



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Public Accounts

EVIDENCE

NUMBER 036

Tuesday, November 1, 2022

Chair: Mr. John Williamson



Standing Committee on Public Accounts

Tuesday, November 1, 2022

• (1530)

[English]

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

[Translation]

Welcome to meeting number 36 of the House of Commons Standing Committee on Public Accounts.

Pursuant to the motion adopted by the committee on October 21, 2022, the committee is meeting today for a briefing on the Office of the Auditor General.

[English]

I'm going to jump to our witnesses.

From the Office of the Auditor General, we have Karen Hogan, Auditor General of Canada, and Deputy Auditor General Andrew Hayes. It's good to see both of you here in person.

From the Department of Finance, we have Associate Deputy Minister Nicholas Leswick. It's good to see you again.

From the Treasury Board Secretariat by video conference, we have Stephen Diotte, executive director, employment relations and total compensation, strategic compensation management, office of the chief human resources officer.

Only the Auditor General has opening remarks. I will check back with the other two witnesses just to see if they want to respond to anything once the AG has finished up.

Ms. Hogan, the floor is yours for five minutes, please.

Ms. Karen Hogan (Auditor General of Canada, Office of the Auditor General): Mr. Chair, thank you for this opportunity to update the committee on the funding of the Office of the Auditor General of Canada and the effects of the recent strike.

I would like to acknowledge that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

In March 2021, our office received \$25 million of additional permanent funding. With this new funding, we hired additional staff and now employ almost 800 persons. We also increased the number of performance audits we produce in a year, from an average of 14 before receiving an increase in our funding to more than 20 in the 2022-23 fiscal year. We expect to be able to deliver even more audit work in the years to come.

Our current budget is enough for our office to operate at its present and planned levels; however, when new mandates are added without additional funding, it can eventually result in the situation our office experienced in the past, which contributed to the significant funding shortfall.

For example, since receiving additional funding, the commissioner of the environment and sustainable development has been given the responsibility to report regularly under the Canadian Net-Zero Emissions Accountability Act. We also had new audit work to do for the Canada Enterprise Emergency Funding Corporation and the allocation of proceeds of Canada's green bonds for the Department of Finance Canada. This is important work for us to do. In the future, we would ask that our funding be considered when new work is added.

In our view, it is important that a long-term, stable funding mechanism be established to preserve our independence and our capacity to respond to an evolving environment. There are examples in other jurisdictions that may be helpful to explore with the view of ensuring predictable funding for our office, given our role in supporting Parliament as it holds the government to account. It is problematic for us to have to request money from the Department of Finance Canada and the Treasury Board of Canada Secretariat, which are organizations we audit. In our view, a funding mechanism that includes parliamentary oversight would be preferable.

• (1535)

[Translation]

Turning now to the recent labour dispute, which included a six-week general strike by about 165 of our employees in the Audit Services Group.

As the committee may know, the President of the Treasury Board gives our office its mandate for collective bargaining. This mandate establishes the maximum amount of pay and specifies the other terms and conditions of employment that may be offered by our office during collective bargaining. At times, the mandate includes how our office is to approach negotiations.

It is also important to note that the additional permanent funding we received in March 2021 could not be used to expand the collective bargaining mandate. In other words, we cannot use our annual budget as a source of funds for a collective agreement.

The strike had far-reaching effects. Internally, there was a significant effect on the mental health and wellness of all our employees. In addition, we have experienced an unusually high rate of departure in the Audit Services Group. While we have since hired new employees and continue our efforts to attract and recruit, this remains a challenge in the current environment, with the lingering effects of the labour conflict.

In addition to the effects on our staff, the response to the labour dispute resulted in delays in some of our audit work and operations. For example, we delayed the release of our spring 2022 reports. In addition, we temporarily slowed some large corporate initiatives, including our transformation. Our ability to spend our budget in the 2021–22 and 2022–23 fiscal years was also affected.

The effects of the strike on our people, culture, and working environment will be felt for some time. Moving forward, we will pursue our efforts and conversations with employees across our office to identify actions to renew the workplace and foster a healthy, safe, inclusive, and productive environment.

Mr. Chair, this concludes my opening remarks. We would be pleased to answer any questions the committee may have.

Thank you.

The Chair: Thank you very much, Ms. Hogan.

[English]

I'm going to check because I said I would: I don't expect that there are any comments from Mr. Leswick.

Mr. Diotte, I expect you probably don't have comments, but I said I'd check. That's perfectly reasonable, and you are under no obligation. You'd indicated there would not be an opening statement.

I'm going to turn to our first round, which gives each of the first four members six minutes.

Mr. McCauley, you have the floor for six minutes, please.

• (1540)

Mr. Kelly McCauley (Edmonton West, CPC): Thanks, Mr. Chair.

AG Hogan, welcome back. Mr. Hayes, welcome back. Long time, no see; I think it's been just a couple of days.

This seems like the movie *The NeverEnding Story*. How long has your office been requesting additional resources?

Ms. Karen Hogan: The initial request that my predecessor, Michael Ferguson, made was back in 2017. He received a portion of the funding he had requested in 2018, and then we repeated our requests every year thereafter until we received funding. I put in a request for \$25 million and we received all of that in 2021.

Mr. Kelly McCauley: What would have happened if you hadn't received that extra funding?

Ms. Karen Hogan: Well, we would have continued to function at the level we were.

At that time, we were providing approximately 14 performance audits to Parliament in addition to the 90 financial audits that we

do, as well as three to five special exams in a year. We would have only been able to maintain that level.

As I mentioned in my opening remarks, some additional work was given to us. For example, the commissioner of the environment received additional work and an additional financial mandate was added. That would have had to come from existing capacity if we had not received funding.

Mr. Kelly McCauley: That was going to be my next question: How much did this added work and the added directives affect your work schedule?

I want to follow up. Every year you go, cap in hand, for more money and eventually it is delivered. How does it affect your short-term and long-term planning knowing that this money is not guaranteed and that you have to go every year for this extra funding to fulfill your mandate?

Ms. Karen Hogan: I should inform you that I did not request any additional funding after that \$25 million was received. As I mentioned, I believe that this funding is good for our current needs. We went every year from 2017 until we received it in 2021, yes.

Mr. Kelly McCauley: Okay.

Up until 2021, did knowing they could say no affect your long-term or short-term planning,?

Ms. Karen Hogan: Absolutely, it affected our planning, in that whenever we had additional work that was legislated to us, we had to reduce work that was discretionary. The discretionary work is our performance audit work, which is the main work that parliamentary committees study. It has an impact on our ability to deliver to Parliament and help Parliament fulfill its role in holding the government to account.

Mr. Kelly McCauley: How should the funding model be done? Should it be similar to the model for, say, the Parliamentary Budget Officer or the Ethics Commissioner, so that basically you would request money from the House or from the Speaker as opposed to going through TBS and Finance?

Ms. Karen Hogan: There are a few models out there. I think it's important to note that not every agent of Parliament is the same, so the same funding mechanism should not necessarily be used across the board for all agents of Parliament. There are examples in the provinces or internationally that we could look to.

Mr. Kelly McCauley: If you had your way with us, how would it be done?

Ms. Karen Hogan: If I had my way.... Where should I start with a wish list?

Mr. Kelly McCauley: For the funding, ideally...?

Ms. Karen Hogan: For the funding mechanism, I do believe there is a role for central agencies and that they still need to be involved because they do set the budgeting of expenditures in the government, but I do believe that Parliament should also have a role in order to help support the independence of not only our office but any agent of Parliament.

I believe that this committee, in the case of our office, could play that role, or another committee could be set up that could oversee all agents of Parliament. There are many options to explore, and I'd be really happy to do that with any working group that would like to do so.

Mr. Kelly McCauley: You've touched upon this point in your opening statement, and I've often heard it described as a conflict of interest: requiring the Auditor General to request money from the people they will possibly be auditing. Is that a correct summation of the issue?

Ms. Karen Hogan: It's difficult, for sure, if we issue an opinion or complete an audit that doesn't have positive results on one of the central agencies. It does potentially impact our independence, absolutely. I think it's more of a perception of an issue with independence. That's why it would be preferable to have a mechanism whereby we can ensure that independence, and the perception of it, is maintained.

• (1545)

Mr. Kelly McCauley: I think that's very important, and I don't think anyone is suggesting—at least around this table—that the Department of Finance or TBS would act in that manner, but the perception of independence, I think, is very important for the Auditor General's office.

Is it that we could eliminate that perception of a conflict if we change the funding mechanism?

Ms. Karen Hogan: Going through my schooling and working as a CPA over the years, we were always taught that independence is the cornerstone of our profession, but that the perception or lack thereof is almost worse than the reality, so I believe that any time we can fix that and ensure that not only the perception but the reality of independence is there, we should take that step if possible.

Mr. Kelly McCauley: I think especially Angus Reid and some other polling companies have released rather dismal results on people's trust in government, and in all levels of government across the country it has been dropping significantly. I think this is part and parcel of it.

Again, I suggest agreement from you that changing the funding model to be straightforward and independent of the finance department would strengthen the role of the Auditor General and your office.

Ms. Karen Hogan: I think that every Canadian should be able to have confidence in the independence and the objectivity of the Auditor General, whether it be provincial, municipal or federal, and any time we can encourage independence—

The Chair: Thank you very much.

When you're asked the time, 30 is the answer time too, Mr. McCauley. It's not just the question time.

Mr. Kelly McCauley: Maybe we can go to the finance department and ask for more time.

The Chair: No, you've had your time.

I'm going to turn now to Ms. Bradford. You have the floor for six minutes, please.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair, and thank you to our witnesses today.

Continuing along that line of questioning for the Auditor General, your office is one of the most highly regarded by Canadians. You are one of the most trusted institutions. How have you been able to do that within the current framework?

Ms. Karen Hogan: Our organization follows very rigorous processes and standards to ensure independence and objectivity when we carry out audits, when we interact with departments. All that the lack of funding has done was cause us to reduce some of our work in the past, which we're now slowly ramping up.

As I mentioned in responses to the previous questions, it is about the perception of independence, but also the need to not turn to organizations that we audit in order to request funding. I think there should be objectivity in establishing funding levels, and that's where I see Parliament—this committee, perhaps, or another committee—playing a real and active role in that.

Ms. Valerie Bradford: Thank you for that answer.

You confirmed in your opening statement that on December 13 of last year you received the \$25 million you asked for. Your office only had a 1% increase from 2006 to 2015. Did that affect the ability of your office to achieve its mandate over that decade?

Ms. Karen Hogan: Absolutely. It impacted our ability to deliver the volume of work that Parliament expected from us. We prioritized work included in legislation—the work we do on the Public Accounts of Canada, on the public accounts of the territories, and all the financial audits that are legislated in acts. We ensured that we carried those out. We were then able to deliver approximately 14 performance audits, which included one to each of the territories, and then the rest were to the federal government.

It reduced the volume of work, but it still allowed us to maintain that independence and deliver high-quality work that Canadians and Parliament can rely on.

Ms. Valerie Bradford: According to the public accounts, you've now had over a 40% increase in funding since 2015. How has this helped your office achieve its mandate?

Ms. Karen Hogan: With that funding of the past few years, we've been able to hire additional employees. We are at about 800 now. Throughout the pandemic, we hired about 150 with the additional funding.

As I mentioned in my opening remarks, we are gradually increasing all the performance audit work we do. I think we expect a little over 20 reports this year, and even more in the coming year as we finish some of our onboarding and get started on some of the additional work we plan to do.

I think Parliament will see an increase in that work. It will level off somewhere around 25 audits or so. However, I caution looking at the numbers, because a performance audit isn't one size fits all. Some can be really small and some can be much larger. If we just count the numbers, it's probably not a true representation of the level of work we're providing to Parliament.

• (1550)

Ms. Valerie Bradford: You independently decide what audits you're going to perform. Is that correct?

Ms. Karen Hogan: Again, that's a cornerstone. I think of our independence. We get to decide where we go, when we go and whom we audit. We consider requests from committees and motions in the House, but it rests with me to decide, in the end, where we will audit.

Ms. Valerie Bradford: Is that important because of your independence?

Ms. Karen Hogan: Absolutely. It's an important element of our independence, in order to ensure the government doesn't influence what we audit and when we audit things.

Ms. Valerie Bradford: Thanks for clarifying that.

The Office of the Auditor General is a separate agency under schedule V of the Financial Administration Act, so it conducts its own negotiations with unionized employees and determines compensation levels for non-unionized employees. Can you please explain how that works?

Ms. Karen Hogan: In our case, it's unique. The Auditor General Act sets out that I can set the terms and conditions for all employees who work for my office, except when they are represented by a bargaining agent. Then, we receive our mandate from the President of the Treasury Board. That mandate is similar to the mandate any other department would receive. It sets what I'll call the fence around what we can negotiate in either monetary or non-monetary elements of compensation.

As I mentioned in my opening remarks, I can't use my funding to make that a larger fence. I have to work within the same parameters as every other department in the government.

Ms. Valerie Bradford: What is the relationship between the OAG and the commissioner of the environment and sustainable development?

Ms. Karen Hogan: The commissioner of the environment and sustainable development is a senior member of my executive team. I'm required to appoint him. I appointed him for a period of seven years. Jerry DeMarco started in 2021. He is Assistant Auditor General within my office and helps support me in carrying out my mandate, but with a focus on environmental and sustainable development aspects. He also has certain legislative requirements in other acts, in addition to the work he has to do to support me under the Auditor General Act.

Ms. Valerie Bradford: He reports directly to you, then, does he?

Ms. Karen Hogan: Yes, he does.

Ms. Valerie Bradford: That's great.

The Chair: You have about 10 seconds.

Ms. Valerie Bradford: I have 10 seconds. I guess I'm done.

Thank you.

The Chair: Thank you very much.

[Translation]

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

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

Ms. Hogan, your opening remarks were very interesting. I believe it's very important to have these kinds of meetings because, from time to time, the Standing Committee on Public Accounts wants to know how things are going at the Office of the Auditor General of Canada.

We're living in an era of higher-than-usual government spending. We've just gone through a pandemic, and it's not over yet. However, we're seeing more and more irregular spending. To say the least, we also live in an era of eroding trust in public institutions. The combination of those two factors means that the Office of the Auditor General's work critical for the future of Canadian democracy.

Today, members of the House are debating a motion introduced by the Conservative Party. The motion calls on the Auditor General to conduct a performance audit, including contracts, of all aspects of the ArriveCAN application, and to make this audit a priority.

The Auditor General could be asked to do several things. This example was chosen for sometimes dodgy reasons, but the Auditor General is being asked to do a job that really needs to be done right now, for the reasons I just gave.

We keep citing Roxham Road as an example, since contracts were awarded in a somewhat questionable manner there too. So the independence of the Office of the Auditor General is especially important.

I'd like to acknowledge your contribution to maintaining people's trust in public institutions. Your work is paramount. You also make departments accountable, which is crucial. I chose to say "departments" because a huge portion of what comes out of the federal government unfortunately goes through Crown corporations.

People have noticed that the government often uses Crown corporations to invest in projects that suit it. In other words, the projects don't necessarily go through the department and the government doesn't have the same level of accountability.

My team and I just reviewed reports from the Organisation for Economic Co-operation and Development (OECD), including one on best practices in accountability.

Some countries have more advanced models, and I'll give some examples. Some people will be very happy because I'm going to read an excerpt from the the OECD report in English.

• (1555)

[English]

State-owned enterprises should be as transparent towards the general public as a publicly listed corporation is expected to be towards its shareholders.

[*Translation*]

This is my first question...

Madam Auditor General, what additional resources do you need to analyze the expenditures of the Crown corporations in the same way that you do for departments?

Ms. Karen Hogan: My office does the audits for most of the parent Crown corporations. For a few, we're not the ones doing the audits.

We audit these corporations' annual financial statements. However, we don't conduct performance audits in the same way as we do for departments. We're required by law to conduct special examinations once every 10 years, but they have more to do with processes related to the management of the Crown corporation.

We ensure that Crown corporations provide good accountability based on accounting standards, not all the data in the Public Accounts of Canada.

To ensure better accountability, we would need changes to the legislation related to our special examination mandate. That would perhaps give us a little more flexibility with respect to smaller Crown corporations.

A museum is currently undergoing exactly the same special examination as the Canada Mortgage and Housing Corporation. The latter is a large organization compared to a museum, which has 100 or fewer employees. It would help if we had a little more flexibility.

The government must decide whether it wants Crown corporations to provide more information to the public. Whatever the case may be, Crown corporations currently use the appropriate accounting standards.

Ms. Nathalie Sinclair-Desgagné: Since I only have seven seconds left, I will yield to the next speaker.

[*English*]

The Chair: Mr. Desjarlais, you have the floor for six minutes.

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Mr. Chair.

I want to thank the witnesses for being present with us today, especially our Auditor General, Ms. Hogan.

Thank you very much for your testimony this afternoon. I think it's important that we look at the conditions that took place in your office last year. I believe what we've seen and witnessed with the strike at the Auditor General's office is of concern and should be of concern to the government and to all Canadians.

The efficiency and efficacy of our public service, in particular the independent bodies of our public service and their credibility, really matter when we're talking about what my previous colleague mentioned, which was the fragility of trust between Canadians and our institutions. We need to actually do the work of making sure these institutions can in fact have the funding and the resources to do the jobs that Canadians want them to do.

Many of these supports were not just in the Auditor General's office, but right across the public service. We've seen Canadians rely

on public servants, whether that was getting CERB cheques out or making sure that other aspects of the public social safety net were actually being utilized. There were real people behind that, real Canadian public servants.

Simultaneous to the thank yous we heard across the country from regular Canadians and even from elected officials, what happened was this unfortunate reality of seeing that work not get the same level of credit. It's incumbent on me, being a labour representative in some ways, that we look at the conditions that gave rise to that.

I think what we witnessed in the Auditor General's strike last year is something we should all take as a fair warning as to what could continue to take place in and around our public service across Canada.

In your comments, Ms. Hogan, you mentioned that the President of the Treasury Board gives your office its mandate for collective bargaining. This mandate establishes the maximum amount of pay and specifies the other terms and conditions of employment that may be offered by your office during collective bargaining. At times, the mandate includes how your office is to approach negotiations.

You said it was also important to note that the additional permanent funding you received in March 2021 could not be used to expand the collective bargaining mandate. You can see, when approaching the collective bargaining process, how difficult that could be—not only for the Auditor General's office—given the fact that the Auditor General had to operate within what she called “a fence” and corral decisions, which made it difficult for the public service to actually get what it needed in a responsible way.

We've seen evidence of this. For example, we saw complaints given to the Auditor General's office throughout that time. I'm sure many, Ms. Hogan—we don't have to go through them today—were about certain aspects of the work, particularly within wage increases and the lack thereof, but we at times also saw a request for arbitration to deal with the items that could in some ways not be reasonably dealt with at bargaining.

I think the question I have is this: When the employer—which in this case was your office—consistently refused arbitration, who made the decision to decline arbitration at that time?

● (1600)

Ms. Karen Hogan: It was my first foray into a labour dispute, so I'm going to turn to Andrew in case he wants to add anything to make sure that I got it right.

At the beginning of a negotiation process, the union must decide on one of two routes. One is the conciliation strike route and the other is an arbitration route. Those are the two terms. The union chose the conciliation strike route. That was set out at the beginning. If an impasse is reached, then that's the road we go down versus going to arbitration.

I believe that at some point during the labour dispute there was a request to change that, but it was a little out of our hands to do that because that route had been chosen. When we discussed it with Treasury Board, we were to respect the choices the union had made at the outset.

Mr. Blake Desjarlais: That's interesting. You can see the perspective of the workers in your office, given that unique decision, in the sense that you approached Treasury Board for a decision relative to a decision you may have had the power to make.

For Canadians' sake, we have to know exactly who the decision-makers are in advance of collective bargaining. In this case it's important that workers know exactly who is making the decisions in relation to their wages. That's a fairness principle in Canada.

Given the fact that you just testified that you approached Treasury Board on this, would you say that there was interference from Treasury Board in the decision related to arbitration?

Ms. Karen Hogan: I know that you want to add, but if the outcome would have exceeded the mandate that we had been given, it was an outcome that we couldn't put forward for approval, so I think that really is what hampered our decision—

Mr. Blake Desjarlais: You knew you weren't going to get approval.

• (1605)

Ms. Karen Hogan: It's not that I didn't know that I wasn't going to get approval about arbitration; it's just that if the result had been outside of the mandate that had been given to our organization and I had put that forward eventually for approval by the President of the Treasury Board.... It was clear that we had to stay within the mandate, so I couldn't guarantee that arbitration would have gone there, and that's what we were trying to understand when we approached Treasury Board.

Mr. Blake Desjarlais: It sounds like your hands were tied in some way by Treasury Board, in the sense that even if you wanted to take the arbitration route, you couldn't.

Mr. Andrew Hayes (Deputy Auditor General, Office of the Auditor General): I might just add a little bit here to help get to the end of this.

The challenge with the process is that negotiations happen with a particular framework in place, and at the beginning of our process, we have a mandate. As we get towards the end and many of the issues at play have been resolved on one side but there is a remainder.... At that point in time, we checked with the Treasury Board about the process that had been used across the government in the past, because it creates a difficult situation to arbitrate after a lot has already been set apart because it's been sorted out.

Mr. Blake Desjarlais: But it's not impossible.

The Chair: Thank you very much, Mr. Hayes. I'm going to have to end it there, Mr. Desjarlais. You'll have another round coming up shortly. Thank you very much.

We will turn now to our second full round. Mr. Kram, you have the floor for five minutes, please.

Mr. Michael Kram (Regina—Wascana, CPC): Thank you, Mr. Chair.

Thank you to all the witnesses for being here today.

Ms. Hogan, in your opening statement you talked about exploring funding mechanisms in other jurisdictions. Do you have any in mind that would be of particular value for the committee to investigate or look at?

Ms. Karen Hogan: I think I'll give some high-level remarks, and if you want specifics, I think Andrew could probably propose them.

As I said earlier, at a high level, a central agency should still play a role, given that central agencies have a very important role in budgeting expenditures, but Parliament as well needs to play a role to ensure independence. Setting the levels should come from a parliamentary committee, whether it be this committee for my office, another committee for other agents of Parliament or a general committee for all of us, however the structure happens.

We see that in other jurisdictions. Some of the provinces have that model. Ontario is an example. Some of the other agents of Parliament have that, and then internationally, I would point to the United Kingdom.

I don't know if you want more specifics. I'll ask Andrew to maybe give you more specifics, if you're interested.

Mr. Andrew Hayes: Thank you.

Yes, the United Kingdom has a model that is interesting. It has a public accounts commission that is similar in principle to what we have here with this committee, and that commission reviews the estimates and lays them before the House of Commons with any modifications that the commission considers to be appropriate. At the end of the day, I would bring us back to the legacy report of the previous public accounts committee that talked about a permanent, stable, sustainable funding model that gives predictability.

Mr. Michael Kram: Ms. Hogan, I believe you mentioned a while ago that you currently have about 14 performance audits a year and that you want to increase that until it levels off at about 25. I can't help but conclude that there must be some blind spots right now that the Auditor General's office is not auditing.

Can you shed some light on what these new 11 audits per year will be looking at?

Ms. Karen Hogan: We averaged about 14 a year. That would have been in the three years prior to our receiving the funding, which was less than we normally used to do.

Yes, we do see a gradual increase this coming year and hopefully again next year. Calling them "blind spots" is a weird way to describe it. It depends on what we prioritize in a given year. For example, we received a motion from the House to look at all COVID programs, so we had to pause other work to do that, and now we can sort of return to that work.

I think that when we look ahead as to the kinds of skills we might need, cyber will come up as an area that we need to really focus on going forward, as well as equity, diversity and inclusion, but as soon as you pick one element over another, something is falling off the table. It really is about having a plan for the next two or three years, but a plan that is fluid enough to deal with emerging issues or a request that we would like to prioritize.

Mr. Michael Kram: Very good.

I think your answer touches on my next question. You mentioned that a performance audit is not one size fits all. I'm assuming that has to do with some of the skill sets involved in the different areas of government. Can you elaborate on why an audit is not one size fits all? What are some of the skill sets that may be lacking and may need to be increased?

Ms. Karen Hogan: An audit isn't one size fits all for many reasons. It could be the subject matter, but it could also be the scope that we chose to look at in the audit.

For example, we looked at CERB at the beginning of the pandemic. We just looked at the design and implementation of it. Now we're looking at it post payment. The post-payment side is much larger than the upfront side. It just takes more time. The scope is much larger. That could be a reason that makes one audit different from another.

You asked about skill sets. I'll turn again to IT being an area that's really important. It isn't just about our skill sets; it's also about our ability to report on certain things. There might be elements that are difficult to report because of national security or the sensitive nature of the information. There are many reasons that might cause one audit to take a little bit longer than another audit. It's not necessarily the skill sets that were missing.

When we hired 150 individuals, we tried very hard to target some of the skill sets we thought we would need. We added a lot of expertise in the environment and sustainable development area. We hired a lot on the IT front and cyber front. We knew where we wanted to go, so we were targeting some of our hires at that time.

• (1610)

The Chair: Thank you.

I am afraid that is the time, Mr. Kram. I'll turn now to Mr. Dong.

You have the floor for five minutes, please.

Mr. Han Dong (Don Valley North, Lib.): Thank you very much, Chair.

AG, it's very good to see you again, and Mr. Hayes as well.

My colleague MP Bradford mentioned that between 2005 and 2015, about 10 years, your office received only a 1% increase on your budget. I'm just thinking that given that the average Canadian inflation per year is around 1.9% to 2%, that's like taking roughly 19% of your budget away within that 10 years if you add it up that way.

I also heard you mention that your office added a 150 people. Now it has 800.

Did you have to fire people during that 10 years with a 1% increase?

Ms. Karen Hogan: I'm not sure that I know where the percentage increase came from, but I can tell you that over that time period that we never terminated anyone's employment because of funding issues. We just didn't replace people. There's normal attrition that happens in any organization every year. We just did not replace those individuals. Sometimes we were losing individuals in areas we didn't need to, but that was the best way for us to deal with not having the funding we needed to keep up the staffing levels.

Mr. Han Dong: Do you remember how many staff you had in 2005 and how many staff you had in 2015?

Ms. Karen Hogan: No, I'm sorry. I don't have that information.

Mr. Han Dong: Okay. If you can give me the numbers afterwards, that would be good.

I want to follow up on what MP Desjarlais was asking about.

You talked about how you received a mandate before negotiating. If you had received a mandate to increase pay to your workers more in the previous bargaining round, they would have been paid better than other federal organizations. What impact would that have on other federal organizations?

Mr. Andrew Hayes: I think it's important to position where the bargaining happened vis-à-vis the rest of the public service. Because of where we were in the time frame, many of the other organizations had already settled their collective agreements. I believe in December, when we wrote to the public accounts committee, almost 99% of represented public servants had already reached a collective agreement according to a particular pattern.

The difficulty for us at that point in time was that there was an established pattern. Even if we wanted to be able to deal with our employees with the same wage increase and to solve the wage grid, which was important to us because of the statements that we made in the past about the importance of accurate pay and timely pay in the context of the Phoenix system, we didn't have the mandate to be able to do that in this round. We worked with Treasury Board Secretariat officials to seek a mandate to increase pay that still respected the pattern that the government had to deal with.

Mr. Han Dong: Let me understand this correctly. If PSAC had a massive salary increase for your office, which represents maybe 0.2% of the overall administration, they could, or more likely they would, go back to insist on the same increase for other bargaining units that have perhaps already signed a deal.

What kind of impact would that have? What would that look like?

• (1615)

Mr. Andrew Hayes: We are only able to speak about the negotiations that we do with our employees. My colleague from the Treasury Board Secretariat might be able to talk about the broader impact on the public service, but we do know that the collective agreements that are settled at other tables do influence the negotiations that we have at our table.

Mr. Han Dong: Let me be more specific on this question. You mentioned that 99% already have their deal. If your office received a large boost in salary, what kind of impact does that have on the next round of collective bargaining, and would that undermine the government's credibility in negotiating in good faith?

What are your thoughts on this?

Mr. Andrew Hayes: For our office, the important element that we are still dealing with, and will be dealing with for a little while, is the comparative salaries of people doing similar functions in the public service. If we were to pay a particular group of employees who were performing a particular function more, I think it would have an impact on the rest of the public service, and likewise the other way: If the public service pays more, then it's going to affect us even though we have a different classification level.

Again, my colleague from the Treasury Board Secretariat might be in a good position to speak to that.

The Chair: I'm afraid that's your time, Mr. Dong. Thank you very much.

[*Translation*]

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

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

In its report on public accounts, which our esteemed chair tabled in the House a few weeks ago, the committee adopted the recommendation that consideration be given to the possibility of Crown corporations releasing their financial statements and disclosing their expenditures like departments do.

Also, last week, the Commissioner of the Environment and Sustainable Development expressed support for Crown corporations disclosing their GHG emissions like departments do under the green government strategy. A number of issues are raising questions about Crown corporations being unwilling to accept accountability. We're looking to discuss how to improve Crown corporations' transparency and what accounting reforms are necessary. The thought process has begun.

Let's go back to the OECD report on transparency and accountability. I believe Mr. Hayes gave the example of the United Kingdom. In the U.K., the departments responsible for Crown corpora-

tions do indeed disclose their revenue, expenditures and assets, along with Crown Corporation expenditures. They provide exactly the same amount of detail as the departments.

I have other examples of good practices. In Korea, the Ministry of Economy and Finance is responsible for monitoring information released by state-owned enterprises, and the ministry can issue penalties for SOEs that omit information. Here, a new unit could be established in the Department of Finance.

In the Netherlands, SOEs are listed in order of transparency, and in Finland, a report on all SOEs is released annually. It includes the SOEs' investment portfolio, net worth, financial statements, and executive salaries. Basically, many countries do that.

The Chair: You have 30 seconds left.

Ms. Nathalie Sinclair-Desgagné: There's no reason Canada shouldn't follow suit, especially when you consider that in 2020, Export Development Canada sent \$8.1 billion to oil and gas undertakings out West, which greatly undermined the climate change goals of an entire country.

The Chair: Thank you very much.

Please forgive me. I didn't mean to interrupt, but I wanted to be sure that you were aware.

Ms. Nathalie Sinclair-Desgagné: That's fine. I'm watching my time.

The Chair: Thank you very much.

[*English*]

Mr. Desjarlais, you have the floor for two and a half minutes.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair. My questions for this round will be directed to Mr. Diotte, executive director, employment relations and total compensation, strategic compensation management, office of the chief human resources officer. That's quite the title, Mr. Diotte.

We have just heard some scathing testimony from the Auditor General about the fencing or corraling—I'd say interference—between her office and the actual bargaining process. She mentioned that she approached the Treasury Board several times for particular aspects of that agreement. Each time it seems that it resulted in the most absolutely catastrophic result, which was a strike, which affected the work of this public accounts committee and the work of Canadians to understand the transparency work that's required from the Auditor General's office. That quality must be controlled.

When I think about that, of course I also think about the conversations I had with the President of the Treasury Board at that time. She actually blamed the Auditor General and said that her hands were tied when it came to that strike, that the Auditor General had no way to control in any way, shape or form the results of that strike, and that the negotiations at the Auditor General's level resulted in it.

Like a canary in a coal mine, Mr. Diotte, workers who are following in the footsteps of what had happened at the Auditor General's office are scared to go into the mine, if you understand the reference. I'll be frank. What was the role of the President of the Treasury Board, Mona Fortier, in the bargaining by the Office of the Auditor General during the recent labour dispute that resulted in a strike?

● (1620)

Mr. Stephen Diotte (Executive Director, Employment Relations and Total Compensation, Strategic Compensation Management, Office of the Chief Human Resources Officer, Treasury Board Secretariat): Mr. Desjarlais, we must have listened to different testimony. I didn't hear "scathing". With respect to—

Mr. Blake Desjarlais: I heard "scathing", and she also said "fence". Describe the fence. What was the role? Who put that fence there?

Mr. Stephen Diotte: Our challenge is that regardless of how we think of separate agencies as being independent, arbitrators and third parties, like public interest commissions, see us as one employer. Essentially, the "fence" is the pattern that was set for 99% of the public service. The jobs at the Office of the Auditor General are very similar to jobs in the core public administration. The financial pressure that could have been created by breaking that pattern could indeed have been catastrophic from a financial perspective.

Mr. Blake Desjarlais: My second question, although I disagree—

The Chair: You're going to have to wait, because you're down to four seconds. I can assure you we'll get back to you.

Mr. Genuis, you have the floor for five minutes, please.

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

I hear lots from my constituents asking me basic questions like this: Where does all the money go that we send to Ottawa?

Madam Auditor General, you're critical to helping people get to the bottom of these questions and be able to know the answers to them. We're very invested in ensuring that your office is able to continue to do its job effectively, independently, and with the perception of independence.

We're living through a time... Whereas other members have mentioned there's declining trust in the current government, there remains a great deal of trust in your office in terms of its ability to raise these questions and to identify whether money is being spent appropriately and whether performance objectives are being achieved.

We've also seen, in the last few years in particular, incredible growth in the size of government. The federal government is trying

to do more and more things. They're spending more and more money. The deficits we've seen in recent years have been exorbitant. It would seem to me reasonable to say that the size of the Auditor General's office should be proportionate to the size of government; that is, if government is trying to do more things than it did in the past, the Auditor General should have the capacity to audit more, because there's just more activity going on in government.

Would you say that with that philosophy, the size of your office should increase in proportion to the size of government in terms of your ability to do audits? Is that the philosophy that has guided funding for your office, or is there an expectation that you would maintain the same size and the same capacity to do audits despite the growth in government that we've seen in recent years?

Ms. Karen Hogan: I think one funding model could be one that is linked to government spending, but then the reverse is also true. As there's a reduction in spending, then you would drive down the size of the office, which think would not necessarily be in line with the intended goal of ensuring good accountability.

I do think that you're absolutely right that government spending needs to be considered. As there is more spending, there is more work. We do do the financial audit work, and for the financial audit work, if the pool is larger, then it takes a little longer to get that work done.

I would just caution linking it, because then you have ups and downs that are really unpredictable, and then that doesn't ensure a consistent delivery of reports to help support Parliament.

● (1625)

Mr. Garnett Genuis: I guess one way to respond to that is that there should be some evenness—

The Chair: Wait one second, Mr. Genuis. I've stopped the clock here.

Mr. McCauley and Ms. Yip, could you take the conversation to the side room? I don't mind conversations happening, but you need to pull away. It is distracting to the witnesses and even to the members, I think.

It's back to you, Mr. Genuis.

Mr. Garnett Genuis: This is going to be a compelling line of questioning, colleagues, so—

The Chair: I would expect nothing less. You have two minutes and 15 seconds.

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

I guess one way to respond to that is to say that of course there should be a certain evenness. It shouldn't be jumping around erratically. However, in a general sense, if government is doubling in size over time, there should be some proportionate growth in capacity in order to look at the full range of all these new government activities. We've seen this with COVID spending.

Is it fair to say that as parliamentarians, we're desperate to see more auditing happen in various areas? Is there a proliferation of scandals and questions around different areas of spending, and your funding has not kept up with those demands and needs?

Ms. Karen Hogan: I think Andrew will probably add to this, but I was in the office back in 2017 when Mr. Ferguson asked for additional funding. At that time, I believe government spending had gone up 30% or so—is that correct?—and our funding had remained stable.

Absolutely, that means there's more spending for us to audit on the financial side as well as new programs for us to audit in order to help ensure accountability. I believe your analogy is correct. As government spending goes up, there is a need for us to have more capacity to do more work or there will be work we have to not do in order to cover new programs.

Mr. Garnett Genuis: To put a fine point on this, who determines how much money you get, and should we have a process whereby your budgets are set more independently?

Ms. Karen Hogan: Whether or not we believe we need more funding is something we initiate, but the decision as to whether we receive that funding is subject to the same process and mechanism that every department in the federal public service is—

Mr. Garnett Genuis: It's decided by the government, essentially. The people you're auditing get to decide whether you have the resources you think you need in order to audit them effectively.

Ms. Karen Hogan: There are central agencies that play a role, but in the end it goes to Parliament, which votes on it. Yes.

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

Mrs. Shanahan, you have the floor for five minutes. It's over to you.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Mr. Chair.

Again, I thank the witnesses for appearing here today on these important questions.

I would like to have a better understanding of the mandate for collective bargaining. The Auditor General mentioned her office needs to work within a mandate.

I'll address my question to Mr. Diotte of the Treasury Board.

How does that work? Does Treasury Board work together with the PCO to provide a mandate for collective bargaining? Is this specific to the Office of the Auditor General, or is this the case for every separate agency?

Mr. Stephen Diotte: With respect, I think this question would be best answered by my colleague from the finance department.

Mr. Nicholas Leswick (Associate Deputy Minister, Department of Finance): Thank you for the question—

The Chair: Order.

Mr. Leswick, you have the floor. That question was directed to you. You have the floor. Thank you.

Mr. Nicholas Leswick: Thank you. I thought I'd said something wrong.

The Chair: No.

Mr. Nicholas Leswick: To cut to it, yes, the mandate is approved by the government. The President of the Treasury Board submits a recommendation to the Minister of Finance in terms of the path of the wage. When I say “wage”, I mean salary and non-salary adjustments. The Minister of Finance and Prime Minister set the overall macro pattern for the wage envelope, which is then transmitted back to the President of the Treasury Board to transact the collective bargaining process.

Mrs. Brenda Shanahan: Very good.

Following the line of my colleague—

The Chair: I'm sorry, Mrs. Shanahan. Could you hold for one second? I'm getting pulled in different directions here.

Oh, my mike was on. Pardon me.

It's over to you.

Mrs. Brenda Shanahan: Do I have the floor?

• (1630)

The Chair: I paused the clock. Pardon me, but my mike was on and I didn't know that was the case. I'm sorry.

Mrs. Brenda Shanahan: Thank you.

I am trying to understand—as my colleague Mr. Dong was asking about—the effect of one part of the public service getting a major impact.

I fully understand that it's very specialized work in the audit department and that we need the best and brightest there. However, does some kind of balance not need to happen in the collective bargaining? How does that affect the government's credibility and show they're negotiating in good faith? Can we have this kind of imbalance?

I'll send that over to you, Mr. Diotte.

Mr. Stephen Diotte: Thank you very much.

I think what needs to be clarified here is that the roles covered by the bargaining unit at the OAG are very similar to roles right across the public service. While they do have some occupations that are unique, those unique occupations are not in the bargaining unit.

After we signed 99% of the public service to the same terms and conditions of employment, the risk of breaching that mandate would be that it would create financial pressure across the public service.

As I said earlier, we've unfortunately had a number of decisions of late in which third parties, like arbitrators and public interest commissioners, don't recognize the distinction of separate agencies. They view separate agencies and the core public administration as having one employer, the Government of Canada.

Mrs. Brenda Shanahan: Directly or indirectly, there could be unfairness in the outcomes of different results.

If you're saying that these skill sets are needed across the civil service, is it important for federal organizations to have similar salary bands, so that one part of the federal service can't hog the best and brightest of workers?

Mr. Stephen Diotte: That's exactly correct.

There is already a lot of movement across the public service, and if we start creating imbalances, what ends up happening is that the unions whipsaw one group against the other and keep ratcheting up wages, with the expected financial consequences.

Mrs. Brenda Shanahan: I have one last question. I don't know if you'll be able to answer it or if it should go to the Auditor General.

Under the collective bargaining mandates provided by the Treasury Board, how many other agencies had strikes during the year when the strike began?

Mr. Stephen Diotte: There was only one, to the best of my recollection.

Mrs. Brenda Shanahan: Where was that?

Mr. Stephen Diotte: It was at the Communications Security Establishment. It also lasted for about six weeks.

Mrs. Brenda Shanahan: Thank you very much.

The Chair: I apologize for interrupting you, Ms. Shanahan, but I did not take it away from your time. I made sure it was accurate.

There was a question asked, and I have an answer. The analysts were able to find some information on the annual results reported from the Office of the Auditor General in terms of staff levels.

In the 2005-06 fiscal year, the office had 577 full-time equivalent employees, and more recently, in the 2014-15 fiscal year, the office had 547 full-time equivalent employees.

I believe that question was asked by Mr. Dong. That's the answer for you. We have those numbers.

Turning now to the next round, I'm recognizing Mr. Genuis, but I think you're going to....

Mr. Garnett Genuis: Mr. Chair, I'd like to sub out for Mr. Chambers, who's going to take over for me from here. Thank you.

The Chair: Mr. Chambers, you have the floor for four minutes and 50 seconds.

Mr. Adam Chambers (Simcoe North, CPC): Thank you very much, Mr. Chair.

Thank you for appearing here, Ms. Hogan. You can put me down as a supporter of changing the way you receive your funding and moving it to parliamentary appropriation.

Earlier this year, you were asked about a CRA audit with respect to the CERB process. I'm wondering if you could provide an update. Do you have enough resources to complete that audit? Is that something we can expect within a number of weeks?

Ms. Karen Hogan: I believe the audit you're referring to is the one in Bill C-2, which was to look at post-payment work for six different COVID relief programs.

We are at the tail end of that audit and expect to release it in early December, before the deadline, which was supposed to be December 19.

Mr. Adam Chambers: That's wonderful. Thank you very much.

Early in December is helpful. I make that point because Parliament has been asked to approve an additional dental care plan that is seeking to rely on the same process. I think it would be very helpful for parliamentarians to have your impartial view on the process that the government has set up.

In 2017, your office also included some performance review metrics of CRA with respect to customer service—call wait times, etc. Given that we've asked CRA to do a lot more work in recent years—CERB, dental care and so on—I'm wondering if you have the resources to update and check back on how they've been doing since then. You had some recommendations. I'm curious if that's on your map at all on a go-forward basis.

● (1635)

Ms. Karen Hogan: I appreciate the question, because we actually did follow up on it. As I've mentioned at this committee a few times, we have an online searchable database that we call "update on past audits". It displays certain elements that we've picked from previous audits. The call centre work is included in there. I'm just not sure if that iteration is out in public yet or if it's coming.

Maybe I could get back to the committee with that, if you'd like. I just don't remember where it is in that process.

Mr. Adam Chambers: That's wonderful. Thank you very much. I appreciate that.

Just following on my colleague Mr. Genuis's earlier comments with respect to the growth in the size of government, we just heard some numbers—547 FTEs, and about 600 FTEs held flat for a number of years, basically. Government has grown in size by one-third since 2015 in terms of the number of FTEs. Your office has been asked to basically increase its productivity levels with respect to the work you have to do or the amount of work we're asking you to do, but the government does not seem to be keeping productivity levels to a reasonable degree. Most of the customer service standards across many of the departments are in some cases the worst they've ever been, with wait times for passports and immigration backlogs. They're actually doing less with more people, and you're doing more with less people, on kind of a per capita basis, in terms of the work you're pointing out.

Do you think the government needs a true workforce plan—a people plan or an FTE plan—about how much productivity they're getting from an employee, how much they're planning to hire to accomplish the objectives and the tools they need to carry on what they're trying to do for Canadians? It seems to be a little bit haphazard.

Ms. Karen Hogan: Thank you very much for the compliment. I'll make sure everyone in our organization receives it, because they do work very hard. They take to heart the work they do for Parliament.

I don't think it's just a work plan. I'll be really honest: There's a need to look at how IT can help with efficiency. To just say that it's a work plan, that it's humans, I think would be wrong. There are so many aspects of the public service that need that human interface because it is service delivery, but there are ways to improve efficiency and effectiveness with other means. I think it would be wrong to just say it's a human resources work plan that's needed.

Mr. Adam Chambers: I look forward to any future comments you have on a review that you might do on the government on how it's working on efficiency and productivity.

Thank you.

The Chair: Thank you very much.

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

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair.

Thank you to our witnesses today.

Auditor General Hogan, in front of me is the notice of meeting, which says the topic of today's meeting is "Briefing on the Office of the Auditor General", so you'll forgive me if I at least begin with a general question. My colleague MP Bradford touched on this.

Across the world we see democracies, established democracies, with real questions in front of them about their future. Crucial to that is the independence of institutions, including the offices of auditors general. How crucial is it that auditors general remain free to take up issues as they see fit instead of being pushed in that direction by political parties?

Ms. Karen Hogan: In my view, it's a foundational element to the independence of the Office of the Auditor General. That is why I believe the funding mechanism should include Parliament and be free of the departments we audit. I do think every auditor general will tell you that it is a foundational element.

I think this committee actually plays a really important role in that. This committee is one that is meant to be non-partisan, where everyone comes together and stays focused on the spending of the money and the delivering of services. It isn't just my office that ensures good democracy; many elements together ensure good democracy.

• (1640)

Mr. Peter Fragiskatos: Tell me more about that. I'm a relatively new member of this committee, but I've come to see it as the audit committee of Parliament, and therefore non-partisan. Tell me about the importance of this committee remaining non-partisan.

Ms. Karen Hogan: I have always enjoyed this committee for exactly that reason. We stay focused on the work at hand when we're here. I believe this committee is an extension of the good independent work that my office does. I honestly don't believe anyone in Canada should silence the Auditor General—I don't believe any levels of auditor general should be silenced—and this committee plays a huge role in that respect.

Mr. Peter Fragiskatos: Certainly we respect your role very much.

I'll move on to something more specific.

Is there a danger, in your view, if political parties are seen to be interfering in your labour negotiations? How would that affect your ability to negotiate a deal on your own?

Mr. Andrew Hayes: I might handle that question.

Being able to negotiate with our employees in the context of the federal government is important for us. We compete with other government departments for the skills we need from our staff across all of our organization.

The question about political interference, in all honesty, is a concerning one. At a fundamental level, we need to be independent and we need to be able to negotiate in a fair context with our employees. We recognize, though, that we are part of the federal public service and that what happens at our table affects the public service and what happens in the public service affects our table. We understand that reality. We're competing for the same staff.

Mr. Peter Fragiskatos: Thank you.

This is a different line of questioning. Earlier, in response to some of the questions put by MP Dong, you talked about the attrition that was very common in your office from 2005 to 2015. How did that outcome, which was a result of lack of funding, affect the work of the office? What was the overall impact on not just the work, but I suppose democracy in general?

Mr. Andrew Hayes: The information that was provided to the committee was helpful. The fact that we went from 577 employees down to 547 employees over the 10 years shows that there was a gradual reduction in the number of staff we could have. There was an erosion, if you will, in our ability to maintain staffing levels.

As we worked through that 10-year period, we saw an inability to invest in some modernization on the IT front. We also saw discretionary audits having to be scaled back. We always had to do the financial work; it was in our performance audit work that we had to reduce the numbers.

What does that mean? It means that at a fundamental level, committees such as this one don't have as much material from our office to hold government to account on the services it provides and the money that is spent.

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

[*Translation*]

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

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

Madam Auditor General said earlier that legislative changes would be needed for Crown corporations, who receive hundreds of millions of dollars from the federal government, to finally start disclosing information on their expenditures to MPs and Canadians.

My question is for the representative of the Treasury Board Secretariat.

What changes would have to be made to legislation to have Crown corporations disclose their expenditures the same way departments do?

• (1645)

Mr. Stephen Diotte: Unfortunately, I don't have any information on that; I apologize.

Ms. Nathalie Sinclair-Desgagné: Could you send us that information, please?

Mr. Stephen Diotte: Yes.

Ms. Nathalie Sinclair-Desgagné: Excellent.

Madam Auditor General, I will continue my series of questions about best practices.

You stated that special examinations of smaller Crown corporations must have a similar scope, which makes it harder to examine larger Crown corporations.

Could you tell me a little more about that, please?

Ms. Karen Hogan: Perhaps I misspoke. It is not that the special examinations of big Crown corporations are more difficult. It's rather the fact that the approach or the scope has to be the same, whether the corporation has 30 or 30,000 employees.

Ms. Nathalie Sinclair-Desgagné: What does that mean?

Ms. Karen Hogan: It means that our office spends much more time on something for very little value added, in my opinion. We could group the museums together, for example, because they

present aspects that are quite similar. That would allow us to invest more time on a special examination of a big Crown corporation.

There's also the fact that the scope of the special examinations is set out in the act. The scope of the examinations could be more flexible. That would allow us to look at operations rather than only processes. The value added by examining operations would help us to give a better account to the committees and to Parliament.

Ms. Nathalie Sinclair-Desgagné: Thank you very much, Ms. Hogan.

The Chair: Thank you very much, Ms. Hogan and Ms. Sinclair-Desgagné.

[*English*]

Monsieur Desjarlais, you have the floor for two and a half minutes, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair, and thanks again to the witnesses.

I will try to be as quick and succinct as I possibly can, considering time.

Mr. Leswick, public servants, at least from my conversations with many, are concerned, of course, about a big issue related to the budget that's going to be coming soon. We're having a fall economic statement. We know that there are signals from the Department of Finance in relation to possible cuts within the ministry. We heard 25%. Workers are nervous.

Does that mean that workers could see an impact, given the mandate from the Minister of Finance?

Mr. Nicholas Leswick: I don't really want to speculate on the potential for a worker/employee impact, but what was clearly written in the last budget was that the government intended to pursue a strategic policy review of government spending, and it outlined its expenditure reduction target in that context.

It also committed to delaying or deferring planned spending that it had set out in previous budgets and updates, so it intends to execute on that, but I certainly don't want to speculate in terms of how that may impact the public service employee count.

Mr. Blake Desjarlais: Simply put, you're not certain, or you believe there may be?

Mr. Nicholas Leswick: Simply put, I don't want to speculate on any of that, to be honest.

Mr. Blake Desjarlais: Then you have no comment about the entire public service and our finances.

Mr. Nicholas Leswick: No, I'm making a comment. Just to be clear—and thank you for the question; I appreciate it—I'm not here to say that I'm uncertain, but I do not want to be speculating on the government's intention in terms of how it wants to handle program growth or government operations growth in future budgets.

Mr. Blake Desjarlais: Okay, sir. Maybe I will ask this in a different way. Will the federal strategic policy that you just mentioned impact ministries' budgets?

Mr. Nicholas Leswick: The government has outlined its expenditure reduction commitment in the context of that review. It has committed to a profile of savings associated with that review that equals \$1 billion in fiscal year 2024-25, rising to \$3 billion in fiscal year 2027-28 and ongoing. It intends to achieve those reduction targets.

Mr. Blake Desjarlais: Would that include the surplus from selling of real estate?

Mr. Nicholas Leswick: The government will have to outline how it achieved those reduction targets in a future budget in order to satisfy the commitment. Again, I don't want to speculate on what they may or may not include.

Mr. Blake Desjarlais: I see. Okay. Well, thank you very much for that.

My final question is for the Auditor General.

We've heard a lot of testimony today. In your role, particularly bargaining with the public servants in your office, what if that fence hadn't been there? Would there have been a strike?

• (1650)

The Chair: Ms. Hogan, please hold that thought for one second. I'm going to come right back to you.

I'm told that your time is pretty much up, but I think you're going to get more time. Are there any other questions from the government members or other questions from the official opposition?

[*Translation*]

Ms. Sinclair-Desgagné, do you have any more questions?

Ms. Nathalie Sinclair-Desgagné: No.

I will give my time to my colleague.

[*English*]

The Chair: Okay, very good. Mr. Desjarlais, you have another two and a half minutes, please.

Mr. Blake Desjarlais: That's perfect.

To the Auditor General, I have a bit more time to clarify that statement and that question in relation to the strike that took place in your office and the impact to service work and our job at public accounts to have predictable audits at the time we needed them. You, I believe, being an independent office, would know how critical that is for Parliament, and the importance of your role in the perseverance of democracy, as my colleague from the Bloc put it.

Given that the strike was there, it's my perspective that we should try to end all strike avenues to prevent further strikes in the future that affect the work of the government, in particular independent offices.

In your comments, you mentioned in comment 5 that “the President of the Treasury Board gives our office its mandate for collective bargaining. This mandate establishes the maximum amount of pay and specifies the other terms and conditions of employment that may be offered by our office during collective bargaining.”

You also mentioned that your role in that was in some sense limited by this “fence”. Can you describe what that fence limited you to do in relation to those things? If that fence had not been there, would the situation have been resolved differently?

Ms. Karen Hogan: I know that we would have liked to have been able to provide all of our employees who were in the bargaining unit with a wage grid. We had done that across the rest of the office. We believe that it is the right step to make in order to simplify pay and minimize errors in the future.

Had we had more latitude, we would have liked to have given every employee in that group a wage grid, which we could not do with the original mandate.

Mr. Blake Desjarlais: Thank you very much, Ms. Hogan.

That concludes my questions.

The Chair: You have a minute left.

Mr. Blake Desjarlais: I got what I needed. I think it's really important to note that in the public service, these wage grids aren't particular to the Office of the Auditor General. It's critical for people's understanding of fairness. I know I can't say the whole context in the meeting, but I think that knowing that fact and having more context are critically important for the Treasury Board to consider and look at. I think it is incumbent on the government to do that, considering the rate of inflation and the loss of employees that we're seeing across the public service due to poor wages.

The Chair: Thank you.

Thanks to everyone for your speedy questions today.

I want to thank our witnesses in particular. Mr. Diotte, thank you for joining us virtually. Mr. Leswick, thank you for appearing today. To our friends in the auditor's office, thank you very much for coming in today and sharing all your thoughts with us.

I'm going to excuse the witnesses now.

I'd like members to stay behind for a couple of minutes. I have a few announcements. We do have time if there are further things to discuss, but for now I'll excuse the witnesses.

We'll suspend for 30 seconds. We'll still need translation services, so everyone else has to stay in their seats except the witnesses. Thank you.

All right, colleagues, there are a few things. It's 4:55 and we do have this room for another 30 minutes; however, I'm going to suggest that on Friday we have a subcommittee meeting to discuss the calendar. Let me just bring you up to speed on where we're at.

This Friday is the last day before the break. In the subcommittee, at least on the government side, you can delegate responsibilities to one member, and it's the same on the official opposition side.

On November 15, coming back after the recess, we're going to hear from the Auditor General on the report she will have tabled that day. That will be in camera, I believe. Mr. Clerk, is that right? Yes, it is.

As well, we'll have a briefing with the Canadian Audit and Accountability Foundation for the second hour.

On November 18 we have the public accounts 2022 review. I'm told that in the past there were two presentations: First there was one in camera and then there was one in public. We can discuss today or on Friday whether we want to continue that practice.

Then there are a couple of days to fill. Actually, there are only three.

We do have Mr. Dong and hydrogen on the docket, and that's not going to go anywhere, so I just want to reassure you. We had to move it out just because of the availability. We want to make sure we have the right deputy ministers there so that we have the people you and all of us want to hear from.

Then it looks as though we'll be able to turn to some draft reports in the last three weeks. I'm going to leave the 16th open for now, either for business or to review any other matters before the Christmas holiday.

We really just have three holes to fill. I propose we do it Friday in a subcommittee, but I'm at your mercy.

That's my first announcement. Are there any comments on that?

• (1655)

[Translation]

Ms. Nathalie Sinclair-Desgagné: I simply wanted to mention that the Auditor General's reports will be tabled on November 15 and that it will be difficult for us to establish a coherent work schedule before that date.

[English]

The Chair: That is true.

[Translation]

You're right. However, we do know what the topics of these reports are. It really is difficult for the clerk to set up the schedule in two or three days. We have to give him more time because if we invite witnesses with only 48 or 72 hours' notice, it's tight for them, too.

[English]

I know that Mr. Desjarlais has an interest in marine safety, for example.

If you want to stick with just the reports that have been tabled, you will see there are a number in the draft work sheet that are still outstanding.

I'll leave it up to the subcommittee to decide if they want to limit themselves to reports that have been tabled. I think we should consider ones that are coming, based on the topics, but that is up to the committee to decide.

It sounds like there are more reports coming in early December. Is it four reports, roughly? Yes, it's about four reports.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I have a follow-up question.

If the subcommittee meets on November 16 or 17, for example, that would at least give us enough time to read the reports that will be tabled on the 15.

Does that give the clerk enough time to summon witnesses for November 22? They would have had five days' notice.

[English]

The Chair: Mr. Clerk, you can be totally honest. You can tell them what you tell me.

[Translation]

The Clerk of the Committee (Mr. Cédric Taquet): It's difficult to say in the case of departmental officials. Obviously, it depends on their availability. You mustn't forget that we always summon the persons responsible for the audits, and these are always deputy ministers who have a packed diary. With two days notice, it's sometimes difficult.

I always abide by the decisions that are taken by committee members. If a decision is taken, I follow through. We mustn't forget, however, that with the resources now at our disposal for hybrid meetings, it can be very hard to organize committee meetings outside of our usual Tuesday and Friday timeslots.

Does that answer your question?

Ms. Nathalie Sinclair-Desgagné: Yes.

[English]

The Chair: Go ahead, Monsieur Desjarlais.

Mr. Blake Desjarlais: In reviewing a list of the studies that we could take up, Nathalie mentioned about the timing—

The Chair: Again, you can come back from the subcommittee, and if everyone decides they want to stick to what has been public, you can do that.

There are four reports coming, and then it looks like a month after that there will be another four as well. As you know, it takes time to go through them line by line. Let's save that discussion for Friday. We can consider what's on offer and what's coming.

If that's good and there are no other comments, I have one more point. You're not excused yet.

I've been working with the auditor's office to settle on a date for our meeting off the parliamentary precinct. I've canvassed most of you, although not all of you, but I'm hoping that this is going to work.

I'm proposing to meet up at around 4:30 on November 14, which is the Monday that we come back. The people I've canvassed to date are clear from committees. Ms. Bradford has a committee at 6:30 and we will be finished by around 6:30, so she might have to slip out a few minutes early. My proposal is to start at 5:00 and wrap up just before 6:30 or at 6:30.

Is that okay?

[*Translation*]

What's more, it would be in Quebec.

• (1700)

Ms. Nathalie Sinclair-Desgagné: That would be for dinner.

The Chair: Yes, and it would be in Quebec.

Ms. Nathalie Sinclair-Desgagné: Okay. So we're looking at Monday night.

The Chair: Yes, because it would be even harder on a Tuesday or a Wednesday. And then Thursday, most of us go home.

Ms. Nathalie Sinclair-Desgagné: You know, we have a lovely tradition in Quebec: nobody works on a Monday night. Finding a restaurant that is open...

The Chair: I don't know how to answer that.

Personally, I am not happy that the committee meets on Fridays and, just like you, I try to take Monday off.

Ms. Nathalie Sinclair-Desgagné: I was talking about how hard it is to find a restaurant in Quebec. They are all shut on Monday.

The Chair: I've already found one.

Ms. Nathalie Sinclair-Desgagné: Really? A McDonald's?

The Chair: I've found a restaurant that is open. What's more, there's a private room. That would work perfectly.

Oh, I thought you were talking about the Bloc québécois...

Ms. Nathalie Sinclair-Desgagné: The Bloc québécois works 24 hours a day. You should know that, Mr. Chair.

The Chair: Yes. Sorry.

I have found a restaurant. And it has a private room.

Ms. Nathalie Sinclair-Desgagné: All right.

The Chair: It's perfect.

[*English*]

I'll send a notification to all of your offices so you can put it in your calendar for Monday, November 14. I'm going to propose that we meet up between 4:30 and 5:00 and have a real start for five o'clock. Don't aim for 5:00 and get there at 5:10, because we'll be shortchanging Ms. Bradford. We'll wrap up after 90 minutes.

With your permission, I'd like to adjourn this meeting, unless there are any other comments.

We'll have a subcommittee on Friday, and this meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>