogether.

Mr. Thomson, are you familiar with any charities that have set this up? Again, at our hospital foundation, we actually built a hospital with provincial government money. We didn't set up, for lack of better words, a separate shell company. Are you familiar with any?

• (1600)

Mr. Greg Thomson: No.

I have just a brief correction. They had WE Charity Foundation already set up. They didn't set it up specifically for this purpose. They changed the purposes of the foundation to—

Mr. Kelly McCauley: Have you seen anyone change the purpose of a foundation to do it?

Mr. Greg Thomson: No, I've never seen this in the charitable sector either.

Ms. Kate Bahen: I think what was more interesting on this was listening to Michelle Douglas's testimony. The board had actually said no to setting up the foundation, yet when you look at the registration date, it was established on January 1, 2019. The board was not even aware of it and had not approved the establishment of WE Charity Foundation.

Mr. Kelly McCauley: Yes, it's very strange.

How much time do I have, Mr. Chair?

The Chair: We have no time left, Mr. McCauley, unfortunately.

Mr. Kelly McCauley: I would just say very quickly, Ms. Bahen, that I appreciate your love of transparency. We should steal you for Treasury Board president.

Some hon. members: Oh, oh!

The Chair: We will now go to Mr. Drouin, please, for five minutes.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

I want to thank all the witnesses who are before us today. I know that for some of you it's your second appearance in front of a parliamentary committee on the same subject. I'll divert a bit to another line of questioning.

If you have this platform.... Ms. Bahen, you've touched on this. You said that the charitable sector is in.... I don't want to say “dire straits”, but obviously with COVID-19 they, too, are suffering. You talked about the disbursement quota. Can you elaborate on this and how this could help the charitable sector?

Ms. Kate Bahen: Over the last 15 years.... Foundations—community foundations, private foundations—have their assets, and these have already been tax receipted. With the stock market gains over the last 15 years, these assets have been able to grow in excess of 8% each year. Of that growth of 8% each year, foundations are only required to pay out 3.5% to front-line charities, so that's the disbursement quota.

With the growth over the last 15 years, foundations—community foundations, private foundations—are now sitting on an estimated \$110 billion, and that has already been tax receipted. When we talk about changing the disbursement quota from 3.5% to 5%, we're only talking about 1.5%. That might seem really small, but mathematically it's 43%.

By changing the disbursement quota from 3.5% to 5%, the community foundations and the private foundations will now have to open up and disburse 5% a year. They have the balance sheets to do that. The charity sector needs that cash right now, and just changing that from 3.5% to 5%, maybe just for the COVID period, would be a tremendous benefit.

Mr. Francis Drouin: Is that something you're hearing from other charities on this particular disbursement quota going from 3.5% to 5%, or is this something you came up with yourself?

Ms. Kate Bahen: There's a band of renegades who've just been looking at this and thinking this is insanity. Canada has the lowest disbursement quota in the world. People always say they need to save up money for a rainy day; we're looking out the window and it's pouring, and still they're not disbursing.

I'm working at it from “Please, foundations, step up now.” Of the over 2,000 private foundations in Canada that have more than a million dollars in assets, only 20 have stepped up to increase their giving to 5%. I had hoped it would be voluntary, but that's not what we're seeing.

Gail has written about the disbursement quota from the charity side.

Mr. Francis Drouin: Gail, do you want to add anything?

• (1605)

Ms. Gail Picco: When it comes to charity transparency—and Kate and I are in agreement on this—there are the charities that deliver programming, like WE, like World Vision or Oxfam. They're out there in the field. They're spending money. Whether they're having an impact or not, they're out there spending money.

There's also a group of charities—private foundations, community foundations and hospital foundations—that are holding on to tens of billions of dollars. The 10 biggest private foundations in Canada are sitting on assets of \$32 billion, and by increasing the disbursement quota.... You know, Kate argues for 5%; I argue for 10%. That money is sitting there, and private foundations are not willingly going to increase that disbursement quota. They've shown that. That is something that's going to have to be regulated.

We did calculations at The Charity Report that if we raised the disbursement quota for foundations to 10% for three years as part of an emergency response to COVID, we would generate \$14 billion from 20 of the largest private foundations in Canada. When we're talking about transparency, we need to be talking about the foundations that are sitting on tens of billions of dollars. This also comes to light when we're talking about donor-advised funds, where there's no disbursement quota required at all and which—

The Chair: Thank you very much. I'm sorry. I apologize for cutting you off, but we do have a fairly tight timeline to deal with.

We'll now go to our final interventions, which will be two and a half minutes each, starting with Madame Vignola.

[Translation]

Mrs. Julie Vignola: Thank you very much.

Mr. Thomson, the contribution agreement was signed on May 5, but it was signed with the WE foundation, as Mr. McCauley mentioned a few moments ago. However, because the entity has no assets, it is hard to conduct due diligence. If the WE foundation has no track record and no assets, how could they have determined that, as they said, it was the only organization able to manage both a grant program and a program to recruit and place volunteers?

[English]

Ms. Kate Bahen: And the cabinet didn't know about it.

Ms. Gail Picco: Is that a question for me?

Actually, at the time, it didn't seem to me to be an unreasonable conclusion: at that time, in this process, prior to all of this other stuff coming out about WE. Actually, WE has also operated its WE Days in Montreal, in Théâtre St-Denis, for the last few years. It has rallies, and so on, in Montreal. Looking at the facts at that time, it didn't make as little sense as it does now.

A lot has been brought to the table. I don't recall any other charity in Canada that's been put under the microscope more than this particular charity, other than the Canadian Red Cross during the tainted blood scandal. We learn a lot about charities when we put one under the microscope.

This charity, I think, was—

[Translation]

Mrs. Julie Vignola: Thank you, but the goal of my question is really to find out how it is possible to enter into a \$900-million agreement with no tendering whatsoever—although that also makes it possible to move quickly—with a company that has no assets. So, this is a company that is unable to demonstrate that it can manage \$900 million in grants while also recruiting and placing volun-

teers. It is an enormous job, but the company has no assets to prove anything.

• (1610)

[English]

The Chair: Unfortunately, we will have to end our questioning there. If any of our witnesses wish to respond to Madame Vignola's questions, once again, I would ask that they respond in writing to our clerk.

Our final intervention, for two and a half minutes, will go to Mr. Green.

Mr. Matthew Green: Ms. Picco, do you believe that non-profit and charitable sector staff deserve a minimum wage?

Ms. Gail Picco: Yes.

Mr. Matthew Green: Do you believe that people volunteer under duress?

Ms. Gail Picco: Not particularly, no.

Mr. Matthew Green: Would you not agree that COVID, in this situation, is a situation of duress?

Ms. Gail Picco: Let me tell you about the people I know who were applying to that program. Fifteen young people who were mentoring young students in the neighbourhood of Jane Street and Finch Avenue, which is one of the least livable neighbourhoods in Toronto, were among the people who applied for that—

Mr. Matthew Green: Ms. Picco, there are people who either need the money or don't. If they need the money, they're under duress. If they don't need the money, then they don't, frankly, need that employment.

When you speak about the elite of Canada, you're quite right. This whole program was about the elite. This was about the ultra-elite of this country having access to other powerful people. You actually framed it quite right.

What I find disconcerting is this idea, somehow, that the saviour complex of the charitable sector goes into inner city and racialized communities. Having an event at a school in Montreal is very different from having the relationships within the community to be able to partner the students with these events. If I recall, Ms. Picco, you yourself raised questions about its ability to match the 35,000 students to the organizations that would be required to actually do this program.

Do you still stand by the fact that charitable and non-profit work is essentially a relationship and not a transaction?

Ms. Gail Picco: I think that using schools to access racialized communities makes sense.

Mr. Matthew Green: Is it the same, though, in terms of the organizations that surround the school? It's one thing to have a relationship with a principal. It's another thing to have a relationship with the non-profit community sectors that are actually rooted in those communities.

The Chair: Be very, very brief.

Mr. Steven MacKinnon: I have a point of order, Mr. Chair. I just find that on a few occasions today we've had witnesses borderline badgered: asked a question and then told what their answer is. I think it must be an incredibly frustrating experience for experts like the ones we have before us to come before our committee today to give us their considered and expert opinion and then be lectured on what their opinion should be. I just find that very aggravating.

The Chair: Mr. MacKinnon, thank you for your commentary. As you know, as your chair, I pay very close attention to the testimony given and to the questions asked. I have always insisted that all committee members treat all of our witnesses with the utmost respect, and that, of course, is reciprocal.

I know that the questions, in some cases, were very pointed, but I did not find anyone on this committee—in my opinion, at least, Mr. MacKinnon—to be badgering a witness. I find that the witnesses are well prepared and extremely knowledgeable and, quite frankly, can handle themselves without your assistance. That's, again, only my opinion.

The reality is that we are completely out of time. Regardless of whether we want this discussion to go forward or not, we are out of time. However, given the fact that Mr. Green has posed a number of scenarios that witnesses did not have an opportunity to respond to, I would ask that they do so in writing.

I see your hand up, Mr. Green. We'll go to your final point.

Mr. Matthew Green: Mr. Chair, if I can, through you to the clerk, as a point of privilege.... A point of privilege would be an example of when my abilities to function as an MP are being disrupted, interrupted or, in fact, obstructed. Is that correct?

The Chair: It is, Mr. Green, but—

Mr. Matthew Green: Okay. I need to state this for the record, Mr. Chair. This is now my fifth meeting. The Liberal members of every committee that I've been on have used points of order to disrupt my interventions, to the point where he cut off 20 seconds of the last part of my question. I want to go on the record to state that this is not the way these committees should be operating. I hope that they cease this.

• (1615)

The Chair: Thank you for your comments. I have one point of clarification. You did not have 20 seconds left; you had a few seconds left. However, I appreciate your comments. Again, as chair, I have been paying extremely close attention to all testimony. When, from time to time, I need to intervene, I will. I give most committee members a fair amount of latitude because I respect the members of this committee.

However, with that, we are completely out of time. I would like to thank all of our witnesses who have appeared before us today. If you have additional testimony that you think would be beneficial

and instructive to our committee, please submit it to our clerk as quickly as possible. You are excused. Thank you, all.

Colleagues, I will not be suspending.

Ms. Kate Bahen: Thank you, sir. That was a very well-run meeting.

The Chair: Thank you.

Mr. Steven MacKinnon: Thank you all. These were very enlightening comments.

Ms. Kate Bahen: It's nothing like the finance committee. Don't worry. You guys are well behaved.

Voices: Oh, oh!

Mr. Matthew Green: We're just getting started.

Ms. Kate Bahen: Don't.... Feel free to call me with follow-ups.

The Chair: Colleagues, if you recall, a number of weeks ago we agreed as a committee to schedule time for Nuctech to provide testimony. That meeting is scheduled for August 24. However, at the time, we did not set a deadline for Nuctech to submit documents to our committee. In the interim, what I and our clerk have done is contact Nuctech and set, on the assumption that this committee would support us, a deadline of August 21 for all documents to be submitted. That would be three days in advance of our next meeting dealing with Nuctech.

However, procedurally, we have to have a motion adopted by this committee to set a firm deadline. The motion that I will present to you *en anglais*—and then I will ask Angela to do it *en français*—is the following:

That all documents sent for in the order adopted by the committee on Thursday, July 23, be submitted to the committee no later than 12:00 p.m. on Friday, August 21 EDT and that the documents be posted on the committee's web page as soon as possible after they are received.

Mr. McCauley.

Mr. Kelly McCauley: Sorry to interrupt, but I don't recall us asking for documents for this motion—not that I wouldn't welcome them. I thought we just asked for officials from PSPC, Global Affairs and the Communications Security Establishment for briefing.

The Chair: I believe there were requests for some documents, Mr. McCauley. This is more of a catch-all so that if there are documents needed to support the testimony you will be receiving, we have them. We have requested them.

Mr. Kelly McCauley: Okay, thank you.

The Chair: Thank you.

Angela, I'll ask you to convene a recorded vote on the motion.

(Motion agreed to: yeas 10; nays 0)

The Chair: We have one final motion, and it's about posting documents to the website. I will read it into the record:

That all documents requested in the orders adopted by the committee on Friday, May 29, and Friday, June 19, 2020, be posted on the committee's web page as soon as possible after they are received.

I believe you have received that in French as well.

• (1620)

Mr. Francis Drouin: I'm sorry, but I just missed it. Can we read the motion into the record again?

The Chair: Sure. I'll read it again for you, Francis.

That all documents requested in the orders adopted by the committee on Friday, May 29, and Friday, June 19, 2020, be posted on the committee's web page as soon as possible after they are received.

I would ask Angela to conduct the vote on that motion.

(Motion agreed to: yeas 10; nays 0)

The Chair: Colleagues, the last point is to remind you that at our next meeting, which is a week from today, next Thursday, we will have the President of the Treasury Board and his officials for two hours. Originally, as some of you may recall, we had the Treasury Board Secretariat president and officials scheduled for today. As I mentioned at the outset of this meeting, the president was unavailable, and rather than have only officials without the president's appearance, I made an arbitrary decision to call the Treasury Board next week, because that's when he said he would be available.

This means, however, that we will have to reschedule a meeting time for PSPC officials to appear on the subject of WE Charity. I will not deal with that now. We'll wait and take a few minutes at the end of next Thursday's meeting to decide whether or not this committee wishes PSPC to appear at a later date, and what that date may be.

With that, colleagues, seeing no other interventions and no other hands raised, I wish you all a good week—

Mr. Steven MacKinnon: Tom.

The Chair: Yes, please go ahead.

Mr. Steven MacKinnon: Next week's meeting is at 2 p.m. Am I reading that correctly?

The Chair: Angela, I believe it says from 2:00 p.m. to 4:00 p.m. EDT.

The Clerk: That is correct.

Mr. Steven MacKinnon: Today's meeting was at 3 o'clock. Is there a reason we're changing the hour?

The Chair: As you probably know, Steve, the whips set the dates and the times.

Mr. Steven MacKinnon: I know. Yes.

The Chair: We are at their mercy.

For example, if I'm not telling tales out of school here, I believe the Bloc has its summer caucus next week for two or three days. They had requested that next Thursday's meeting be postponed by a day, because if not, then their caucus meeting would be disrupted. However, the whips couldn't come to an agreement, because other committees had already had their times set. We are at the mercy of the whips.

Mr. Francis Drouin: Tom, tell the truth. It's just you and me trying to screw with Steve.

Mr. Kelly McCauley: I heard it was Holland who didn't like Steve.

The Chair: Well, the cat's out of the bag.

Colleagues, thank you very much.

We are adjourned.

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