



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Public Accounts

EVIDENCE

NUMBER 101

Tuesday, February 20, 2024

Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1005)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): Good morning, everyone.

I call this meeting to order.

Welcome to meeting number 101 of the House of Commons Standing Committee on Public Accounts.

[*English*]

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

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

[*Translation*]

Pursuant to Standing Order 108(3), the committee is resuming its study of Report 1 of the Auditor General of Canada, referred to committee on Monday, February 12, 2024.

[*English*]

I'd like to welcome our witnesses. We have a full house here.

We have, from the Office of the Auditor General, Karen Hogan, Auditor General. We also have with us Andrew Hayes, deputy auditor general; Sami Hannoush, principal; and Lucie Després, director.

It's nice to see you. Thank you for being here.

From the Public Health Agency of Canada, we have Heather Jeffrey, president; Martin Krumins, vice-president and chief financial officer; and Luc Brisebois, acting vice-president, health security and regional operations.

Thanks to all of you as well for being here today.

The two agencies will have five minutes each.

Ms. Hogan and Ms. Jeffrey, you have five minutes.

I'll begin with the Auditor General and then we'll proceed to a round of questions.

It's over to you, Ms. Hogan. Thank you.

[*Translation*]

Ms. Karen Hogan (Auditor General, Office of the Auditor General): Mr. Chair, thank you for again inviting us to discuss our

report on ArriveCAN, which we released last week, on February 12, 2024. I would like to acknowledge that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

This audit examined whether the Canada Border Services Agency, the Public Health Agency of Canada, and Public Services and Procurement Canada managed all aspects of the ArriveCAN application in a way that delivered value for money. I will focus my remarks today on the role played by the Public Health Agency of Canada.

[*English*]

As I stated last week, problems in ArriveCAN's design, implementation, oversight and accountability began early on. Confusion between the Public Health Agency of Canada and the Canada Border Services Agency about their respective roles and responsibilities for the application led to an accountability void that persisted for close to a year and a half.

Each believed that the other was responsible for establishing a governance structure and neither developed or implemented good project management practices, such as developing objectives and goals, budgets and cost estimates. It's not clear to me how you can responsibly manage spending without a budget or track progress without goals.

The Public Health Agency of Canada was the business owner of ArriveCAN until April 1, 2022. At that date, ownership and responsibilities for ArriveCAN were transferred permanently to the Canada Border Services Agency. In our view, the Public Health Agency, as the business owner, was responsible for establishing the governance structure.

Deficiencies in the Public Health Agency of Canada's management of contracts contributed to our concerns about value for money. We found that the agency awarded a professional services task authorization using a non-competitive approach. We found no documentation of the initial communications or the reasons why the agency did not consider or select other eligible contractors to carry out the work.

• (1010)

[*Translation*]

We also found that while the original contract included milestones with clear deliverables and pricing, it was later amended and replaced with less specific deliverables to allow for more flexibility. In addition, the agency did not set out specific tasks, levels of effort and deliverables for these contracts in task authorizations.

In support of transparency and accountability in the use of public funds, the Public Health Agency of Canada should fully document its interactions with potential contractors and the reasons for decisions made during non-competitive procurement processes.

This concludes my opening statement.

We would be pleased to answer any questions the committee may have. Thank you.

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

We'll now go to Ms. Jeffrey.

[*English*]

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

Thank you.

Ms. Heather Jeffrey (President, Public Health Agency of Canada): Thank you, Mr. Chair.

Thank you for the opportunity to appear before this committee today to discuss the report of the Auditor General on the development of the ArriveCAN application.

I'm pleased to join you from the traditional unceded territory of the Algonquin Anishinabe people.

I'm joined today by my colleagues, Martin Krumins, vice-president and chief financial officer of the corporate management branch, and Luc Brisebois, acting vice-president of the health security and regional operations branch.

[*Translation*]

On behalf of the Public Health Agency of Canada, I would like to thank the Auditor General and her team for their work. We welcome this report.

[*English*]

The development of the ArriveCAN app took place in the context of Canada's response to the COVID-19 pandemic. The Public Health Agency identified the need for an application of this nature stemming from the public health requirement to put measures in place to reduce the introduction and spread of COVID-19 and its variants into Canada. A series of border measures using emergency orders under the Quarantine Act required the collection of public health information from travellers.

Initially, this information was collected using a paper form. Due to the volume of travellers entering Canada, the paper forms quickly became operationally inefficient, creating a significant backlog of data and contributing to traveller lineups at airports and border crossings. This made it difficult to fully administer the border mea-

asures, while still ensuring the essential travel and transit of people and critical goods.

At the request of the Public Health Agency of Canada, the Canada Border Services Agency developed an application to digitize this process. This was critical to Canada's ability to monitor, rapidly assess and respond to COVID-19 as it evolved. It allowed the Public Health Agency to better model COVID-19 spread, severity and trends; to identify variants of concern and travellers from higher risk countries; and to initiate exemptions for essential workers. It informed border measures and subsequently facilitated the safe resumption of international travel.

[*Translation*]

While the Auditor General concluded that the speed and quality of the information collected were greatly improved by the ArriveCAN application, the report outlines serious areas of concern in relation to the processes and controls around the application's development.

[*English*]

The Public Health Agency of Canada fully accepts the recommendation that the agency should document interactions with potential contractors as well as the reasons for decisions made during non-competitive procurement processes. We are strengthening our existing guidance and supporting tools, and putting in place training with respect to these file documentation requirements.

The recommendation directed to the agency also calls for a process to be put in place to ensure compliance with the requirements of the contracting policies. The Public Health Agency is updating all of its quality assurance protocols to ensure that these requirements are fully and consistently met.

Finally, the findings point to the importance of formally documenting roles and responsibilities at the outset of a project, rather than at a later stage, as was the case with the ArriveCAN application.

We believe this finding to be particularly important in the context of an emergency response, and it is being incorporated into our preparedness and contingency plans for future emergencies.

Thank you. I look forward to your questions.

• (1015)

The Chair: Thank you very much.

I will now turn to our first questioner.

Mr. Barrett, you have the floor for up to six minutes, please.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): The Auditor General said, “the Public Health Agency of Canada did not develop project objectives and goals, budgets and cost estimates, assessments of resource needs, or risk management activities.”

Ms. Jeffrey, did you develop a budget for ArriveCAN?

Ms. Heather Jeffrey: There was governance established around ArriveCAN, but it focused on the public health deliverables and the nature of the border measures that needed to be put in place and operationalized through the app. There was no overall project established as should have been the case in IT projects.

Mr. Michael Barrett: There was no budget. Was there a projection of the expected cost?

Ms. Heather Jeffrey: There were initial contracts put in place, but incrementally, as you are aware, those contracts were added to and were administered in sequence. There was no overarching budget that covered those costs.

Mr. Michael Barrett: Do you believe this failure to have a budget is the reason that the cost of this project ballooned to at least \$60 million for taxpayers?

Ms. Heather Jeffrey: When we look at the situation in Canada in March 2020, we see that it was a novel pandemic, and the timelines and the nature of the response that would be required were not known. This was an evolving situation. I recall when we looked at—

Mr. Michael Barrett: Okay. I appreciate your response, though it is not an answer. You will have noted in the Auditor General's report that the pandemic was not an excuse or justification for the rules to be thrown out the window. Your agency owned this app for almost the entirety of the pandemic, and you never developed a cost estimate for it.

Did you do any performance reviews on it quarterly, every six months or every year? Did that happen?

Ms. Heather Jeffrey: The operations of the app were evaluated through our governance structure, which included the director general, ADM and deputy management committees on border services. We assessed the operational results of the app as we went.

Mr. Michael Barrett: But the cost to Canadians was never included in a single review by your department. Is that correct?

Ms. Heather Jeffrey: The documentation of the cumulative cost was not part of the documentation of that governance. That's correct.

Mr. Michael Barrett: Who is the minister ultimately responsible for the Public Health Agency of Canada?

Ms. Heather Jeffrey: The Public Health Agency of Canada is part of the health portfolio and reports to the Minister of Health, but the contracts that were put in place were put in place—

Mr. Michael Barrett: Who was the Minister of Health who oversaw the development of the ArriveCAN app?

Ms. Heather Jeffrey: The ArriveCAN app was jointly developed between the Public Health Agency and the Canada Border Services Agency.

Mr. Michael Barrett: During the time that the ArriveCAN app was first developed, who was the Minister of Health?

Ms. Heather Jeffrey: At the outset of the pandemic, the Minister of Health was Minister Hajdu.

Mr. Michael Barrett: The Auditor General said that your agency was responsible for setting the governance structure, as you ref-

erenced, which are the rules, procedures and processes for ArriveCAN. This was your duty at PHAC. Is that correct?

Ms. Heather Jeffrey: Yes.

Mr. Michael Barrett: If PHAC is part of the health portfolio, and the Minister of Health was Minister Hajdu, then, as the minister, she's responsible for this major failing. There was no good news in the Auditor General's report for the government, for the ministry of health or for the Public Health Agency of Canada.

Do you recognize that this is a major failing, this \$60-million boondoggle?

Ms. Heather Jeffrey: We certainly recognize that the failure to put in place formal project governance at the outset of this project led to inadequate oversight of the project and meant that the costs were not appropriately tracked as they were developed. We have put in place numerous measures to ensure that this does not happen again.

There was a large public health emergency—

• (1020)

Mr. Michael Barrett: I would say that not only was there a failure.... It's not acceptable that they weren't tracked, but the total cost is not acceptable. Initial estimates of \$80,000 ballooning to \$60 million with single-source contracts, and two guys in a basement being paid \$20 million—these are failures. The minister failed.

Ms. Heather Jeffrey: The contracts that were put in place were administered by the department—

Mr. Michael Barrett: Let me just be very clear, Ms. Jeffrey. If this is a failure, who is accountable for departmental failures? Is the minister responsible for what goes on in the department?

Ms. Heather Jeffrey: As the deputy head of the organization, I am responsible.

Mr. Michael Barrett: Who does the deputy head report to?

Ms. Heather Jeffrey: The deputy head reports to the Clerk of the Privy Council and to the minister, depending on the subject and the authority that's being delegated.

Mr. Michael Barrett: It's to the minister, and the authority and responsibilities are delegated from the minister. This is the minister's failure, and that's what's been evidenced in the reporting by the Auditor General.

Thank you.

The Chair: You're spot on. Thank you, Mr. Barrett.

I'll turn now to Mr. Chen.

You have the floor for six minutes, please.

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

The emergency orders required the Public Health Agency of Canada to collect contact and health information from travellers entering Canada through the CBSA. We learned from the Auditor General that the report issued indicated that some resources who worked on subcontracts lacked the appropriate security clearance.

As the Public Health Agency, I would like to hear your thoughts on this.

Ms. Heather Jeffrey: The specific contracts that were put in place were from the Canada Border Services Agency. A number of resources needed to be replaced, given the length of the pandemic. The security and privacy considerations related to the data that was collected were reviewed through numerous assessments, including from the Office of the Privacy Commissioner. The report was that the measures complied with privacy and were necessary and proportional to the tasks that needed to be implemented.

Mr. Shaun Chen: In the Auditor General's report in 2021, it stated that the quality of information collected as well as how quickly it was collected improved over time with the ArriveCAN app.

Understanding the urgency within the context of the global pandemic, would you agree that the process of transferring from a manual to digital base to collect contact and health information was needed?

Ms. Heather Jeffrey: The process of digitizing the information being collected was necessary to have a functional border and to facilitate the transit of critical services, people and goods. For example, in the initial days with paper processing, it could take up to 14 days for data to be transferred and processed. That data was critical to informing the day-to-day border measures, public health measures, and to providing data to our provincial and territorial counterparts for the administration of public health.

With the digitization of this data flow and the app, that amount of time decreased to 48 hours, on average. Without the app, it would have been impossible to manage the increase that we saw from May 2020, where we had about 1,000 travellers a day, to January 2023, where we were able to manage 50,000 travellers a day with a processing time that dropped from seven minutes per traveller to two minutes—a really important difference at both air and land borders.

Mr. Shaun Chen: Could you enlighten us in respect to the move from manual paper-based to digital?

A lot of digitization has happened across government. Is this something PHAC had considered along with CBSA, to bring the manual paper-based information online or to an app for collection, prior to the pandemic?

• (1025)

Ms. Heather Jeffrey: I believe my CBSA counterparts have commented on this.

A digital border is very important for the flow of people and goods in a modern economy. CBSA had indeed been considering the need to move to further digital processing at the border. With the layering of public health measures and the importance of the border in delaying the entry of variants and monitoring the flow of travellers and of COVID-19 into Canada, it was really critical that those submissions be done in a digital way. There was a very clear public health rationale for the need to move quickly in the development of the app. By the end, we had 60.3 million digital submissions before measures—

Mr. Shaun Chen: My understanding around the time frame was that there were 47 days between the pandemic being declared and the launch of the ArriveCAN app.

Has your department ever had to turn around a project this quickly with respect to going from manual to digital-based?

Ms. Heather Jeffrey: This was an unprecedented time. The speed of the response was really critical, given the speed at which the virus moves and the need to facilitate essential travel.

The Public Health Agency of Canada did not have the expertise to develop an app of this nature. For this reason, it asked the Canada Border Services Agency to work on the development of the application while the Public Health Agency focused on the analysis of the measures that needed to be put in place, the implementation of the Quarantine Act and the orders in council that really stood up the requirements needed to operate at the border. It was a collaborative partnership. We worked very closely together in the governance of those arrangements.

Mr. Shaun Chen: Given everything that's happened, the discussion that we are having today and the report from the Auditor General, what do you think is the biggest lesson PHAC has learned from this experience that will help it move forward and perhaps give Canadians some reassurance that the issues and recommendations identified by the AG are being taken seriously?

Ms. Heather Jeffrey: It is clear that while this was an emergency that pointed to the need for us to rapidly develop tools that we did not have, having in place the necessary governance with clear roles, responsibilities, accountabilities, project budgets and gating would have been essential to ensuring that there was adequate oversight of the development of this application from the outset.

As a result, we have put in place specific measures in our planning for future emergencies and pandemics to ensure that this is a standard operating procedure. We are also taking measures to make sure that we have the appropriate tools, standard operating procedures and emergency responses that will allow us to train and ensure our personnel are able to deploy what were a wide range of new measures and tools that were required for COVID-19 in a more expedient way and to adapt them to future crises.

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.

I would like to thank the witnesses for being here today for another session of interesting questions following the Auditor General's report.

Ms. Jeffrey, several times during your testimony and in response to my colleague's questions, you cited the urgency of the pandemic as justification for acting quickly. I have here contracts between Health Canada and GC Strategies that were awarded non-competitively in January 2019. This totals \$104,000. Normally, a procurement process must be followed above a certain amount.

Can we get some details on the types of contracts that the Public Health Agency of Canada signed with GC Strategies? Why did GC Strategies get these contracts?

• (1030)

Ms. Heather Jeffrey: Thank you for your question.

I can assure you that there was no contract between the Public Health Agency of Canada and GC Strategies.

Ms. Nathalie Sinclair-Desgagné: You are confirming that for me. Okay.

Mr. Krumins, what can you tell us about some potential contracts between GC Strategies and Treasury Board when you were there?

[English]

Mr. Martin Krumins (Vice-President and Chief Financial Officer, Public Health Agency of Canada): I'm not aware of any contracts that the Public Health Agency of Canada has entered into. I don't have details of contracts that they would have had with other departments or agencies.

[Translation]

Ms. Nathalie Sinclair-Desgagné: So you have no recollection of your time at Treasury Board.

[English]

Mr. Martin Krumins: No.

When I was at the Treasury Board Secretariat, I was in the program sector presenting TB submissions to Treasury Board ministers. I was not responsible for app development or contracting at that time.

[Translation]

Ms. Nathalie Sinclair-Desgagné: You have no recollection of that. Okay.

Then let's ask about the COVID Alert app.

Ms. Jeffrey, what can you tell us about this app?

[English]

Ms. Heather Jeffrey: I can answer that.

The COVID Alert app was developed as a tool to help limit the spread of COVID-19. It was downloaded about 6.9 million times. More than 58,000 users entered keys into that app. The idea was that it would provide an extra tool to allow Canadians to identify when they might have been exposed to COVID-19. The app was eventually sunsetted and retired on April 4, given—

[Translation]

Ms. Nathalie Sinclair-Desgagné: Would it be possible for you to speak more clearly and more loudly, please?

[English]

Ms. Heather Jeffrey: Absolutely.

[Translation]

I'm sorry.

[English]

The COVID Alert app was a tool to help Canadians monitor any potential contact or exposure that they had. It supplemented the contact tracing that provinces, territories and local public health had put in place.

The way the app worked was that one-time keys were generated when people tested positive through a PCR test. Those who had downloaded the app and who had been in proximity to those individuals received notification that they could have been exposed.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I have a very simple question. Was the Public Health Agency of Canada responsible for creating this app? What was the level of responsibility of the various services in that regard?

[English]

Ms. Heather Jeffrey: The Public Health Agency was not responsible for the COVID Alert app, although we assisted in the development of the public health rationale and its functioning. The COVID Alert app was, I believe, initially developed by the Treasury Board Secretariat in conjunction with the Canadian digital service.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Can you tell us about Mr. MacDonald's arrival? It's still very unclear. Mr. MacDonald was transferred from the Canada Border Services Agency to Health Canada, but not to the Public Health Agency of Canada. Is that correct? Yes? So we agree that he was specifically at Health Canada.

So you had a role to play with regard to the COVID Alert app, which was used very little. I know that some contracts around COVID Alert were awarded to GC Strategies.

There's one thing I don't understand. The contract may not have been awarded directly by the Public Health Agency of Canada, but if it was involved in developing and managing the application, how is it that you aren't aware that a contract was awarded to GC Strategies to create the application?

• (1035)

[English]

Ms. Heather Jeffrey: The role of the Public Health Agency was to help to inform the development of the app and the public health objectives of its development, namely to provide an additional tool for Canadians to have information to inform their risk management related to COVID-19.

The evolution of the virus and the evolution of the testing methods being used in provinces and territories meant that once PCR testing was no longer the main method of informing Canadians that they had tested positive for COVID, the app became of less utility—

[Translation]

Ms. Nathalie Sinclair-Desgagné: Excuse me, but you're not answering my question.

I'm telling you that the contract was awarded to GC Strategies—

The Chair: I'm sorry, I have to interrupt you, because the six minutes are already up.

Next we have Mr. Desjarlais.

[English]

You have the floor for six minutes, please, sir.

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

I do want to thank the Auditor General again for being present with us on this important topic.

I think the Auditor General has heard my comments in the past that I believe it is a failure on three fronts.

One, it failed to deliver good management. Two, it failed to deliver the best value for Canadian taxpayers' dollars. Three, there was the generational failure and the consecutive failure of governments to finally address the critical underfunding of the public service that has created a vulnerability in which our public service is then forced to contract very expensive and risky management companies, or app development companies in this case, to continue robbing the public purse. We've seen this time and time again. We've seen it with the Phoenix pay system. We've seen it double under the Conservatives' outsourcing. Here, we're finally seeing the consequences of a drastic and dramatically underfunded public service.

I want to turn our attention to the graph that's outlined in exhibit 1.2. In exhibit 1.2 on page 7 of the Auditor General's report, it suggests that “The Canada Border Services Agency continued to rely heavily on external resources to develop ArriveCAN from April 2020 to March 2023”. You can see there are many instances. We can see, at least in some cases, the doubling of the costs to the government that would be associated with the internal development of these kinds of apps versus the costs that are presented to the government when looking at external contracts.

These external contracts balloon dramatically. Look at the Phoenix pay system today and at the billions of dollars originally contracted out by the Conservatives. We're still dealing with that terrible decision today. Now we're seeing the Liberals continue that

tradition and continue to underfund our public service, and we're continuing to see what is the worst-case scenario for Canadians.

I also want to look at a very important fact that I think I would like to point to now that the Public Health Agency of Canada is present here today. The Auditor General found that there was actually an instance where the Public Health Agency and the Canada Border Services Agency undertook a process of jointly finding ways to develop this app. What we found is that, in that process, they failed to actually come to an agreement on governance, an agreement on budget, an agreement on process and an agreement as to, ultimately, who was going to be overseeing and operating this project.

This question is for the president of the Public Health Agency of Canada. How could it have been for almost a year that we saw no formal agreement between the Public Health Agency of Canada and the Canada Border Services Agency with regard to governance? Can you explain why?

Ms. Heather Jeffrey: We've already acknowledged that it would have been appropriate, and certainly, in the future, we will be putting in place formal governance. What I can say is—

Mr. Blake Desjarlais: It's certainly inappropriate, President. It's inappropriate that this took place. It's not “appropriate”. I would fail to use that word....

I want to understand why it is that the Public Health Agency undertook a process that didn't involve the appropriate level of good governance. It's established in the report that, during COVID-19, the processes the Treasury Board undertook to waive or make more expedient some of the outputs of the government at this time were not acceptable. It is not an acceptable excuse to avoid good governance models.

Again, how is it that the Public Health Agency, knowing that fact—which is a well-established principle of the Treasury Board—was able to come to an agreement with the Canada Border Services Agency without a formal agreement on governance? Is this directly a failure?

• (1040)

Ms. Heather Jeffrey: There was close collaboration between the Public Health Agency and the Canada Border Services Agency in the elaboration and development of ArriveCAN. However, there was no formal project governance put in place, and no documentation of those decisions, which the Auditor General has pointed out. We acknowledge that. We believe that is a best practice that should be put in place in all future crises, and we have taken steps to ensure that in all future responses this is part of our standard operating procedure and protocols—

Mr. Blake Desjarlais: Whose decision was it to not create a formal governance structure?

Ms. Heather Jeffrey: The intense nature of the collaboration and the development meant that these teams were meeting on a daily or even weekly basis. There was no deliberate decision to not put in place a governance structure—

Mr. Blake Desjarlais: If you're meeting that often, Ms. Jeffrey, you must understand the frustration that Canadians must have and that members of Parliament must have when you've presented a situation where you're meeting in a room every single week and you still fail to address, one, the issues of cost; two, the issues of governance; and, three, finally, the ability to actually come to an agreement that sees some of these issues having fair oversight.

That to me seems like a very tenuous connection between what you think is good governance and what is truly poor governance. This is a dramatic failure, Ms. Jeffrey, and one that has cost Canadians millions of dollars. We cannot simply say that there were good intentions between the CBSA and the Public Health Agency of Canada. They met every week but failed to address the questions of governance and cost...? If what you're saying is true, then that has to be the case, or we're led to believe that this lack of governance went unquestioned and the nature of these meetings were really not ones of governance.... Which one is it?

Ms. Heather Jeffrey: I would say that the nature of the meetings at that time in March 2020 were focused on the significant time pressure to develop an app that would allow the border to permit the flow of critical people and goods. Therefore, the operational outcomes were the overriding subject of conversation and the necessity of layering the public health measures.

Unfortunately, as we've acknowledged, there was not formal governance throughout that time, and that lack of formal governance—

Mr. Blake Desjarlais: Did the minister know about the lack of formal governance?

The Chair: I'm afraid that is the time, Mr. Desjarlais. You will get another opportunity down the road.

Mr. Blake Desjarlais: Thank you, Chair.

The Chair: We're turning now to Mr. Brock.

You have the floor for five minutes, please.

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

Thank you to the witnesses for your attendance. I'd like to open with a comment.

For the record, spending under Justin Trudeau's government on outside consultants and contracts has more than doubled, costing taxpayers \$20 billion, and now we have a classic example of government waste and abuse of the taxpayer.

I'm going to focus my questions on you, Ms. Jeffrey.

You mentioned in the earlier rounds that ultimately you reported to Minister Hajdu at the time during the implementation of the ArriveCAN app. She was your direct minister. You also reported to the PCO, the Privy Council Office. Is that correct?

Ms. Heather Jeffrey: Yes, it's in the role of the president of the Public Health Agency of Canada.

Mr. Larry Brock: Yes, and in directly reporting to the PCO, the Clerk of the Privy Council is who you'd be reporting to. Is that correct?

Ms. Heather Jeffrey: For the purposes of the administration of the public service.

Mr. Larry Brock: Right.

During the course of the ArriveCAN implementation, you were reporting to the Privy Council Office. You are aware that the Privy Council Office literally acts as a deputy minister for the Prime Minister. Is that correct?

Ms. Heather Jeffrey: The Public Health Agency functions as part of the health portfolio.

Mr. Larry Brock: I'm not asking you about that, madam. I'm asking you about the structure of the Privy Council Office. That's the question.

Would you agree with me that it acts as a deputy minister to the Prime Minister?

Ms. Heather Jeffrey: Yes, that's one of the functions.

Mr. Larry Brock: Thank you.

Now I want to know, without getting into specifics, about all the contacts—whether they be telephone, email or in person—that you had with both Minister Hajdu and the Clerk of the Privy Council during the implementation of the ArriveCAN app.

Let's start with Minister Hajdu. How frequently were you consulting with her and informing her about the implementation of the app?

• (1045)

Ms. Heather Jeffrey: I would just clarify that it would be the role of the president of the Public Health Agency. However, since I've been in the role for one year, it was not me personally. However, there was structured COVID governance focused on the measures that were being taken at the border, so here I want to distinguish—

Mr. Larry Brock: The question is very specific, madam. I'm not talking about content; I'm talking about frequency.

Whether you were in the role as the president or the deputy minister at all relevant times or another colleague, how often you were consulting—telephone, email, meetings—with Minister Hajdu during the implementation of the app, specifically the 177 versions of the app, is the question.

Can you provide an answer to that, please?

Ms. Heather Jeffrey: As it regards the response to the COVID pandemic, the president of the Public Health Agency would have been in very frequent contact. I can't give a specific number, but in terms of the overall health response—the orders in council that developed the measures at the border—there was established governance that has been publicly disclosed—

Mr. Larry Brock: Thank you.

Let's move on to the PCO. It's the same question on frequency. How often...?

Ms. Heather Jeffrey: There were regular committees and governance structures that met about the COVID response.

Mr. Larry Brock: Clearly you were not sharing with either Minister Hajdu or the Clerk of the Privy Council all of the failings that the Auditor General has identified—were you?

Ms. Heather Jeffrey: The responsibility to put in place the governance structure around the development of the app was—

Mr. Larry Brock: Were you explaining to them about all the failings, as identified by the Auditor General? Did you explain to them that we had no contract, no budget? Were you giving some indication that this was really falling off the rails? Did you do that?

Ms. Heather Jeffrey: We were briefing, I'm sure, at the time on the operational requirement to stand up a digitized mechanism to facilitate—

Mr. Larry Brock: Did the minister or the Clerk of the Privy Council ever ask you about costs—yes or no?

Ms. Heather Jeffrey: I was not in the role at the time, so I can't speak to that specifically, but I can say that the development of the app and the time pressures and the operational requirements—

Mr. Larry Brock: It sounds to me, madam, that—

The Chair: I'm afraid that is the time, Mr. Brock.

Ms. Khalid, you have the floor for five minutes, please.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much, Mr. Chair.

Thank you to the witnesses for being here today.

I've said this before to other witnesses that we've been able to question during committees. I am very disappointed with how this whole procurement process has happened, with a disregard, in my opinion, for public dollars, for taxpayer dollars, in how we conducted ourselves.

I do want to get to the accountability piece of it, and I know the Conservatives are doing their thing, but I do want to put the question to our PHAC officials.

Did the Prime Minister sign off on these contracts?

Ms. Heather Jeffrey: These contracts were concluded at different levels in the public service.

Ms. Iqra Khalid: Did the Prime Minister sign off on them?

Ms. Heather Jeffrey: No, the Prime Minister is not a signatory to these contracts.

Ms. Iqra Khalid: Was a minister a signatory to these contracts?

Ms. Heather Jeffrey: No.

Ms. Iqra Khalid: This report by the Auditor General is a really good report, I think, in terms of a wake-up call to ensure that we are making sure there's accountability for the dollars that we spend.

What steps do you think need to be taken to ensure that transparency and accountability occurs going forward?

Ms. Heather Jeffrey: Both the Auditor General and the Office of the Procurement Ombud made a series of recommendations that are being fully implemented by the Public Health Agency. On our part, we have put in place specific governance and operating procedures around contracting in emergencies to ensure that the lessons of this are incorporated into all future responses. We have stood up

a contract review committee that is assessing contracts to make sure that we have consistency across our organization. We have put in place training and new governance for the quality assurance of contracts and to ensure that the documentation is on file.

We will be implementing all of the recommendations made by both of those offices in short order.

• (1050)

Ms. Iqra Khalid: Thank you. I really appreciate that.

With respect to this organization, GC Strategies, in December last year our public accounts committee worked together to ensure that we continue to hold the government to account, especially on this issue, and that we are doing the right thing with taxpayers' dollars. We put together a motion in a very collaborative fashion to ensure that we move forward in a good way and that we do the work with respect to that accountability as much as we can.

It came to light in an article in *Le Journal de Montréal* last week that the founders of GC Strategies received millions in contracts from the Harper government under the name Coredal Systems Consulting.

Mr. Chair, given that information and to continue to add to the context of the work we have already done on this, I have a motion that I am moving right now. I move:

That pursuant to the motion adopted on December 12, 2023 in relation to the committee's request for all contracts between a government department, agency or Crown Corporations and GC Strategies, Dalian, and Coradix, that the committee expand this request to include all other companies incorporated by the co-founders of GC Strategies.

I really think we need to get to the bottom of this. We need to understand what is happening here. I would really like to see us expanding our initial work.

I think this committee is doing very important work in ensuring that we get to the bottom of how our taxpayer dollars are being spent and how efficient they are, and what we can do as a committee to ensure that we have an accountable, fair, open and transparent procurement process and a way of ensuring that we are spending taxpayer dollars with efficiency and with care.

I know people are really hurting nowadays. We must ensure that people have trust in our public institutions to pay their taxes and say, yes, we are running a good, fair and transparent country that is here to take care of their needs. Yes, during the pandemic—

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): I'm sorry. I have a point of order, Chair.

The Chair: Hold on a second, Ms. Khalid. I was just going to cut you off. I think you were wrapping up. I hear what you're saying.

Mr. Genuis, I'm going to come back to you. I saw your hand, along with Mr. Desjarlais'. Give me a second. I just want to consult with the clerk for a minute.

Thank you, Ms. Khalid. I appreciate it. We have your motion here in both official languages. Just give me one second.

Mr. Genuis, you had a point of order, and then I have a speaking list, which includes Mr. Desjarlais and then you.

Mr. Garnett Genuis: Yes, on a point of order, this is an important motion to discuss. Notice was not provided for it. I don't think it meets the "matter at hand" requirements. We are undertaking a study at present of the Auditor General's report. We have the Auditor General and senior officials, who have come before us to testify on that. A look at historical contracts from one of the same companies—not even the same but some of the principals involved in the present company—is a very different subject.

Ms. Iqra Khalid: On that same point of order, Chair—

Mr. Garnett Genuis: I believe that proper notice should have been given. We would be happy to discuss it with proper notice.

• (1055)

The Chair: Hold on for a second.

Mr. Desjarlais, do you have your hand up to speak to the motion, or do you have a point of order?

Mr. Blake Desjarlais: I have a point of order, if that's permissible.

The Chair: Go ahead, please.

Mr. Blake Desjarlais: Thank you very much.

I'm looking for a copy of the notice provided in both official languages before we debate or entertain that motion, please.

The Chair: Mr. Desjarlais, I don't know if we have an electronic copy coming to you right away, but we will endeavour to get one to you.

It says:

That pursuant to the motion adopted on December 12, 2023 in relation to the committee's request for all contracts between a government department, agency or Crown Corporations and GC Strategies, Dalian, and Coradix, that the committee expand this request to include all other companies incorporated by the co-founders of GC Strategies.

We will endeavour to get a copy to you.

Ms. Khalid, you have a point of order.

Ms. Iqra Khalid: On the point of order by Mr. Genuis, I believe that this is very much in line with what we are studying. We are trying to get to the bottom of how contracts are given out and who they're given out to. It is very strange that a company changes its name and has been operating within the whole procurement network for the past decade, at least, that we know of. I think this is very much in line with what our original motion was on this.

As you recall, Mr. Chair, over these past number of months, we've been talking about how we can get to the bottom of this. We've had these conversations. In fact, a number of times you've called special meetings to get to the bottom of this. I think this will add to where we go or where our accountability is and get us to an understanding of what this organization is and why it has been able to operate for so many years under different names and different contexts.

I think it is incumbent on us as a committee to be able to add to this ArriveCAN study by getting to know what this organization has been and what its history has been as well.

Mr. Garnett Genuis: Mr. Chair, I'd like to follow up on the point of order, if I may.

The Chair: Briefly, Mr. Genuis...

Mr. Garnett Genuis: Ms. Khalid is making arguments about a study happening at the government operations committee. Here at the public accounts committee the study is on—

The Chair: Stop, both of you, please. This is now entering into a debate of the merit of the motion, which I think is valid on both sides.

I'm going to put this motion aside for now. I'm going to recognize that it has been tabled. I view it as tangential to this meeting but not in line with the business at hand, which is to discuss PHAC and its involvement.

Ms. Khalid, while I look forward to having this motion—

Ms. Iqra Khalid: I'm sorry, Mr. Chair. I would have to—

The Chair: Ms. Khalid, I have the floor now. I will allow points of order after. I'm going to give you my ruling.

We will pick this up. If members would like to use 106(4) and pick it up on Thursday, I'm available for that, or any time. However, this is outside the scope of this meeting. This meeting is focused on business of the ArriveCAN app, report 1, with PHAC officials. That is my ruling today.

I'm putting this aside, and I'm happy to come back on Thursday, or sooner if you like, although I think it takes 48 hours for a 106(4), but if I get agreement from other members, I'm happy to schedule a meeting for later this week.

Ms. Khalid, go ahead on your point of order to my ruling.

Ms. Iqra Khalid: I challenge your ruling, Mr. Chair.

The Chair: Okay. That calls for a vote.

(Ruling of the chair overturned: nays, 7; yeas 3)

• (1100)

The Chair: We are now debating this motion.

I'm not entirely sure how long this will take, so I will ask our witnesses just to hold for a little bit.

I do have a speaking order already, which includes Mr. Desjarlais and Mr. Genuis.

[*Translation*]

Then it will be Ms. Sinclair-Desgagné's turn.

[*English*]

Mr. Desjarlais, you have the floor.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I do believe, given the context of my position and my statement with regard to the origin of this issue—I made and motivated my point very clearly in the very first round and several times during this investigation already—it points to the very direct instance where the vulnerability of our public service creates the kind of risk we're seeing in GC Strategies, which is very relevant.

I support this motion because of the intent to get to the bottom of how these individuals at GC Strategies were able to take advantage of our public service, not just once but several times. We've seen in the breaking of the story in La Presse in Quebec that it was over \$250 million since 2015. Prior to that, we're seeing from information I'm gathering that under their former name, Coredal, they were able to contract over \$7 million with the Conservatives. That's just in our initial findings.

It is true that there is a rot in the public service. That rot's been generational and I've been clear about that generational rot. Now we're seeing both the Liberals and Conservatives being true to what is the very fact of the vulnerability present in our public service.

I welcome the Liberals' motion towards transparency. I would invite my Conservative colleagues, who are also interested in accountability and transparency, to really delve deep in their own statements made many times about the risks that GC Strategies and players like them present and vote in favour of such a thing. Anything less would be a deflection and would be something that seeks to hide what is the origin of the very important contractors on the other side of this.

These contractors are known to the government. They were known to the Conservative Party and they were known to the prior government under Harper.

We need to get to the bottom of this. I welcome this level of transparency, and I hope that my colleagues do too.

The Chair: Thank you, Mr. Desjarlais.

Ms. Khalid, I will acknowledge that I see your hand up. You're now third on the list.

Mr. Genuis, you have the floor, please.

Mr. Garnett Genuis: Thank you, Mr. Chair. I have a couple of very brief points.

Number one, I'm sorry to see what very much appears to be delay tactics from the Liberals. They don't want to hear from the Auditor General, and they don't want to allow us to ask questions of the Public Health Agency of Canada. That's why they're moving this motion in the middle of when we should be questioning witnesses.

I'd like us to get back to questioning witnesses. Although a lot of things have been said by people in other parties that I don't think are accurate, we're ready to pass this motion and get it done. Having had a couple of minutes to look over it, there's nothing objectionable in getting this information.

I will just flag, of course, that 2015 was when GC Strategies was incorporated as a company. That's very clear.

If there's agreement of the committee now to pass this by unanimous consent, let's do that and get back to work.

The Chair: I'm seeing a few heads nod. I see some.

[*Translation*]

I believe Ms. Sinclair-Desgagné would like to say something.

Go ahead, please.

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

I will also proceed quite quickly. I think we agree with the substance of the motion.

However, I would like to propose two amendments. I don't understand the choice of January 1, 2012. Some contracts with the two owners of GC Strategies go back as far as 2007.

I think we should simply extend the period and go back to the foundation or creation of their companies. That's the first amendment.

• (1105)

The Chair: I would like you to specify a date, please.

Ms. Nathalie Sinclair-Desgagné: I would like it to be since the businesses were created.

[*English*]

The Chair: Mr. Scheer had a point of order and held off.

I'll hear from you, Mr. Scheer.

Hon. Andrew Scheer (Regina—Qu'Appelle, CPC): In the copy of the motion that was distributed to members, there's a discrepancy between the English and the French. The English doesn't have a start date.

I believe my Bloc colleague is trying to amend the start date. If we go by the English motion, then I don't think the amendment is necessary.

[*Translation*]

The Chair: Thank you very much.

Ms. Nathalie Sinclair-Desgagné: If we remove the date, that's fine with me. Obviously, I wanted to amend the French version.

The Chair: Okay. Is it removing “*depuis le 1^{er} janvier 2012*”?

Ms. Nathalie Sinclair-Desgagné: Yes. Then I would like to—

The Chair: Hold on a second.

[*English*]

I'm just going to check with Ms. Khalid here because it's her motion.

Ms. Khalid, the wording is different. Are you agreeable to removing, in French, “since January 1, 2012”?

Could we strike that? I need to bring the motion into alignment.

Ms. Iqra Khalid: I think that should be okay, Chair.

[*Translation*]

The Chair: Thank you very much.

[English]

I'm going to consider that. I don't see any objections.

[Translation]

Ms. Sinclair-Desgagné, what is your second amendment?

Ms. Nathalie Sinclair-Desgagné: One of the reasons why, after two months, we've had no response to our motion of December 12 is that there was no deadline for providing these documents. I would therefore like us to add a date, so that the government can sense the urgency of providing us with these documents in a reasonable time.

If I may, I would like to add, "and that the documents be received within two weeks of the adoption of this motion".

The Chair: So it would be two weeks.

[English]

That amendment is certainly well within order. I'm actually meeting with the clerk and the analyst later this week. I just want to clarify. We have been receiving documents from the Government of Canada. They're in the process of being catalogued to ensure they're in both languages as well and they're in a format to be distributed to members. I expect some of that to come in the days and weeks ahead.

Ms. Khalid, I think you indicated you would like to speak to the amendment to your motion, which is to put a two-week timeline on this return for documents.

Ms. Iqra Khalid: My understanding is that we have the documents for February 2 from public safety. I'm just wondering if we can ask for 30 days rather than putting a February 2 timeline on it.

The Chair: I'm sorry. You mentioned another committee. What's the relevance of that committee?

Ms. Iqra Khalid: No, sorry, we had asked for documents from public safety.

The Chair: I think it was from OGGO, government operations.

Ms. Iqra Khalid: Okay. I would appreciate that, as we're trying to get documents in our committee, we give days instead of dates, if that makes sense.

The Chair: Do you propose 30 days?

Ms. Iqra Khalid: I do, yes.

[Translation]

The Chair: Ms. Sinclair-Desgagné, do you want to comment on the subamendment that proposes "30 days"?

I would point out to committee members that there are several break weeks over the next month. So perhaps "30 days"—

• (1110)

Ms. Nathalie Sinclair-Desgagné: I accept "30 days". I'm fine with that.

[English]

The Chair: Is there any opposition to 30 days?

(Subamendment agreed to [See Minutes of Proceedings])

(Amendment as amended agreed to [See Minutes of Proceedings])

(Motion as amended agreed to [See Minutes of Proceedings])

The Chair: I'm now going to get back to our witnesses.

[Translation]

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

Thank you very much to the witnesses who are still here.

Ms. Nathalie Sinclair-Desgagné: Yes, I'm sorry.

The Chair: Take a few moments. I understand that you have only two and a half minutes. We're not going to use your time.

Ms. Nathalie Sinclair-Desgagné: I can ask you my question right away, Madam Auditor General.

Recommendation 1.46 of your report notes that you also found that certain Public Health Agency of Canada processes did not comply with those of Public Services and Procurement Canada, including codes of conduct for all contracting processes.

You mentioned that KPMG received contracts in a non-competitive manner. We know it can happen. However, you also raised the fact that there was no documentation explaining why the agency chose KPMG.

What's more, contracts had been modified to be increasingly flexible, with fewer and fewer job descriptions, so that even more public money could be spent on the same contracts.

Can you expand on that, please?

Ms. Karen Hogan: You did a good job of summarizing that paragraph. I think in paragraph 50 we also list the contracts that have been changed to provide flexibility.

All of these processes are legal. However, if the government needs more flexibility in a contract, we still expect it to ensure that job descriptions are specified. It is this lack of detail that has contributed to the fact that it's difficult to know whether the value received for the funds spent is adequate.

These are basic requirements, and they are expected to be in the contracts. They shouldn't be withdrawn after a contract has been issued.

Ms. Nathalie Sinclair-Desgagné: Madam Auditor General, why do you think such basic processes weren't followed?

Ms. Karen Hogan: As I mentioned last week, I believe the pandemic is to blame.

People felt pressure to support Canadians quickly and efficiently. There are a lot of regulations around contracting in government. It's expected that the basic rules will be followed.

It shouldn't be made complicated and more difficult, but there still needs to be accountability.

Ms. Nathalie Sinclair-Desgagné: You did say that the pandemic didn't justify cutting so many corners.

Granted, there may have been a bit of urgency, but when you lift all the stones in this case, you can see that it didn't just happen during the pandemic and in the case of ArriveCAN, but that it potentially happened on other occasions, before the pandemic.

Of course, this isn't exactly within the scope of your report, but can we really assume that processes have always been followed at times other than the pandemic?

Ms. Karen Hogan: No, I think it's entirely possible that this happened before the pandemic. We need only read the ombudsman's report, which examined contracts larger than the one for ArriveCAN at the Canada Border Services Agency. It was clear that there was a lack of documentation, and basic processes weren't followed.

However, I expect the government to use common sense when it implements policies and to ensure good monitoring of the policies in place, rather than simply adding them.

• (1115)

The Chair: Thank you very much.

Now Mr. Desjarlais is up.

[English]

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

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to turn our attention now to the Auditor General's report finding under 1.42, page 11 of the English report. It states under the title "Vendors" that, "We found situations where agency employees who were involved in the ArriveCAN project were invited by vendors to dinners and other activities."

To the president of the Public Health Agency of Canada, before you were president of the Public Health Agency and during your time on the special task force for COVID-19 for the very same project, under ensuring that people had access to COVID-19 supports, did you find any instances where this became a red flag? Was that red flag reported?

Ms. Heather Jeffrey: We found no evidence that agency employees or staff received an invitation from vendors.

Mr. Blake Desjarlais: Thank you very much for that.

To the Auditor General, what instances—or in your words, "situations"—were there with agency employees who were involved in the ArriveCan project and were invited by vendors to dinners and other activities? What evidence do you have to suggest that?

Ms. Karen Hogan: As you know, because the files were so incomplete, we turned to emails, which are typically transitory in nature. It's in those emails that we saw invitations from three or four vendors to at least five Canada Border Services Agency employees and about a half of a dozen others for whom we couldn't tell if they were part of the Canada Border Services Agency or other departments, because their email extensions were not there.

Mr. Blake Desjarlais: Ms. Hogan, just to clarify that statement, you're not certain as to whether or not officials outside the Canada Border Services Agency, which may include the Public Health Agency of Canada, were invited to such dinners or events.

Ms. Karen Hogan: I am not certain. I can tell you that at least five of the employees on the emails we saw—granted, we potentially did not see all of them—were Canada Border Services employees.

Mr. Blake Desjarlais: To the president of the Public Health Agency of Canada, in instances in your own department where an employee is offered gifts or invitations to dinner, are they reported to you? Who do they report them to?

Ms. Heather Jeffrey: Where gifts are offered to public servants, there is a reporting requirement. There are also conflict of interest declarations that can be filed.

I'll turn to Martin Krumins to speak to the controls.

Mr. Martin Krumins: As part of the contracting process at the Public Health Agency, we have a form that requires all managers who are proposing a contract to declare any conflict of interest. That would be the process that they would—

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

We'll turn now to Mr. Genuis.

You have the floor for five minutes, please.

Mr. Garnett Genuis: Thank you, Chair.

What we've seen from Liberals thus far in this testimony is quite incredible. They're trying to limit witness testimony by moving motions in the middle of their testimony. Liberals are also trying to question the core principle of ministerial accountability. They're trying to suggest that ministers are somehow not responsible for what happens in their departments. This is really unprecedented. I think it's clear that in our system of government, ministers have been responsible for what happens in their departments for hundreds of years. Uniquely, Liberal ministers think they're not responsible for what happens under them.

Ms. Jeffrey, I want to ask you this. Canadians I talk to are horrified and disgusted by what happened with the ArriveCAN app. Do you think those feelings are justified?

Ms. Heather Jeffrey: We acknowledge that the governance that should have been in place for an IT project of this nature was—

Mr. Garnett Genuis: I'm sorry. I'm going to jump in. My time is tight. That wasn't my question.

Canadians are horrified and disgusted by what happened with this app. Do you think those feelings are justified?

Ms. Heather Jeffrey: I think there were many dimensions to the ArriveCAN app. I think there was value in terms of the services that were provided—

Mr. Garnett Genuis: I'm sorry. Do you think Canadians are justified in feeling horrified and disgusted?

Ms. Heather Jeffrey: I can't speak to how Canadians view the app. I can speak to the governance and the project management that was put in place.

Mr. Garnett Genuis: That's a pretty clear non-answer, but we'll move on.

There's a remarkable absence of documents, including records of basic communications that you would expect in a case like this. Did you or anyone else at the Public Health Agency of Canada destroy documents related to ArriveCAN?

Ms. Heather Jeffrey: I have no knowledge or evidence of documents having been destroyed. We have a policy that requires information of business value to be retained.

Mr. Garnett Genuis: You can't say that they were and you can't say that they weren't in terms of your own knowledge of documents being destroyed. Is that correct?

Ms. Heather Jeffrey: I can say that we found no evidence of documents having been destroyed.

• (1120)

Mr. Garnett Genuis: There was such a glaring absence of documentation, are you concerned that documents may have been destroyed? Do you think it's plausible that absolutely no records were kept in so many of these cases?

Ms. Heather Jeffrey: What I can say is that it was a time of great change at the agency as we responded to the pandemic—

Mr. Garnett Genuis: No, but people still have to talk to each other. Ma'am, I know it was an urgent situation and lots was changing, but people still have to talk to each other. People still sent emails back and forth. In times of urgency, I would expect that there would still be a lot of communication happening, yet there's such an absence of information.

Are you concerned about the destruction of documents, especially with reports alleging Minh Doan destroyed a large number of emails? I know that wasn't PHAC, but are you concerned about the destruction of documents within the Public Health Agency of Canada?

Ms. Heather Jeffrey: I agree with what the Auditor General has recommended, which is that documentation needs to be provided and maintained on file so that when you have change and turnover—

Mr. Garnett Genuis: Ma'am, that's not really an answer to my question.

I'll quickly flip over to the Auditor General.

I'm wondering if you can confirm your previous testimony that the complete absence of documents suggests that either there was a conspicuous lack of records kept or documents were destroyed. One of those two things happened, but you weren't able to confirm which. Is that correct?

Ms. Karen Hogan: When documents don't exist, it's either that they never existed or that they were destroyed. In this case, we can't tell you which it was, but there is a glaring lack of documentation that should be maintained.

Mr. Garnett Genuis: Thank you.

I'll go back to the president.

The app went through 177 different versions, most of which weren't properly tested. You owned the app. Why weren't different versions of the app tested? Why did you not insist on proper testing of the app?

Ms. Heather Jeffrey: The CBSA stated in their testimony that in order to increase the speed by which the versions would be deployed they were not all tested.

Mr. Garnett Genuis: You were aware at the time that they weren't being tested. Were you okay with that?

Ms. Heather Jeffrey: The governance around the project management at the time looked at how the apps were being deployed, and—

Mr. Garnett Genuis: I'm sorry. I'm looking for clarity. Madam, I have limited time and I'm looking for clear answers to clear questions.

Ms. Heather Jeffrey: I'm going to turn it over to my colleague, Luc Brisebois, from the border services.

Mr. Garnett Genuis: No, I want to hear from PHAC. Over 10,000 people were falsely sent into quarantine because this app was, in most cases, not properly tested. Are you comfortable with that, and did you brief the minister about the lack of testing?

Ms. Heather Jeffrey: It's very regrettable. We're obviously not comfortable when people are erroneously advised. In this case, when they arrived in the country they were given a green checkmark, which meant they were cleared for entry without isolation periods. There was then an error in the app that resulted in messages being sent out. The Public Health Agency wasn't informed.

Mr. Garnett Genuis: I'm asking about the testing. Are you comfortable with the lack of testing?

The Chair: Mr. Genuis, that is your time.

We turn now to Ms. Yip.

You have the floor for five minutes, please.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you for coming.

As the pandemic evolved the government continued to introduce new emergency orders in council, some of which required adjustments to the ArriveCAN application. What were some of the adjustments that PHAC had to make?

Ms. Heather Jeffrey: There were many adjustments throughout the course of the pandemic. There were 83 different orders in council, to be specific. One of the key ones was moving to a vaccine-differentiated border to require proof of vaccination from people entering Canada. In addition, there were requirements subsequently for testing at the border, and there was a time when the use of the app shifted from being voluntary to being mandatory. Each of the OICs was generally in place for a period of one month. Therefore, they needed to be renewed, and they needed to adapt to the different situations that took place as we had successive waves of COVID-19 and the entry of different variants.

For example, when there were new variants detected globally that we were concerned about that were variants of international concern, we were able to use the app to determine the travel history of those who had entered Canada to advise them to isolate.

Ms. Jean Yip: Were these adjustments handled in a timely manner?

Ms. Heather Jeffrey: Yes, they were required to be very rapid. The entry into force of the orders in council under the Quarantine Act have a precise time. They have to be implemented exactly in line at the border with the legal force of those OICs.

• (1125)

Ms. Jean Yip: It was mentioned that PHAC as a business owner was focused on deliverables. What is meant by PHAC being a business owner, and how did that impact deliverables?

Ms. Heather Jeffrey: As the business owner, the Public Health Agency laid out the public health requirements for the apps. The Public Health Agency was responsible for making sure the appropriate privacy protections were in place, making sure there was legal and other broad policy coordination taking place. We had to define the priorities for the app. We were responsible for maintaining the public health data storage and use, and for providing support to Canadians using the app via Service Canada.

Ms. Jean Yip: Can you take us back to the time when this app was being developed? Do you remember what the overarching feeling of the department was? What were you trying to accomplish?

Ms. Heather Jeffrey: In March 2020 you'll recall there were border measures being put in place around the world. Canadians were having trouble moving abroad. There was a need to find ways to speed up the implementation of public health measures at the border. The overriding importance at the time was placed on making sure that we had multi-layered public health measures in place. The border was one of the points at which that was administered.

Because of the need to ask additional questions and to have information on travellers' travel history and health, extra time was needed by border services officers to ask these questions. This resulted in significant delays at the border, and as we worked to try to find ways to streamline the entry of critical services, goods and people into Canada, it was very important that we move as quickly as possible to have a digital application that would allow us both to facilitate that necessary travel and at the same time have the information we needed to model the behaviour of the virus and the different pressures on epidemiology and public health that we were going to face to inform future measures.

There was tremendous time pressure, and it was an all-hands-on-deck time, when everyone was working as fast as we could to implement the operations.

Ms. Jean Yip: Do you think the creation of this app would have been handled differently if it weren't in the midst of a global pandemic?

Ms. Heather Jeffrey: There's no question that we have very detailed and—as the Auditor General mentioned—considerable overlap of structures around procurement. We have IT project gating under the Treasury Board.

While many of these requirements were waived given the necessity for the speed of an emergency response, it is also true that we were required to document those measures. The Auditor General has pointed to the lack of documentation in this regard, and that is something that we have now reinforced in our training policies and procedures, including in our emergency standard operating procedures and pandemic preparedness planning, to ensure that this does not happen again.

This was the first time in the agency's history that we had faced a global pandemic. Our processes and procedures have been continually evolving after every crisis, and this one produced quite a number of lessons in terms of our governance and our documentation.

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

We'll turn now to Mr. Barrett.

You have the floor for five minutes, please.

Mr. Michael Barrett: Public Health gave a non-competitive professional services contract to KPMG and, on that, the Auditor General said, “We found no documentation of the initial communications or the reasons why the agency did not consider or select other eligible contractors to carry out the work.”

Is that correct, Ms. Hogan?

Ms. Karen Hogan: Yes. You've quoted part of my report.

Mr. Michael Barrett: Ms. Jeffrey, how much was that contract for?

Ms. Heather Jeffrey: The original contract was issued by PSPC as one of the seven companies that were available under the COVID emergency professional services. The total amount that was contracted with KPMG through the three different contracts was \$4.5 million.

Mr. Michael Barrett: I'd like just the date, please. When was it completed?

Ms. Heather Jeffrey: I'm going to turn to Martin Krumins to talk about the dates.

Mr. Martin Krumins: The initial contract or task authorization through PSPC was awarded and signed on September 29, 2020, for a value of \$518,000.

• (1130)

Mr. Michael Barrett: What was the benefit that taxpayers got from this contract?

Ms. Heather Jeffrey: The role of KPMG in this contract was really to do the work to assess the industry impacts and the traveller journey using the app, so the app had to be deployed in an airport environment, working with air services and the aerospace industry. They were looking at the process maps, at the journey maps, at the rollout and other implementation around the app—

Mr. Michael Barrett: Did this contribute to the—at least—\$60-million price tag, this contract?

Ms. Heather Jeffrey: No. The \$59 million associated with the contract was related to the development of the app and its technology, so these were—

Mr. Michael Barrett: Additional costs.

Ms. Heather Jeffrey: —part of support services related to border measures that included a wide variety of different measures at the border.

Mr. Michael Barrett: Additional costs...?

Ms. Heather Jeffrey: Yes, these are additional costs related to the implementation of border measures.

Mr. Michael Barrett: The Auditor General said there was “no documentation” found on the initial communications on this contract, so who called who?

Ms. Heather Jeffrey: The contract has a sole-source justification on file that identifies the expertise of the vendor in aerospace services and in administering public health and health projects at the municipal, provincial and local levels—

Mr. Michael Barrett: Are there documents to support their selection?

Ms. Heather Jeffrey: There is a sole-source justification on file, but there is no documentation of the initial contact with the company.

Mr. Michael Barrett: Okay, so who contacted who? It's pretty straightforward. Either KPMG called you or you called KPMG.

Ms. Heather Jeffrey: There's no documentation on the file. They were chosen from a list of pre-qualified contractors—

Mr. Michael Barrett: So you called KPMG.

Ms. Heather Jeffrey: —that was established by Public Services and Procurement Canada, PSPC, so PSPC—

Mr. Michael Barrett: Called KPMG...?

Ms. Heather Jeffrey: —would have made the initial contacts with those companies to establish contracts with them.

Mr. Michael Barrett: The Auditor General said:

While the first contract included milestones with clear deliverables and pricing, these were later amended and replaced with less-specific deliverables to allow for more flexibility. In addition, the agency did not set out specific tasks, levels of effort, and deliverables for these contracts in task authorizations.

Ms. Jeffrey, did Public Health reduce the deliverables required by KPMG, one of the largest firms in the world? Was there a reduction in the deliverables, yes or no?

Ms. Heather Jeffrey: There was no reduction in the deliverables.

Mr. Michael Barrett: Okay. I'm going to turn to the Auditor General.

Madam, your report says the opposite of what the president of the Public Health Agency has just said. Should I quote your report again? You know what you said.

Ms. Karen Hogan: I can read it back to you.

There were deliverables, and the deliverables were then relaxed. They were very clear, and then they were made less specific in order to provide flexibility.

Mr. Michael Barrett: Right.

We have the Auditor General, and I've read what she has written. She repeated what she wrote. What you've said, Ms. Jeffrey, is not consistent with that. The requirements of KPMG were relaxed by Public Health. It's one of the largest firms in the world, KPMG.

How is it that the government sets specific criteria and then goes back and creates less specific criteria? Why would the government want to do that? We know what the result is going to be: higher costs for taxpayers and less accountability for Canadians.

How can you possibly justify that?

Ms. Heather Jeffrey: I can say there was no reduction in the amount of work that was required for the deliverables. Yes, the categories of the work that was being done were broadened, and the Auditor General has pointed out that this meant they were less specific. However, that was done in response to a rapidly evolving pandemic. For example—

Mr. Michael Barrett: The Auditor General also said that was not an excuse.

The Chair: Mr. Barrett, I'm afraid that is your time.

I'll now turn to Ms. Bradford.

You have the floor for five minutes, please.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

Ms. Jeffrey, the Auditor General has indicated, and you have also identified, that there was no agreement, framework or anything like that between your agency and Canada Border Services Agency.

Do you have any idea why it was the case that this was never established? We see the ramifications of that, but what are your thoughts as to why that never happened? Initially, it was PHAC that took the lead on this, so why would they not have been driving the ship on this?

● (1135)

Ms. Heather Jeffrey: The Auditor General has pointed to the necessity of having this kind of specific governance in place. I would say that a letter of intent was established when the app was required to be mandatory in July 2021. Initially, we were working in close collaboration with the Canada Border Services Agency at high speed, and at the time, a decision was not taken to slow that down to put in place the governance around it. That is something we very much regret and have corrected for our future pandemic preparedness and response.

It is very important to ensure that the responsibilities and accountabilities are itemized very clearly, precisely to prevent the kind of situation that the Auditor General has pointed out, where each department assumed that the other was taking some of this governance and putting it in place.

The Canada Border Services Agency was responsible for the development of the app, and the Public Health Agency of Canada was working to establish the public health measures, guidance and border operations that needed to be put in place with the corresponding policy, legal, privacy and other structures around the app's deployment.

While there was a de facto division of labour, that was not codified, and that is something we have now corrected going forward.

Ms. Valerie Bradford: Has PHAC ever had to turn around a project as quickly as it did with the ArriveCAN app when going from a manual to a digital base? How long would such a transition normally be expected to take?

Ms. Heather Jeffrey: The Public Health Agency has never had to undertake operations of this nature, including at the border, as the pandemic required that response. I can't say exactly how long it would take, but there is very detailed and sequential governance around the development of IT projects. It would normally take years potentially to implement longer-term projects. In this case, they were undertaken on an emergency basis, but there still should have been documentation around that.

The reason it went forward so quickly was that some of those processes were relaxed given the emergency nature of the deliverables.

Ms. Valerie Bradford: Ms. Hogan, in terms of the major problem that you've encountered in this report around the area of lax bookkeeping and record-keeping practices in terms of the ArriveCAN app, is there a similar instance in any previous reports that you've encountered?

Was there a laxness in any other reports?

Ms. Karen Hogan: Definitely my office has seen some similar failures in the lack of a governance structure or accurate and timely information. I think it's easy to point to the Phoenix pay system as an example of that. When it comes to failures at so many different layers, this is the first time I have definitely seen this. I think it's more than contracting. It was contracting, project management, IT management and bookkeeping. There were so many layers here.

The last comment I would make is that it's very common, when we look at horizontal projects, when more than one department is involved, to see that the lack of clarity of roles and responsibilities is often a contributing factor as to why certain horizontal initiatives are not well managed or delivered. I would point to those as some of the similarities.

Ms. Valerie Bradford: Do you believe that the poor bookkeeping of records stemmed from a lack of internal knowledge surrounding the project or from the high use of external contractors?

I agree that, with the number of departments involved, it definitely complicates everything, for sure.

Ms. Karen Hogan: In this instance if you're talking about the record-keeping, I think it was the fact that many individuals didn't seek the many opportunities they had to seek extra clarity and specificity, whether it be in a contract, in a task authorization, in reviewing an invoice or in the time sheets that went with it. I think there are many instances when clarity could have been sought, which would have improved record-keeping.

When it comes to the other aspects, it speaks to the need to make it clear at the outset who's going to do what, so that you have clarity around who's going to be accountable for certain steps, whether they should be taken or not taken, and more importantly who's going to be accountable when it's all said and done to Canadians.

• (1140)

The Chair: That is the time, Ms. Bradford.

[*Translation*]

Ms. Sinclair-Desgagné for two and a half minutes, please.

Ms. Nathalie Sinclair-Desgagné: I'll go back to Ms. Hogan.

I quote the beginning of your report, which says, "The agency was the business owner of ArriveCAN until 1 April 2022".

Based on the documentation you saw, the Public Health Agency of Canada was therefore aware of the fact that there were a lot of contracts; it would normally have known that contracts were being submitted.

Did you find any documentation that would show that it was aware that GC Strategies had received about 130 contracts between 2020 and 2022? Did you find any evidence of that?

Ms. Karen Hogan: You've broadened the subject to contracts issued to a contractor or supplier that isn't related to ArriveCAN, so I can't comment on that.

It's undeniable that, at the beginning of the pandemic, this agency had a lot of things to manage. But it was very small at the time. It asked for help from the Canada Border Services Agency. That said, asking for help to create and implement an app is not a reason not to have good oversight. We don't see any documentation—

Ms. Nathalie Sinclair-Desgagné: There was no documentation, no oversight. I know that you noted the fact that there was no budget or timeline, that is to say all the basic control processes.

You have no evidence, for example...

You talked about communication between Public Services and Procurement Canada and the Canada Border Services Agency on a non-competitive process. Was there the same kind of exchange, for example, on the extent to which contracts were awarded in a non-competitive manner? Has there been anything from the Public Health Agency?

Ms. Karen Hogan: There was a lot of discussion in committees, but as the chair testified today, it was more about the health aspects and necessary changes, not about project oversight, timelines and costs.

Ms. Nathalie Sinclair-Desgagné: Although it was the business owner of the app, the agency wasn't concerned with the budget, timeline or processes in which taxpayers' money would be spent. So there was no concern for this type of information, which is crucial.

Ms. Karen Hogan: Perhaps there was concern, but it didn't leave a trail that a third party or an auditor could see.

Ms. Nathalie Sinclair-Desgagné: Is it just a question of size?

The Chair: I'm sorry, but you'll have another turn.

[English]

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

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to turn again to the report, to the findings related to “No governance structure or budget” on page 15 of the English version.

The narrative we've heard so far, and the one we've been investigating through the Auditor General—whom we thank for her work—is the fact that, at the onset of the development of the ArriveCAN app, “no formal agreement existed between the Public Health Agency of Canada and the Canada Border Services Agency on their respective roles and responsibilities.” We find that those roles and responsibilities are critically important because they delineate things like the “project objectives and goals, budgets and cost estimates, assessments of resource needs, [and even] risk management activities.” This could have been avoided had there been a good governance structure to at least give red flags on this.

This is for the president of the Public Health Agency. You mentioned that there were weekly meetings to establish work on ArriveCAN, but it failed to accommodate for any of these really important governance issues. Can you tell us, just in 15 seconds, what was discussed in those meetings?

Ms. Heather Jeffrey: My understanding is that the focus at the meetings was on how to operationalize the OICs at the border through the app. They would go through the different releases. They would look at readiness checklists for the releases. There was a formal intake process for any changes that would be made to the app. Documentation of the business requirements were each changed.

There was a lot of discussion around the operational rollout of the app in its different versions and adjustments. What the Auditor General has pointed to is that the overarching project governance infrastructure was not in place or documented.

Mr. Blake Desjarlais: I thank you for that statement.

It seems as though that was known to the department. Then a letter of intent was established between the agencies—you mentioned that—signed on July 2021, and was in effect until March 2022. The letter then clarifies the things that should have been done largely through those meetings.

I was pleased to see that, at one point, there was a check and balance.

We find that non-competitive contracts, however, were then distributed. It is a shame that at the time that this was caught as an is-

sue, we almost see this burying of the facts by the release and tenure of a competitive contract. Your agency was directly involved in ensuring that the experience and qualification requirements of those contracts were very narrow.

How is that fair for Canadians, when so many times we see the abuse of these kinds of instances taking place? We had an opportunity to rectify that by a competitive process, but then we see the terrible issue of ensuring that your department directly engaged in—

• (1145)

The Chair: Mr. Desjarlais, you are out of time. I'm going to allow for a response, though.

Mr. Blake Desjarlais: Thank you.

Ms. Heather Jeffrey: The decision was taken to enter into a sole-source contract with KPMG because of the time pressures of needing to put in place the actual rollout in the airport processes, to liaise with airlines and airport authorities, and to ensure that the traveller journey and information that was being put out to the public about the app was accurate and timely.

The sole-source contract was pursued for reasons of speed of response. The reasons for choosing KPMG were documented. However, the Auditor General has pointed to the need for more documentation in that regard. I would say that the subsequent contracts also stemmed from the vendor's experience with and track record of excellent delivery on those services.

The Chair: Thank you very much.

Mr. Scheer, welcome. Thank you for joining us today.

You have the floor for five minutes, please.

Hon. Andrew Scheer: Thank you very much.

I have a question for Ms. Jeffrey.

You indicated that, with regard to the 177 updates to the app, proper testing for the updates wasn't done. Do you believe that it's acceptable to operate in that manner?

Ms. Heather Jeffrey: A best practice would be to test all of the different applications. However, my understanding is that a decision was taken to only test a sampling of them because of the time that it took to test those and the pressure to have the adjustments rolled out quickly.

Hon. Andrew Scheer: Who made that decision?

Ms. Heather Jeffrey: I don't know who made that decision at the time.

Hon. Andrew Scheer: Who has the authority to make that decision? Decisions don't just get made. They don't just appear. Who would normally have the authority to make that decision?

Ms. Heather Jeffrey: The app development and rollout at that stage was being managed by the Canada Border Services Agency. The Public Health Agency was collaborating with the CBSA in terms of—

Hon. Andrew Scheer: Are you saying that it was somebody at the CBSA who would have made that decision, or was it someone at the Public Health Agency of Canada?

Ms. Heather Jeffrey: I believe that the CBSA has already addressed this in its previous testimony at this committee.

Hon. Andrew Scheer: Was it somebody in your department who made the decision to not test the app?

Ms. Heather Jeffrey: I'm going to turn to Luc Brisebois from the border services branch.

Mr. Luc Brisebois (Acting Vice President, Health Security and Regional Operations, Public Health Agency of Canada): I think the president's right in the context that the governance would have been the place where these issues were discussed, but from an IT perspective—

Hon. Andrew Scheer: Nobody knows. We have all these officials who make decisions that impact people's lives and nobody knows who makes decisions about when the government's going to relax the rules.

Mr. Luc Brisebois: For the Public Health Agency, I think the key issue was the dependency on the implementation of the OIC. Things had to be decided. In the context of this, the IT component would have been with CBSA.

Hon. Andrew Scheer: Every department has an org chart with titles and with names. There are a lot of words going on, but who normally has the authority to decide to relax rules or processes?

Mr. Luc Brisebois: Do you mean with respect to the testing or the contracting?

Hon. Andrew Scheer: I mean the testing.

Mr. Luc Brisebois: We were providing CBSA with the advice on what we needed in the application, and they were running the process.

Hon. Andrew Scheer: Who would have the authority to suspend normal processes or relax rules?

Mr. Luc Brisebois: It would have been done through the governance of the DGs and the ADMs at the time. We would have to go back and take a look.

Hon. Andrew Scheer: I'll move on.

Regarding the 10,000 erroneous quarantine orders, was that a specific event? Was there one glitch that created all of that, or were those 10,000 wrongful quarantine notices given out cumulatively over time?

Ms. Heather Jeffrey: That was a specific event that was identified on June 28 and resolved on July 20.

It was a specific event in the app. It was an error that was identified and rectified. The Public Health Agency was involved in addressing that with—

Hon. Andrew Scheer: It was one specific event.

Did you brief the minister that this event happened?

Ms. Heather Jeffrey: I was not present at that time, so I can't actually speak to what briefing took place, but we can take that away.

Hon. Andrew Scheer: Were the 10,000—

The Chair: I'm sorry. That was open-ended.

Are you going to get back to the committee? When you say “take it back”, are you implying you're going to come back to us with an answer on that, as to whether the minister was briefed?

Ms. Jeffrey, I will remind you that you're here representing PHAC. I know the questions are “you”, but the committee hopes you're responding for PHAC.

I heard you say you'll come back to us. Are you going to provide us with an answer to that question?

● (1150)

Ms. Heather Jeffrey: I'm not aware of what briefing was done at that time, but I take note of the request and I will go back to see if there's evidence of what briefing took place at that time.

The Chair: Thank you. We will look forward to that answer. I appreciate it.

Mr. Scheer, you still have two minutes left.

Hon. Andrew Scheer: Have the 10,000 individuals been notified? Have the travellers who were ordered to quarantine been notified that they were wrongfully ordered to quarantine?

Ms. Heather Jeffrey: Yes.

Hon. Andrew Scheer: Who made the decision to pursue a non-competitive approach in all of this?

Ms. Heather Jeffrey: That decision would have been taken by the Public Health Agency to take advantage of the contracting vehicle that was set up by PSPC.

Hon. Andrew Scheer: Which individuals would have said, “We're going to pursue this approach”?

Ms. Heather Jeffrey: I'll turn to Martin for who signed the authority.

Mr. Martin Krumins: That would have been directors general and executive directors within our program branch within the Public Health Agency.

Hon. Andrew Scheer: Can we get names and titles?

Mr. Martin Krumins: I don't have those with me at the time, but I can endeavour to get that.

Hon. Andrew Scheer: You can get back to the committee on that.

Was the minister briefed that a non-competitive approach would be taken on this issue?

Ms. Heather Jeffrey: The decision at the time was taken within the public service at the director general level.

My recollection of the signature of that contract is that it would not be normal practice to brief on the nature of how the operations were being implemented.

Hon. Andrew Scheer: Having taken a non-competitive or sole-source approach—to not have any kinds of comparisons, not do any kind of shopping around to see if you can get a better price or a better product—who provided the oversight for monitoring the invoices that were coming in from GC Strategies?

Ms. Heather Jeffrey: The Public Health Agency did not contract with GC Strategies. I thought you were referring to the KPMG contracts that were administered through the agency.

It would have been CBSA that was monitoring those contracts related to the app development.

Hon. Andrew Scheer: Okay.

I think that's my time.

The Chair: Thank you very much, Mr. Scheer.

You have a few seconds left. You did ask for some other information at about the one-minute mark.

I do like to get an acknowledgement from witnesses.

Hon. Andrew Scheer: We'd like to know who made that decision to pursue a non-competitive approach on the KPMG.

The Chair: You can make note of that request and provide an answer forthwith.

Thank you. I appreciate that, Mr. Scheer.

We'll turn now to Mr. Chen.

You have the floor for five minutes, please.

Mr. Shaun Chen: Mr. Chair, we have heard today from PHAC that in the initial meetings with CBSA in March 2020, there was a lack of formal governance.

The AG's report says that "no formal agreement existed" between the two departments for the next 15 months. There was no designated lead, no project objectives and goals, no budgets, no cost estimates and no risk management activities. This, to me, is beyond comprehension.

Section 1.63 of the AG's report says, "A letter of intent between the agencies was signed in July 2021". That, to me, is 16 months late. In the real world, a letter of intent between two parties is what you start with.

I'd like to hear from PHAC on what took so long to get a letter of intent signed.

Ms. Heather Jeffrey: I can say that the operationalization of the app was done collaboratively between the Public Health Agency and the Canada Border Services Agency. As I mentioned, we were very focused on the need to stand up the app and to have it rolled out to allow the border to flow and to have a safe restarting of the economy in addition to the flow of key people.

There was a de facto management of the app going forward that was not defined. That is not a best practice, as the Auditor General has pointed out, and steps have now been taken to rectify that going forward.

The letter of intent was developed as the app was moving from the voluntary use space to the mandatory space. That triggered a process to make sure that we had codified and documented the roles and responsibilities appropriately, which is a very detailed exercise. That was then conducted, and we acknowledge, recognize and take as a lesson learned that it should be done at the outset of this development in future.

• (1155)

Mr. Shaun Chen: Section 1.70 of the Auditor General's report says, "We found similar issues in the 2 professional services contracts awarded by the [PHAC] to KPMG. While the first contract

included milestones with clear deliverables and pricing, these were later amended and replaced with less specific deliverables".

I would like to hear from PHAC. Why would you amend a contract that had clear deliverables and pricing to something that is less specific? That makes no sense to me. What is the rationale for doing that?

Ms. Heather Jeffrey: I believe that the intent at the time was to ensure that we had enough flexibility to adapt the requirements to a virus that was changing very quickly and was requiring some expanded responses for which we needed to use the services of KPMG to help deliver.

As you'll recall, at the time the contracts were initially entered into, we were not sure how long the pandemic would last. We did not know if there would be waves or if those waves would be seasonal. We were monitoring the entry of new variants. Initially there was not an expectation, I think, on our part that we were entering into many years of successive responses, and the responses were being built incrementally.

In terms of the need to ensure continuity of high-quality services, a decision was taken to add some broader categories to the contract. We take the Auditor General's finding and recommendation that it is not a best practice and that we should be as specific as possible to ensure value for money, but I do believe that the decision to create broader taskings was designed to allow for that agility and responsiveness in terms of the work that needed to be done.

Mr. Shaun Chen: I'm confused. On the one hand, there were initially clear deliverables, and that is in the context of having milestones set out in the first contract. To me, milestones are broad goals of the work that needs to occur for the project. What you're saying is that the flexibility was needed because of the ever-changing needs arising out of the ever-changing pandemic.

The Auditor General continues on and says that, "In addition, the agency did not set out specific tasks, levels of effort, and deliverables for these contracts in task authorizations." On the one hand, I'm hearing from you that there is an awareness of what's happening around the world, and, therefore, you were acting and modifying the contract to reflect the changing needs. On the other hand, we're hearing that the agency did not set out specific tasks, levels of effort and deliverables. I would like to hear from the Auditor General for an answer.

The Chair: Mr. Chen, that is your time, but I will allow for an answer.

Mr. Shaun Chen: Can I hear from the Auditor General?

The Chair: Yes.

Ms. Hogan, the question is for you, please.

Ms. Karen Hogan: While I acknowledge that the Public Health Agency rightfully needed to make the overarching contract more flexible, given the evolving nature, that's where task authorizations then become really important to pull down off of this broader contract when you're asking for something specific. That's when you should be specific about the level of effort, who should be doing it and the skills that you need. Creating flexibility in one area still means that you need to provide some specificity for good accountability in another.

The Chair: Thank you very much.

I'll turn now to Mr. Brock.

You have the floor for five minutes, please.

Mr. Larry Brock: Thank you, Chair,

Since the release of the Auditor General's report, all we've heard from the Prime Minister and several ministers is that people need to take responsibility. They've essentially put up a firewall between the government and the federal public service, in particular the agencies that are under fire.

To you, Ms. Hogan, the Auditor General, did part of your mandate require you to uncover or ask for documentation to show what level of communication existed between the Prime Minister's Office, the PCO, various ministers that we've heard of today and their departments?

• (1200)

Ms. Karen Hogan: Our mandate really is to look at how the federal public service takes action once a decision has been made by a government—in this case, the decision to enact certain border measures—and then how that was operationalized. In the course of doing an audit like that, we might often see briefing material or so on.

In this case, because there was such thin documentation, I would tell you that we saw some emails where the deputy minister was being made aware of things at the Canada Border Services Agency, but we saw no formal approval from the deputy there, or no formal briefing to ministers. I can't really speak on what happened between the deputy minister and a minister throughout this.

Mr. Larry Brock: Does that certainly apply to PHAC as well, the description you just gave?

Ms. Karen Hogan: Yes. We looked for it more at Canada Border Services Agency, because they were doing the main contracting and development.

Mr. Larry Brock: That's correct...but also PHAC.

Ms. Jeffrey, I understand that you have been in the role of deputy minister and president for just one year. Who was your predecessor?

Ms. Heather Jeffrey: My predecessor was Dr. Harpreet Kochhar.

Mr. Larry Brock: In preparing for this particular committee hearing, did you consult with your predecessor on details surrounding ArriveCAN?

Ms. Heather Jeffrey: No, I did not.

Mr. Larry Brock: Was there a particular reason that you didn't?

Ms. Heather Jeffrey: It was because the public servants who are responsible for the administration of this project and the rollout of the app continue to have functions in the department—

Mr. Larry Brock: Ultimately, you as the deputy minister and president are now responsible for the entire department. Is that right?

Ms. Heather Jeffrey: Yes.

Mr. Larry Brock: You're in a position to answer any and all questions.

Ms. Heather Jeffrey: Yes.

Mr. Larry Brock: Going back to my earlier round about communications and the frequency, it sounds like the minister, Minister Hajdu in particular, and the PCO, which ultimately reports to the Prime Minister, were in regular contact with your predecessor and other officials within your department.

I would like you to produce for us on this committee—I'll ask for it to be within perhaps 15 days, or longer if the chair deems it appropriate—a calendar or some type of scheduling that would have existed at the time your predecessor was communicating to both Minister Hajdu and the PCO. I want to know the frequency. You've indicated that it was fairly frequent. It could have been phone calls. It could have been emails. It could have been actual meetings.

I'd like you to produce a schedule of all those events. Will you do that?

Ms. Heather Jeffrey: There was formal governance around the policy of the border measures. Certainly we can document that, but the decisions around the contracting and the governance of the app rested with the public service—

Mr. Larry Brock: I'm talking about your communications. You must have some type of system that documents when you're going to have a meeting with a minister. That's a pretty important event. You certainly don't just decide on a whim, "I'm going to have a conversation", and then you don't document it.

I'm asking for documentation to show the frequency of those meetings with Minister Hajdu and the PCO. Will you provide that?

Ms. Heather Jeffrey: Is there a particular time period that...?

Mr. Larry Brock: I'm suggesting 15 days.

The Chair: I think Ms. Jeffrey means the time period in terms of the—

Mr. Larry Brock: It would be during the entire implementation of ArriveCAN.

Ms. Heather Jeffrey: There was a formal governance structure around COVID-19. Is it the specific governance structure around the app itself or...?

I'm sorry. I'm just trying to seek clarification about what aspects of the COVID governance structure are being requested.

Mr. Larry Brock: I'll make it very clear. Any and all communications, whether they be telephone, whether they be email or whether they be in person, surely must have been recorded and documented. I'm asking for proof of that documentation during the entire course of the ArriveCAN implementation. This was the most pressing issue in your department and to Canadians from coast to coast.

The Chair: Just hold on, Mr. Brock. We might have a point of order.

Do you have a point of order, Ms. Yip?

Ms. Jean Yip: On a point of order, this is a really large production request.

The Chair: I'm with you. I'm going to let Mr. Brock finish, and then I'm going to interject. I have the same concern you have.

Ms. Jean Yip: This is too much.

The Chair: Mr. Brock, you have about 15 seconds left. I'm going to try to help you get through this. Why don't you finish up and then we'll seek to resolve this?

Mr. Larry Brock: That's what I'm asking for.

What type of documentation would have existed to record communications between you or your predecessor and Minister Hajdu and the PCO?

The Chair: Ms. Yip, if I missed where you are, you can jump in on a point of order.

To Ms. Yip's point on communications, you want to know when meetings took place between.... Yes. Okay, so let's focus on that. It sounded like you wanted to go down the same path that Ms. Hogan went down by looking through communications, which is very broad.

You're talking about meetings and who attended them within the departments that are involved. You mentioned the CBSA, PHAC and the PCO.

Mr. Larry Brock: That's correct.

The Chair: Okay.

Is that something you'd be able to provide to the committee? It's the frequency of those meetings and when they occurred.

• (1205)

Ms. Heather Jeffrey: Yes. The frequency of meetings that occurred with the CBSA, Public Health Agency and PCO with regard to the ArriveCAN app.

The Chair: Okay. Thank you.

I'll turn to you, Mr. Brock. Are you good with that? No. Don't expand it, but go ahead.

Mr. Larry Brock: No. I just want a clarification.

Did you include Minister Hajdu and the PCO in your description?

The Chair: The PCO was mentioned. Ministerial communications would be different.

I'm going to let you come back to that, because you have another round. We have agreement on this.

Ms. Yip, there is agreement, but you have the floor on a point of order, if you like, and then you will have the floor after your point of order.

Is this the point of order?

Ms. Jean Yip: Yes. First of all, this is a lot for the production of documents.

The Chair: Ms. Yip, I will stop you.

The witness has agreed to provide the documents. Normally, the committee looks for an answer in about two weeks, at which point we begin to make inquiries, but it has been agreed to by the witness.

I need to know what your point of order is.

Ms. Jean Yip: It would have been better if we had had this discussion as a committee.

The Chair: Okay.

Ms. Yip, you now have the floor for five minutes. It's over to you.

Ms. Jean Yip: We are over the time at 12.

The Chair: We are not yet over the time. We started late and we're still going through it. It is my intention to get through the full round, which will give our colleagues in the Bloc and the NDP time after you, and then we'll wrap things up in the normal round.

Ms. Jean Yip: Okay.

Although the Auditor General made only one recommendation to PHAC, I'd still like to know if there are any current action plans. What is happening right now?

For example, the response to recommendation 1.47 says PHAC has stated it will "update guidance and/or checklists with respect to file documentation, noting requirements to document interactions with potential contractors." What progress can you report on this?

Ms. Heather Jeffrey: Both of the recommendations that were made by the procurement ombud will be completed by next month and are on track.

We have taken steps to codify the need for IT project governance as part of our emergency preparedness planning. We have stood up a contract management committee that will have oversight across the agency of all contracts. We have renewed our training and checklists in terms of the documentation that needs to be provided for contracting, and we are reinforcing the requirements of the directives across the agency.

Ms. Jean Yip: How will these requirements be monitored and enforced?

Ms. Heather Jeffrey: The training of our staff can be tracked. We will have regular reporting requirements, and there will continue to be internal controls exercised in reviewing and sampling contracts.

Ms. Jean Yip: There is also a review of the current process in place to ensure compliance with file documentation, as per Treasury Board directives on the management of procurement, by October 31, 2024. Why will it take the agency over seven months to verify that its practices are compliant with the directive?

Ms. Heather Jeffrey: What we had hoped to accomplish by that time is the regular sampling and testing to make sure that the documentation has been taking place in the normal course of business on contracts that we're entering into. That is a requirement—that we will have tested the effective implementation of the measures.

Ms. Jean Yip: How close are you to this directive in terms of completing...?

• (1210)

Ms. Heather Jeffrey: The requirements are in place as of now. We are going to be doing further review and training to make sure that, given the number of new staff that have joined the agency through the pandemic years, we have the same level of training and comfort with the directives. Then we are going to be monitoring and verifying compliance with the implementation.

Ms. Jean Yip: My last question is for the Auditor General. After hearing all of these questions and testimonies, is there anything else you would add for PHAC?

Ms. Karen Hogan: If I were looking at going forward, what I'd like to see some of the departments and agencies do is think about how to find a way, when it comes to IT procurement, to upscale the public service so that, while you might turn to a contractor to get a skill that you don't need to employ 365 days a year, you still need to worry about upscaling the public service to be more digital.

In that vein, I would encourage departments and agencies to think about things that might need to be digitalized, things that are normally done on paper, so that we're not doing it in an emergency. The need to react quickly shouldn't be used as a reason not to follow good procurement rules, good project management practices and definitely good financial record-keeping.

Ms. Jean Yip: Thank you.

The Chair: Thank you, Ms. Yip.

[Translation]

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

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

I'd like to come back to my previous question. I have to say that I'm a bit uncomfortable hearing you talk about the size of the Public Health Agency, since hundreds of thousands of SMEs across the country are capable of budgeting with three employees, tracking objectives and following up.

Of course, the size of the Public Health Agency doesn't justify, either at the start of the pandemic or during the creation of Arrive-CAN, the fact that there was no budget or follow-up and no questions about the creation of the app.

Ms. Karen Hogan: You asked me if I knew why that was the case. I answered that the size of the agency could be one explanation and that the pandemic might be another.

I agree that these are circumstances and that we still need to be properly accountable. The Secretary of the Treasury Board had asked the public service to be more flexible and faster, but still to document everything properly, with a view to good accountability.

Ms. Nathalie Sinclair-Desgagné: So why didn't they follow the recommendation of the Treasury Board Secretariat?

Ms. Karen Hogan: That's a question you'll have to ask the agencies and the department.

Ms. Nathalie Sinclair-Desgagné: Ms. Jeffrey, as we just heard, not only did you not do what an SME is capable of doing, that is to say a budget and follow-up, but you also didn't follow the directives of the Treasury Board Secretariat.

Was it pure negligence or a firm desire to turn a blind eye?

[English]

Ms. Heather Jeffrey: The pressure to move quickly in the face of a global pandemic with multiple lines of operation across borders, vaccine procurement, therapeutics and all of the other aspects of a public health response meant that insufficient attention was paid to the governance structure of this project, which we regret and which we have undertaken to rectify in the future.

[Translation]

The Chair: You still have 30 seconds.

Ms. Nathalie Sinclair-Desgagné: Thank you, but I think I've heard enough.

The Chair: Thank you very much.

[English]

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

It's over to you, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to now turn again to the last question I left off on, which was in relation to the non-competitive and the competitive process that was undertaken by the Public Health Agency of Canada in regard to GC Strategies and KPMG.

To the president of the Public Health Agency of Canada, you mentioned that KPMG was selected amongst a list of vendors that was known to the agency. As to the qualification reasons given in answering my question as to why that agency was selected, you responded that it was because of a list of known contractors.

Can you supply that list of known contractors and when those known contractors were added to that list, in addition to how long that list has been operating?

• (1215)

Ms. Heather Jeffrey: This was a global professional services procurement vehicle established by PSPC. They established the contracts with each of the seven vendors.

Mr. Blake Desjarlais: Could you provide that to this committee, please?

Ms. Heather Jeffrey: Yes.

Mr. Blake Desjarlais: Thank you very much.

In addition to that, can you add the date on which those companies were added to that list?

Ms. Heather Jeffrey: This is probably a question that I would suggest you ask our PSPC officials, who I believe are appearing tomorrow in front of this committee. The Public Health Agency of Canada was not involved in establishing the list.

Mr. Blake Desjarlais: Thank you for that.

I appreciate the recommendation; however, it doesn't devoid your department of accountability when it was your department that was the business owner of this project. You should have asked the public service agency of Canada those questions before operating those contracts.

My final question is in relation to moving forward in terms of the Public Health Agency of Canada's operational work in regard to how it will manage future contracts. I think it's unfortunate that the Auditor General had to recommend such basic levels of qualification for good governance. I would say those basic levels of qualification are important.

Now that you've committed to the findings of the Auditor General, would you also submit to following up with us in one year's time on how you've implemented these recommendations of the Auditor General?

Ms. Heather Jeffrey: We have regular reporting requirements, and we will be reporting back on the management response to the Auditor General's report.

Mr. Blake Desjarlais: I'll give you the 10 seconds remaining for any final comments you may have for this committee.

Ms. Heather Jeffrey: My final comment is that I would welcome the findings of the Auditor General's report. While it was an unprecedented emergency response to a global pandemic that had not been faced before by the agency and there were severe operational requirements for urgent response, nonetheless, there is a requirement to document and to have in place governance.

We have taken that lesson, and while I'm very proud of the response of the agency in terms of the services delivered to Canadians and in terms of protecting health and safety through the delivery of border services, vaccines, therapeutics and other critical public health elements of the response, we can and will do better in terms of the governance put in place around these projects in the future going forward.

Mr. Blake Desjarlais: Thank you, witnesses.

Thank you, Chair.

The Chair: Thank you all very much.

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

Mr. Larry Brock: The arrive scam boondoggle has to have consequences. It's little comfort to the Canadians who are watching this that you're going to do better the next time, or that this pandemic was a once-in-a-lifetime issue. You had all the structures in place and you failed to follow through. Your agency, the CBSA, PSPC...consequences.

Apart from Cameron MacDonald and Antonio Utano, have you suspended, with or without pay, any of your employees involved in this scandal—yes or no?

Ms. Heather Jeffrey: No, there have been no findings of wrongdoing in our investigations into Public Health Agency of Canada employees, and no employees have been suspended.

Mr. Larry Brock: You can only imagine the Canadian taxpayers who right now are going through organizing their taxes, Canadian businesses—

Ms. Iqra Khalid: I have a point of order, Mr. Chair.

I'm just trying to figure out how long we are going on with this meeting. I do have other obligations in the next 10 minutes.

The Chair: We have Mr. Brock and then Ms. Bradford, and then we'll end it for the day.

Ms. Iqra Khalid: Okay.

Thank you so very much. I appreciate that.

The Chair: Mr. Brock, you have four minutes left.

Mr. Larry Brock: That's the classic example of how the Liberals want to deflect attention away from this—

Ms. Iqra Khalid: On a point of order, Mr. Chair, I was trying to get clarification. I have other things going on throughout my day to support my constituents.

I am so sorry, but I don't like to be blamed by the Conservatives for just trying to get to my constituents after this sham meeting we are having right now.

The Chair: Ms. Khalid, thank you.

Mr. Brock, you have the floor for four minutes, please.

Mr. Larry Brock: Businesses and taxpayers are going through the tax process right now. One can only imagine the consequences to taxpayers and Canadian business owners for the shoddy way your agency, the CBSA and PSPC documented their affairs. There would be consequences. The CRA would be levying consequences, if not calling in the authorities to potentially charge individuals.

All I'm hearing is, "Sorry, we'll do better." That's not good enough. Someone has to take responsibility. It's clear that you, ma'am, as a deputy minister and the president, have to assume responsibility.

You suspended nobody other than Cameron MacDonald and Mr. Utano for speaking truth to power. Ultimately, the responsibility lies with this government. Minister Hajdu, Minister Blair are all responsible for falling asleep at the wheel, and the Prime Minister is the ultimate person who's responsible.

• (1220)

The Chair: Ms. Khalid, what's your point of order?

Ms. Iqra Khalid: I'm not really sure why we are naming ministers without having any evidence or proof and blaming them for things that they are not available for—

The Chair: Ms. Khalid, this is not a point of order. There's a thing called ministerial responsibility in this country. You're well versed in it.

As to your previous point of order, you can ask your whip or your committee vice-chair where we are in the rotation. Ms. Yip asked not 15 minutes ago when we were ending it. I was going to and I told her. Your previous point of order looked like it was interrupting Mr. Brock needlessly, as does this one.

Mr. Brock, you have the floor for three minutes.

If you keep interrupting Mr. Brock, I'm going to keep adding time to him so he can collect his thoughts and begin anew.

You have three minutes, sir.

Mr. Larry Brock: You see, Ms. Jeffrey, I won't be silenced. I speak on behalf of Canadians, who demand the truth.

Do you agree with me that the ministers and the Prime Minister need to step up and accept responsibility for this mess? Answer yes or no.

Ms. Heather Jeffrey: The governance of the ArriveCAN project was managed within the public service, and as the deputy head of the Public Health Agency, I take responsibility for its management.

Mr. Larry Brock: I'm ceding my time to my colleague, Mr. McCauley.

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

Ms. Jeffrey, you made a comment that seemed to state that the lack of governance was because of everything going on with procuring vaccines and therapies and the issues around COVID. However, earlier, you stated twice that it was a decision to relax the governance.

Which was it? Was it, as you stated, a specific decision made to relax the governance on this, or was it something else?

Ms. Heather Jeffrey: Just to clarify, I did not say it was a decision to relax the governance. I said the more flexible terms of the contract with KPMG were designed to provide flexibility to the governance structure.

Mr. Kelly McCauley: This was about the entire governance, not just KPMG specifically. It was about the entire governance of the ArriveCAN process.

You said twice that there was a relaxation of the governance.

Ms. Heather Jeffrey: Mr. Chair, there was not a relaxation of the governance. I acknowledge that the governance was not documented or put in place from the outset of the project. However, that was rectified later as the project was implemented and more—

Mr. Kelly McCauley: You twice referenced relaxing governance. What was that in reference to?

Ms. Heather Jeffrey: I was speaking to the specific task that the Auditor General referenced in terms of the KPMG contract she believed should have had more precise milestones.

Mr. Kelly McCauley: Who made that decision, then, to relax the governance on that specific issue?

Ms. Heather Jeffrey: To be clear, Mr. Chair, there was no decision to relax the governance around the ArriveCAN app. It was an oversight that was later rectified in terms of the—

Mr. Kelly McCauley: You specifically stated three times a relaxation of governance.

Who made the decision to relax that governance?

Ms. Heather Jeffrey: Mr. Chair, I do not believe I spoke to the relaxation of the governance.

Mr. Kelly McCauley: You twice made the statement.

Ms. Heather Jeffrey: Certainly, there was no decision that I'm aware of to relax the governance of the project.

Mr. Kelly McCauley: There were 177 updates to ArriveCAN. Who made the decisions to make those 177 updates? Were they driven by an order in council? Were they driven by PHAC?

Ms. Heather Jeffrey: The majority of the updates were driven by the changes to the order in council as a result of the need to evolve and change the border measures under the Quarantine Act, which was a result of the evolution of the virus and the public health situation inside Canada and globally.

Mr. Kelly McCauley: They were mostly driven by orders in council.

Ms. Heather Jeffrey: Yes. The orders in council drove the changes to the app.

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

Finally, to close it out, Ms. Bradford, you have the floor for up to five minutes, please.

Ms. Valerie Bradford: Thank you, Mr. Chair.

This is a question for the Auditor General.

You determined that the government did not obtain the best value for money in procuring the ArriveCAN application. What factors did you consider in coming to this conclusion?

Ms. Karen Hogan: There were many factors. I think I will list just three quickly.

First was the continued reliance on an external vendor over time, when that is more costly than having the public service do some of the work. We would have expected something to transition at some point to the public service.

The second was that many of the contracts we saw with GC Strategies and some of the other vendors consistently required the highest level of IT experience, with that experience being 10 years or more, when there was never a good justification for why that was always the level of experience needed. You would normally expect in a development project to see many different layers and levels of IT experience being needed.

Finally, I would point to contract extensions. There were multiple that we saw for which the dollar value was increased and very few instances for which deliverables were expanded.

All of those contributed, among other factors, to why we believe the government did not get the best value for money and, ultimately, paid too much for the ArriveCAN application.

• (1225)

Ms. Valerie Bradford: Did you look into any other comparable projects in other jurisdictions?

Ms. Karen Hogan: No, we didn't set out to look at what other countries may have done when it came to similar types of apps to control their border measures. Border measures were very different in different countries or may have changed at different times. We felt that it was important to focus on what the public service here was doing.

Ms. Valerie Bradford: Getting back to the fact that they continued to use outside sources when perhaps they could have migrated to internal employees to reduce the costs and get better value for money—

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

I wanted to review the record before raising this. This is a very important meeting we're having with the Auditor General.

Ms. Khalid, during one of her points of order or so-called interventions, referred to it as a “sham” meeting. I think that's unparliamentary language. I'm not sure why she considers this important meeting a sham.

Ms. Iqra Khalid: I'm more than happy to comment on that, Mr. Chair.

The Chair: No. I would like to get back to Ms. Bradford.

Ms. Iqra Khalid: I'm more than happy to comment on this, Mr. Chair.

The Chair: No, I do not need a comment.

Ms. Iqra Khalid: You and I both know, Mr. Chair, that this meeting could have happened last week and not during a constituency week.

The Chair: That is probably not true, Ms. Khalid, since the report just came down.

I'd like to get back to Ms. Bradford. If government members have an issue with coming in on a recess week, they can speak to their whip and seek reassignment.

Ms. Bradford, you have the floor. I'll give you extra time. You have up to three minutes, please.

Ms. Valerie Bradford: How might the government reduce the reliance on external resources in a relatively short period of time while a project is ongoing?

Ms. Karen Hogan: Is that directed to me?

Ms. Valerie Bradford: Yes, I was continuing my questioning with you.

Ms. Karen Hogan: Here we were looking at the whole time between the development and the launch of the ArriveCAN app, which was in early 2020, all the way to January 2023. That's a few years' time.

The assessment that was done by the Public Health Agency and the Canada Border Services Agency at the beginning was that they didn't have the skills or the capacity at that time to do it. I would have eventually expected to see a transition in order to reduce that long-term reliance on an external vendor with aspects like maintenance of the application.

What I think is missing here fundamentally in many of the IT contracts that we see in the public service is that acknowledgement

that there needs to be a transfer of knowledge or skills at some point. That isn't there. Over-reliance on a third party is created when the public service isn't looking to help transition and upskill the public service itself.

Ms. Valerie Bradford: Finally, can you point to examples of best practices of a government increasing internal capacity for an ongoing outsourced project?

Ms. Karen Hogan: I'm not sure that I could speak to a best practice.

I think that it was very reasonable at the beginning of the pandemic to recognize that there was surge capacity that was needed. There was so much going on, if we put ourselves back to early 2020, that it was reasonable to go to a third-party vendor, especially if the skills didn't exist. However, over the course of a few years, I would have then expected to see a rebalancing of those efforts between the public service and the contractor.

I believe Mr. Hayes would like to add something, Mr. Chair, if you would allow him a few minutes.

• (1230)

Mr. Andrew Hayes (Deputy Auditor General, Office of the Auditor General): Thank you.

The example I would give is not our own. It's one from the chief information officer who was departing the public service, I believe, and has now returned. She appeared before the committee in December talking about the importance of relying on external resources for transformation purposes, but that is not a long-term solution. Ultimately, the public service needs to then take over on the transformation.

Ms. Valerie Bradford: Thank you.

The Chair: Ms. Bradford, you have 30 more seconds.

Ms. Valerie Bradford: I've finished my questions, Mr. Chair. Thank you.

The Chair: Thank you.

Ms. Hogan and your officials from the Office of the Auditor General, and Ms. Jeffrey and your officials from the Public Health Agency of Canada, thank you for your testimony today and for participating in this study. I appreciate your coming in on a week when the House is recessed and making yourselves available to the committee. The committee will be meeting again tomorrow.

I will address one issue. Parliament and committees can meet only so often during the course of the week because we allow virtual Parliament, which was a decision by Parliament. This allows members to Zoom in, like they did today, during recess weeks. It also means that my time is limited when Parliament sits, because I need to seek resources that often are not available, it seems, to opposition-led committees but often are to government-led committees. I'll leave it for others to decide why that is.

I chose to call the meeting today. I think it's been a productive meeting. Not only did we get through all our witnesses in the time we had. We also passed a motion that will feed into another joint study that this committee is looking at. We are meeting tomorrow. If members are concerned about not having enough meetings, I can schedule another one. I don't think that's necessary, though.

I will say that I often hear from members that this committee is doing both too little and too much: Go faster, but at the same time go slower.

On that, I adjourn the meeting. Thank you very much.

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