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• (1300)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): Good afternoon. I call this meeting to order.

Welcome to meeting number 122 of the House of Commons Standing Committee on Government Operations and Estimates.

There are just four of us in the room, but for the benefit of our witnesses today, we have some new rules about our audio. Please keep your earpiece away from the microphone. There's a sticker on your desk for you to leave it on if you're not using it. Please be aware of that. These measures are, of course, to protect our very valued interpreters.

We'll start with an opening statement from Ms. Carruthers.

Please go ahead. The floor is yours.

Ms. Shirley Carruthers (Assistant Deputy Minister and Chief Financial Officer, Corporate Planning, Finance and Information Technology, Department of Foreign Affairs, Trade and Development): Good afternoon, Mr. Chair. It is a pleasure to be here today.

[Translation]

Let me begin by thanking this committee for the invitation to appear to speak on this important topic.

The audit of procurement of consulting services was included in Global Affairs Canada's 2023-25 internal audit plan, which was approved by the deputy minister of foreign affairs in June 2023.

The findings of the audit were presented and recommended for approval by Global Affairs Canada's departmental audit committee in December 2023 and subsequently published on our website, as part of the requirement set by the Policy on Internal Audit. The deputy minister of foreign affairs supported and approved this audit, recognizing its critical role in helping the department identify strengths and vulnerabilities.

[English]

The audit found that 79% of contracts were fully compliant with the Financial Administration Act. That is, 72 contracts were found to be fully compliant out of a total of 91 contracts assessed. Others were found to be partially compliant. Proactive disclosure of contracts over \$10,000 was found to be fully compliant.

As a result of the internal audit, the department has been able to identify areas for further improvement of information management

practices of the procurement processes to demonstrate compliance and support fair, open and transparent procurement. Global Affairs Canada is a big, complex department working in Canada and 182 missions abroad. In general, many of the issues flagged during the audit stem from the complexity of our operating environment.

Our procurement system has undergone significant improvements in the past two years. They include the implementation of an electronic signature solution aimed at mitigating the risk of inappropriate authority or lack of required segregation. Furthermore, the department has implemented additional controls, bolstering the effectiveness of our financial controls surrounding procurement. These measures collectively contribute to a more robust and reliable procurement process within our department. It is important to note that two-thirds, or 68%, of the contracts identified as having issues were signed prior to these adjustments being implemented.

[Translation]

On the first recommendation of reviewing the processes in place to ensure compliance with the requirements of the Financial Administration Act, the department has already implemented various tools and processes, including the electronic signature solution embedded in the automated Procure-to-Pay solution, an enhanced account verification procedure and updated training. The department is also in its final stage of revising the payment process framework, along with which a communication strategy including dashboards is being developed to enhance communication of financial results to senior management.

[English]

In response to the second recommendation to “put processes in place to ensure that information related to contract administration is accessible, preserved and retained throughout the procurement life-cycle to comply with applicable authorities and support fair, open, and”—

[Translation]

Ms. Andréanne Larouche (Shefford, BQ): On a point of order, Mr. Chair.

[English]

The Chair: I'm sorry, Ms. Carruthers.

Go ahead, Ms. Larouche.

[Translation]

Ms. Andr anne Larouche: There's no interpretation.

• (1305)

[English]

The Chair: Okay, thanks.

Bear with us for one moment.

[Translation]

Ms. Andr anne Larouche: It's working now.

[English]

The Chair: Great.

Ms. Carruthers, maybe you can back up about 30 seconds of your statement. Thanks.

Ms. Shirley Carruthers: Yes, that is not a problem.

In response to the second recommendation to “put processes in place to ensure that information related to contract administration is accessible, preserved and retained throughout the procurement life-cycle to comply with applicable authorities and support fair, open, and transparent procurement”, GAC's management action plans include reviewing current directives and procurement guidelines and, where required, updating procurement guidance documents to assist departmental personnel in the fulfillment of their procurement-related duties, which we are on track to completing before December 2024.

We are committed to assessing the training curriculum for procurement employees abroad and to updating procurement training based on this assessment, which we completed in February 2024 and have begun to roll out to our employees. We will ensure that information related to contract administration is accessible, preserved and retained throughout the procurement life cycle to comply with applicable authorities and support fair, open and transparent procurement.

[Translation]

In conclusion, I would like to reiterate that this audit was undertaken proactively to objectively assess our procurement of consulting services and to identify areas where we can improve. We are a large, complex department and fully recognize that there are areas where we can do better, as we are committed to the integrity of the contracting process to support best value to Canadians.

As part of our next steps to further strengthen our rigorous approach, the department has already implemented various tools and processes and will continue to evolve our practices.

[English]

The Chair: Thank you very much.

We start our six-minute rounds with Mr. Genuis.

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

The committee has been seized with the contracting abuse that has happened during the tenure of this NDP-Liberal government, and now this corruption and abuse issue is coming to Global Af-

fairs, the domain of yet another prospective Liberal leadership candidate. In the last five years, Foreign Affairs has hired outside consultants over 8,000 times, spending over half a billion dollars. Your audit suggests that the rules are not being followed in about a quarter of those cases, so if that proportion holds, we're talking about a total of, roughly, 2,000 contracts at Global Affairs, M lanie Joly's department, that didn't follow the rules.

I note that we're supposed to be promoting democracy and fighting corruption around the world, yet we're looking at a situation where one-quarter of the contracts at Global Affairs are not following the rules. I think that's really disgraceful and shouldn't be passed off as simply part of the complexity of the operating environment.

I'll start by asking the assistant deputy minister what kind of message this sends to our allies and partners and to emerging democracies that we're working with on issues of adherence to rules and to the rule of law. How does this impact our credibility, and what kind of message does it send that we have these massive problems internally?

Ms. Shirley Carruthers: First, the audit found that we generally comply with the applicable authorities and that we maintain the integrity of the process—

Mr. Garnett Genuis: A quarter of the time you don't, so that's a huge problem. That's not acceptable. We wouldn't consider that acceptable if we were looking at a developing country or an emerging democracy.

What kind of a message does it send that a quarter of the time the rules aren't being followed?

Ms. Shirley Carruthers: I will just clarify the issues that the audit found.

First, in terms of the compliance of authorities, one of the findings was that the audit was unable to demonstrate that all of the necessary information was on file. To this I will mention that in a lot of these cases, it wasn't necessarily that the documentation didn't exist but more that when the auditors were looking into finding that information, the information wasn't readily available on file.

Maybe just—

• (1310)

Mr. Garnett Genuis: Ms. Carruthers, I think you're avoiding the question, though. This is a grave problem. It speaks to the rule of law that rules weren't followed. We're supposed to be standing for and championing the rule of law on the world stage, and we have rules for a reason. You or others can say that you don't think particular rules are that important or significant, but rules were not followed in about a quarter of cases, and documentation that should have been available wasn't.

I'm asking you a very specific question: What message does it send that when we're trying to project a message about the rule of law on the world stage, a quarter of Global Affairs contracts are seemingly not complying with rules?

Ms. Shirley Carruthers: I want to address the compliance issues that were outlined in the audit. There were 19 different instances where the—

Mr. Garnett Genuis: Ms. Carruthers, what message does it send? That's my question. What is the impact on our credibility? I've been asking you the same question for about four minutes.

Ms. Shirley Carruthers: Something important to recognize first is that your number, a quarter, is probably inaccurate in terms of the number of transactions that were found to be non-compliant. Of course, additional measures have been taken within the department to ensure that these types of errors don't come up again in the future.

Mr. Garnett Genuis: I think it's pretty clear that the witness is not answering the question, so I want to put the witness on notice that this committee does expect answers to questions, and we insist on those answers.

I'll follow up on the point of what message it sends, because I think you clearly don't want to respond to that. Maybe it's because the answer is fairly obvious that it sends a terrible message.

In terms of the specifics of this audit [*Technical difficulty—Editor*] identified, some of which appear to speak to explicit corruption. There are instances of intentional contract splitting, for example—

[*Translation*]

Ms. Andr anne Larouche: On a point of order, Mr. Chair.

[*English*]

The Chair: I'm sorry. Just wait one moment, Mr. Genuis. I paused your time.

Go ahead, Ms. Larouche.

[*Translation*]

Ms. Andr anne Larouche: The interpreters are saying that Mr. Genuis's connection is not good enough to allow for interpretation.

[*English*]

Mr. Garnett Genuis: Chair, just on that point, I believe my connection has now been restored. I know I was having some problems, but it should be restored.

The Chair: Okay. Why don't you rewind about 30 seconds and restart the question you're working on right now? Start from the beginning, please.

Mr. Garnett Genuis: Maybe before that, Ms. Larouche, can you confirm whether the interpretation is coming through? It's telling me on my end that my connection has been restored.

[*Translation*]

Ms. Andr anne Larouche: On a point of order, Mr. Chair.

Mr. Genuis's audio is poor, which is making it difficult for the interpreters to work.

[*English*]

The Chair: Let's just pause for a couple of seconds. I'm going to check with the clerk and the interpreters to see what's going on.

You're coming across very strong in the room, but the interpreters are asking if you could move the mic a bit closer to your mouth, Mr. Genuis.

Mr. Garnett Genuis: How is that?

The Chair: IT is going to contact you.

We're going to suspend for about five minutes until we get this sorted out.

Mr. Garnett Genuis: Chair, I can share the remainder of my time with a Conservative colleague. That might be better. Then we can continue.

The Chair: Sure. Why don't we switch to Mrs. Block, and then IT can contact you off-line, Mr. Genuis?

Mr. Garnett Genuis: Thank you.

The Chair: Sure.

Why don't we switch to Mrs. Block, and then IT can contact you off-line, Mr. Genuis?

Go ahead, Mrs. Block, for two minutes.

I'm sorry, Mrs. Block, but you're not coming through. Either you're muted or your headset isn't plugged in.

Can we go to you, Mr. Brock?

• (1315)

Mr. Larry Brock (Brantford—Brant, CPC): You can, Mr. Chair.

The Chair: Why don't we go to Mr. Brock for two minutes?

Go ahead, Mr. Brock.

Mr. Larry Brock: Thank you, witnesses, for your attendance.

I apologize. I also had some technical difficulties, and I didn't listen to your opening remarks, but I received some notes.

Anyone can answer this question, but I think it's probably more appropriate for you, Ms. Carruthers.

Your opinion is that you took a proactive approach to not only the audit itself but also the recommendations. Isn't it fair to say that you were caught with your hand in the cookie jar and that the jig was up? Public opinion was very strong with regard to the failed, corrupt practices exhibited by a number of departments in terms of contracting with outside consultants. It wasn't an issue of you taking proactive measures within your own department, but that the public demanded more transparency and accountability. Is that a better way of phrasing what's really going on here?

Ms. Shirley Carruthers: We did take proactive measures in that we weren't conducting this audit because we believed or were notified that there was any wrongdoing within the department. It was a way for us to assess the internal controls that we have in the system so that we could better address any issues that came up—

Mr. Larry Brock: I would push back on that a bit, Ms. Carruthers, because we had a similar audit in 2019. A lot of the findings on the irregularities of contracting practices—contract splitting, a number of contracts not being signed properly and people not having the appropriate authority—were revealed in 2019, four years ago. I don't know how long you've been in your current role or at Global Affairs, but clearly nothing was learned and there wasn't any sort of systemic change within the department, because this is déjà vu all over again. Isn't that a fair statement?

Ms. Shirley Carruthers: The time frame for this audit was from April 2018 to June 2023. Over the course of that period, the department did make a lot of changes to its system to rectify a lot of these issues. In fact, I think if you went back—which we have—and looked over the last couple of years, you would see that we've reduced the occurrence of errors in our post-payment verification process. If we look back—

Mr. Larry Brock: To be frank—

The Chair: I'm afraid that's time, but I'm sure we'll get back to it in the next round.

Mr. Larry Brock: Thank you.

The Chair: Mr. Jowhari, please go ahead.

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

Thanks to the officials for joining us today.

Ms. Carruthers, it was very interesting that you noted this was a proactive decision by the department. As I was reading the report that, again, your department put out proactively, I noticed the number 8,000, which was already mentioned, and a sample size of 100, with you looking at how many vendors were awarded contracts—there was competition—and how many were not. We'll get to that later, but as I was going through these numbers and thinking about the period from 2018 to 2023, I noticed that the world has gone through a lot since then. What came to my mind immediately was the list of events that have happened in the world since then and even before that [*Technical difficulty—Editor*]—

• (1320)

The Chair: I'm sorry, Mr. Jowhari, but I'm going to interrupt you because we lost you there. Can you go back about 30 seconds, please?

Mr. Majid Jowhari: Thank you, Mr. Chair.

I'd be remiss if I didn't say that as I was looking at the period from April 2018 to June 2023.... As you were going through a lot of transformation within the department, the world was going through a huge transformation and a lot of challenges.

Can you share with us the challenges that the department, Global Affairs, was managing? How were you navigating [*Technical difficulty—Editor*] serious challenges related to NAFTA, COVID-19, etc.?

Ms. Shirley Carruthers: As I mentioned before, the audit took place from April 2018 to June 2023. Obviously, within that time, the department was grappling with a lot of crises and events, including the global pandemic. If you think about the fact that we weren't able to locate some of our documentation, a lot of it stems from the period during which we were repatriating some of our foreign service officers from abroad to Canada, for example. In some cases, the contracts were put in place while those officers were in one location, and then the payment was signed when they were in another location.

I think it's also important to note that, within our department, we have been able to do a lot of updates to our IT system. Over the last 25 years, Global Affairs Canada, in our missions network.... Each mission has a separate repository to store its information. Information management has been a bit of a recurring theme.

I am happy to report that, due to our GAC transformation initiative, one thing that has been highlighted and that the department is working on is moving to one global platform for information management. This will go a long way toward helping our department mitigate risks where we're unable to locate documentation.

Mr. Majid Jowhari: It looks like the department was going through change, and because of the situation that we were facing globally, there were impacts on some of our missions.

Can you talk about the impact on our diplomats and other staff during that period and how that could have impacted some of the findings you had?

Ms. Shirley Carruthers: Yes, certainly.

As I was mentioning, this was a time of tremendous activity within the department, both abroad and locally. At that time, folks were doing their best to put different contracts in place and deal with the situation we had at hand.

Going back to the audit and looking at the overall errors that took place, while there were compliance issues and...the integrity of the contracting process, nothing in it signalled any kind of wrongdoing, like the misuse of funds, and nothing indicated that we weren't able to provide value for money for Canadians. Obviously, it did point to some errors that were unfortunate, but I feel very confident that the department now has the tools and processes in place to mitigate these risks moving forward.

Mr. Majid Jowhari: With about 40 seconds left, can you tell me how you have had to shift all your resources or develop new innovative ideas to adapt to not only the situations we are facing globally, but also the mandate that Global Affairs Canada has set for itself for transformation?

Ms. Shirley Carruthers: That's correct. Given the global context we find ourselves in, we're dealing with an unprecedented number of crises in any given year, so within Global Affairs Canada, we continually have to find ways to reallocate our resources internally to respond. As one example, with the present situation in Haiti, the department has had to stand up a Haiti task force, so we're always pivoting our resources.

That's one reason why I mentioned that this was a bit proactive. When we do an audit or something like this, it gives me an opportunity to better understand where the risks are within the department. Then we're able to reallocate our resources to those areas so that we're able to put processes in place to mitigate those risks.

• (1325)

The Chair: Thank you, Mr. Jowhari.

Ms. Larouche, welcome to OGGO. I apologize for all the tech issues. We have plenty of issues with OGGO, but tech is normally not one of them. Hopefully, we'll get them fixed.

Go ahead, please, for six minutes.

[Translation]

Ms. Andr anne Larouche: Thank you, Mr. Chair.

The unfortunate thing about these committee meetings where we're all participating via Zoom is that there are a lot of technical problems. I hope that you can hear me okay. It's not easy when so many of us are connected at the same time to discuss such an important subject.

That said, I'm listening to you, our witnesses, and I note there was a similar audit in 2019, five years ago. In response to previous questions from my fellow members, you said that there were a number of changes, but I'd like to hear you talk more about that since your answer was rather vague and brief. I'd like to know a bit more about the changes you implemented, because it's been five years now.

You said that you reduced the number of errors, but could you be more specific? I'd like to give you more time to respond to this important question.

Ms. Shirley Carruthers: Thank you very much for your question.

We've implemented new tools.

[English]

One example is an electronic signature solution. Within this audit, there were 19 different issues of non-compliance with the Financial Administration Act. The inception of this new tool will mitigate the majority of those risks. It puts a check verification within the system so that an employee wouldn't be able to inadvertently sign an invoice over their delegated authority limits or against a fund centre that didn't belong to them. As I mentioned, by putting in this new tool and some of the other tools, including increased training and measures on awareness, we were able to mitigate a lot of risks.

If we think about our payment process within the department, we use a risk-based approach and do post-payment verification on all low-risk transactions. For these transactions, if we were to look at our compliance rate over the last two years, we would find that the majority are now compliant. Our non-compliance rate went from 9% to 3%, and we are quite proud of those results.

[Translation]

Ms. Andr anne Larouche: You already mentioned the electronic signature in your opening remarks. In spite of everything you're telling us, Ms. Carruthers, some problems persist, according to the audit, which was carried out in accordance with the 2023-2025 Risk-Based Audit Plan, which Global Affairs Canada approved.

Why was the procurement of consulting services identified as a risk?

Ms. Shirley Carruthers: I'll let my colleague Daniel Pilon respond.

Mr. Daniel Pilon (Director General, National Accommodations, Domestic Procurement and Asset Management, Department of Foreign Affairs, Trade and Development): Good afternoon, Mr. Chair. My name is Daniel Pilon, and I'm the director general of procurement at Global Affairs Canada.

A procurement-related risk was identified, quite simply because of the nature and volume of transactions we carry out. We have over 170 missions throughout the world. As you can see from the public accounts, we award an average of 8,000 contracts annually, valued at between \$300 million and \$500 million.

Given the magnitude of those figures, our department wants to ensure that it has the necessary controls and processes in place to properly manage those contracts.

One reason we consider this area to be a risk is that we always want to keep our finger on the pulse of transactions across the department. That's also why we make continual requests for internal audits. There was one in 2018. There have been several involving specific missions. A new audit was carried out last year and published this year. Our risk management plan provides for ongoing audits in this area.

• (1330)

Ms. Andr anne Larouche: That leads me to a supplementary question, which either Ms. Carruthers or Mr. Pilon can answer.

Ms. Carruthers, when you talked about the missions, you mentioned Haiti, which has experienced a number of crises. What have you learned from the current situation in Haiti that might be relevant for the committee now?

Ms. Shirley Carruthers: It was merely an example of a situation where the department had to reassign resources. The last question was about how the department did that, so I used that as an example.

Ms. Andr anne Larouche: Understood. I might come back to that in another round.

Are there any other procurement-related risks identified in your audit plan, and if so, what are they?

Ms. Shirley Carruthers: I can ask my colleague Ms. Lalonde to respond to that question.

Ms. Natalie Lalonde (Chief Audit Executive, Office of the Chief Audit Executive, Department of Foreign Affairs, Trade and Development): Thank you very much.

Good afternoon, my name is Natalie Lalonde. I'm the chief audit executive at Global Affairs Canada.

Thank you for the question.

There are always risks when it comes to contracting. However, when we do our risk assessment for our annual plan, we look at all of the department's risks. Then, with the information at our disposal, internally and externally, about what is happening in the environment, we set a number of commitments we make per year to support the organization's objectives.

[English]

The Chair: Thank you very much.

Ms. Zarrillo, go ahead for six minutes.

Ms. Bonita Zarrillo (Port Moody—Coquitlam, NDP): Thank you so much, Mr. Chair, for the time today.

My comments will be for Ms. Carruthers to start, but I have to say that I'm very pleased the Conservative caucus is not in charge of any of these projects, because their team can't even get their technology—

[Translation]

Ms. Andr anne Larouche: Pardon me, Mr. Chair. I have a point of order.

I'm not getting the interpretation.

[English]

The Chair: I'm sorry, Ms. Zarrillo.

Go ahead, Ms. Larouche.

[Translation]

Ms. Andr anne Larouche: There's no interpretation, Mr. Chair. I don't know whether it's because of the dog.

[English]

The Chair: Very ironically, the interpretation went down.

Is it working now, Ms. Larouche?

[Translation]

Ms. Andr anne Larouche: Yes, Mr. Chair.

[English]

The Chair: Apparently, the interpreter is saying that it might be the dog or an animal in your office, Ms. Zarrillo.

Why don't we start your six minutes from the beginning?

Go ahead, Ms. Zarrillo.

Mr. Garnett Genuis: Mr. Chair, on a point of order, I thought it might be apropos to share with the committee a piece of scriptural wisdom: Do not remove a sliver from your brother's eye when you have a log—

The Chair: Thank you. Can we—

[Translation]

Ms. Andr anne Larouche: Mr. Chair—

[English]

Ms. Bonita Zarrillo: Mr. Chair, it is my time, and this is not a point of order.

The Chair: Ms. Zarrillo, I will decide whether the points of order are relevant.

I have a point of order from Ms. Larouche, if everyone could please allow Ms. Larouche the courtesy.

[Translation]

Ms. Andr anne Larouche: Mr. Chair, there was no interpretation during Mr. Genuis's comment, nor was there any when Ms. Zarrillo started to answer him.

[English]

The Chair: We apparently lost interpretation for Mr. Genuis's comment, which is probably just as well.

Is the interpretation coming through now, Ms. Larouche?

[Translation]

Ms. Andr anne Larouche: There is when you speak, Mr. Chair.

[English]

The Chair: Okay.

Mr. Brock, go ahead on a point of order.

Mr. Larry Brock: There's no interpretation, Chair.

The Chair: Mr. Clerk, do you want to say a few words in French and we'll see if the interpretation is working in English?

[Translation]

The Clerk of the Committee (Mr. Marc-Olivier Girard): Of course. I'm happy to be here, as clerk, at our second meeting of the day.

Is my sound good?

[English]

The Chair: There's no interpretation.

We're going to suspend for a few seconds so we can get this sorted out. My apologies.

• (1330) _____ (Pause) _____

• (1335)

The Chair: We are back.

We will start at the very beginning, with Ms. Zarrillo for six minutes.

Please go ahead.

Ms. Bonita Zarrillo: Thank you so much.

My question is for Ms. Carruthers. I'll preface it by saying that I've had the hypothesis since being elected that there has been a lack of investment in technology over the decades. I feel like there are some things we can't do for Canadians because of technology, so I was very intrigued when there was mention of a change in tools. This relates to my question.

When the procurement ombudsperson came to the committee, they said there needs to be an aggressive and comprehensive re-thinking of how government contracting is done and that band-aid solutions will not work. My question is about the tools that you mentioned. Are these actual, physical upgrades and changes to software tools? What do any of these changes in the tools and processes look like? Has underinvestment in those kinds of tools played a part in these issues, which really do affect Canadians?

Ms. Shirley Carruthers: As I mentioned earlier, I think one of our challenges has not necessarily been with the tools that one would typically think of in response to procurement, but it's in information management, given the fact that we're dispersed around the globe. Investments in that area certainly will help with a lot of the issues in document storage and whatnot.

To speak to some of the other systems improvements that we made, they require an investment of both time and resources, but the benefits certainly make those endeavours worth it. I know I've mentioned this a couple of times, but if I think about our electronic signature solution in particular, just having it in place means that we have fewer resources involved in the process from a manual perspective. It not only takes away that risk, but also frees up resources that we have within the department in order to concentrate on other areas. Then we can rest assured that those transactions will be fine and move our attention to other areas of higher risk.

I think the CFO community is very seized with the issues that are currently taking place in the realm of procurement. Looking at ways that we, as a community, can tighten up the controls from a systems perspective would be very appreciated. Then we can ensure the fairness of the process and continue to be open and transparent.

• (1340)

Ms. Bonita Zarrillo: Thank you so much.

Has this committee received information in the past about the costs of any of those tools and processes? You mentioned that they're well worth it, but has there been a submission to this committee on that? If not, could we get a submission on the expenses over the last five years for process and tool improvement?

Ms. Shirley Carruthers: No, not that I'm aware of. I can certainly take that back and provide the information to you.

Ms. Bonita Zarrillo: Thank you so much.

Thinking a bit about the conversation that's happening right now in Parliament about foreign interference, I know that when the Conservatives were in government, they outsourced some of the veterans' data to an American company. I'm just wondering if there is talk right now about how to keep data safe in this new and evolving world.

Ms. Shirley Carruthers: Yes, absolutely.

I think I talked before about the fact that we didn't have one global repository system that we could use to access information from across the world. Security is one of the reasons that underpin some of the challenges we have. For us, maintaining the integrity and security of our information is obviously our top priority. That is why it has taken us up until now to devise such a system. We're waiting for the technology to keep pace with security, and we're making sure we have everything so that we're not putting our information at risk.

Ms. Bonita Zarrillo: My last question is on the upsizing of contracts. A \$40,000 threshold was in a couple of examples in the report, where the same supplier had come back and increased contracts time after time.

I'm just wondering if you could share a bit about why that happened and what the process was.

Ms. Shirley Carruthers: Three instances of this were found in the audit, but I'll turn to my DG of procurement, Dan Pilon, who can provide some additional details regarding this.

Mr. Daniel Pilon: Thank you very much.

The contract with the increase above the \$40,000 threshold was a single instance where an initial contract for two resources was put in place for, in essence, temporary help services, as we needed some resources to come in and help with a surplus or surge in workload. The initial request was for two resources. Only one resource was put on contract at the onset, which generated a low dollar value. A second resource was then added to meet the original requirement when a second resource was found, which drove the contract to be increased, along with the period of time. Then what happened is a third resource was added to the contract with an amendment, and it surpassed the \$40,000 threshold.

We've notified the manager. We've addressed the situation with retraining and proper procedures.

The Chair: Thank you very much.

Ms. Carruthers, thank you for responding to Ms. Zarrillo about the information. Just so you're aware, our committee passed a motion that we require all requests to be done within 21 days and given to the clerk.

We're now going to Mrs. Block for five minutes.

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

I see you are probably able to hear me by my screen lighting up. Is that correct?

The Chair: Yes, loud and clear.

Mrs. Kelly Block: Great.

I missed a couple of interventions, so I may be repeating some questions that were asked. My first question will be for those who conducted the audit.

You have uncovered routine irregularities in the hiring of consultants in Minister Mélanie Joly's department. Was this an annual review that you conducted or part of a regular review?

• (1345)

Ms. Natalie Lalonde: It's not a regular review that we do. We have internal processes that do reviews, but that's part of the chief financial officer's group. Every year, in my group, as I explained, we do a risk-based audit plan, and we plan the engagements we will be doing during that year. Last year, we identified this as an audit to undertake, so it's not something we do regularly.

Mrs. Kelly Block: I believe the review followed a public outcry over billions spent on consultants government-wide, and I think that was in the internal audit report. This was over half a billion dollars at Global Affairs over the last five years alone.

What is the acceptable rate of contract failure in government departments?

Ms. Natalie Lalonde: Obviously, an acceptable rate would be 0%, but unfortunately, with the process being so complex and involving so many people, I'm not sure that you can go for that.

Mrs. Kelly Block: Then no other rate above 0% has been identified as an acceptable rate of failure.

Ms. Natalie Lalonde: I wouldn't consider that a failure. We looked at various things. There were errors and issues identified in the report. I've been doing audits for several years, and we always seem to find some of the issues that come up because of the way we do risk-based sampling and raw sampling.

Mrs. Kelly Block: I'll follow up on that. Do you think 26% is an acceptable rate of failure?

Ms. Natalie Lalonde: There are issues with.... We calculated 20%—

Mrs. Kelly Block: I need just a yes or a no, ma'am. Is that an acceptable rate?

Ms. Natalie Lalonde: I think categorizing it as a 26% failure rate is incorrect. As we categorized it, there were issues in 20% of the contracts that we reviewed.

Mrs. Kelly Block: Okay. Is 20% acceptable?

Ms. Natalie Lalonde: I think—

Mrs. Kelly Block: It's yes or no. This is an easy question.

Ms. Natalie Lalonde: It's not an easy question because it depends on what we do and what we look at, and it depends on the context.

Mrs. Kelly Block: Okay. I'm going to change the question, then. Perhaps I'll make it a little easier.

What is the expected rate of failure when dealing with organizations the size of Global Affairs Canada? Give me the expected rate, not the acceptable rate.

Ms. Natalie Lalonde: I'm sorry, but I can't answer that question.

Of course, it would be—

Mrs. Kelly Block: Okay. I'll move on, then, and I'll note that you were unable to answer the question.

Over the course of this committee's investigation into arrive scam, we have learned of many terms in the world of government procurement. They are “bait and switch”, “Charbonneau loop” and, last but not least, “contract splitting”, which describes the practice of divvying up large contracts into smaller ones to bypass competitive bidding requirements and sole-sourcing because they do not reach the dollar threshold.

I'll go back to the auditor.

In your audit, you found cases of contract splitting. How many of the 19 contracts that failed the audit included cases of contract splitting?

The Chair: Give us a very brief answer, please.

Ms. Natalie Lalonde: None.

The Chair: Great. Thank you very much.

Mrs. Atwin, go ahead for five minutes.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you very much, Mr. Chair.

Thank you to our witnesses for being with us today.

I will take this opportunity to wish all the mamas out there a happy belated Mother's Day.

As I've been listening and taking this all in, I've noted the tone that some of our Conservative members have been using when addressing our public servants. I find it really interesting that the CPC is making unfair accusations of corruption and not following the rules, given the CBC article that came out today pointing out that members of the CPC have used House of Commons funds to fly their spouses to caucus meetings so they can attend partisan Conservative conventions. I found that a bit hypocritical, but I digress.

I'd like to ask our ADM a question about government fiscal responsibility, an important tool of that being, of course, the audit process.

Could you please compare the strengths and weaknesses of internal versus external audits in the federal government context?

• (1350)

Ms. Shirley Carruthers: I'm not sure I can compare and contrast. If I think about my audit executive within Global Affairs, for example, I expect her to look at the processes with the exact same lens as I would expect from an external auditor, and expect her to come back with her findings in the same way I would see from someone external to the department or the government.

Mrs. Jenica Atwin: Your audit found that Global Affairs Canada complied with proactive disclosure requirements for all 1,486 consulting service contracts, valued at over \$10,000, including those to which a national security exception applied. Contracts subject to a national security exception must be proactively disclosed, but information may be withheld pursuant to the Access to Information Act.

What factors account for such a high compliance rate for proactive disclosure?

Ms. Shirley Carruthers: I couldn't say for sure. Obviously, we have a good process in place within the department to make sure that nothing falls through the cracks when identifying all of the contracts, and to make sure that they're proactively disclosed in a timely manner and are following the policy.

Mrs. Jenica Atwin: How many of the 1,486 contracts were subject to a national security exception?

Ms. Shirley Carruthers: Perhaps I'll turn to my colleague Dan Pilon to see if he has that information with him. If not, we can get back to you.

Mr. Daniel Pilon: I don't have the exact numbers. However, what we can say is that a certain percentage of our general contracts are subject to national security and mission security parameters. That's roughly between 5% and 10% of our procurement at any given time.

Despite not having access to the sample itself, I would expect that maybe 5% to 10% of those contracts were subject to national security exemptions.

Mrs. Jenica Atwin: When a national security exception is applied, how do you determine whether the appropriate information is still disclosed?

Mr. Daniel Pilon: We have a vetting mechanism internally.

Regarding the release of information, some contracts are repetitive in nature, like those for protection services in various missions, and there are the same kinds of issues, so we know exactly what we're looking for and we have processes in place to withhold specific information.

In the instance of individual, specific and unique contracts, there is a review on a quarterly basis before the report is published during which the data is scrubbed in accordance with certain criteria. It's validated by internal staff, from both security and information man-

agement, and then it's moved forward for publication if it's deemed non-sensitive or not subject to national security.

Mrs. Jenica Atwin: Ms. Carruthers, did your audit findings lead to any suppliers being excluded from future procurement processes?

Ms. Shirley Carruthers: The answer to that question is no.

Mrs. Jenica Atwin: I don't have much time left, but I will quickly get this out. According to the management response and action plan, starting in January 2024, the results of monitoring compliance with authorities will be communicated via a scorecard to the assistant deputy ministers, and by July 2024 a number of other measures will be implemented.

What are the results of the latest scorecard?

Ms. Shirley Carruthers: I haven't actually seen the results of the latest scorecard. The only number I've seen recently was with respect to our postaudit verifications. I think I've mentioned this number a couple of times already this afternoon: Our non-compliance rate has decreased to 3% of cases. However, I can certainly provide the committee with a copy of that dashboard if it's valuable.

The Chair: Thank you very much.

Ms. Larouche, you have two and a half minutes.

[Translation]

Ms. Andr anne Larouche: Thank you, Mr. Chair.

I'm going to focus on the issue of consultants.

Ms. Carruthers, were the reasons for using consultants addressed in the audit?

If not, can you tell me why not?

• (1355)

[English]

Ms. Shirley Carruthers: Thank you very much for the question.

[Translation]

In general, the department uses consultants in situations where there is a lack of resources. That's the case, for example, for the information technology group.

From time to time, we don't have the resources we need to implement new systems or cutting-edge initiatives in the field.

[English]

Another reason we might use these types of resources is if we have a project to deliver, for example, that has a short duration and it wouldn't make sense from a value-for-money perspective or a resourcing perspective to hire a full-time resource to do that body of work.

[Translation]

Ms. Andr anne Larouche: That remains a problem, Ms. Carruthers.

Did your audit examine why the decision was made to turn to McKinsey instead of relying on internal expertise?

You're talking about a lack of resources and experience, but there's a problem when you can't use internal resources.

I'd like to hear your comments on that question.

Also, what did the contracts awarded to McKinsey seek to improve?

Ms. Shirley Carruthers: Our department did not award any contracts to McKinsey.

Ms. Andr anne Larouche: You didn't answer my question.

The fact that the department is increasingly doing business with consultants is problematic. It's causing various problems.

Why did you decide to turn to McKinsey rather than using internal resources?

Additionally, what exactly did McKinsey's services seek to improve?

Ms. Shirley Carruthers: I'll let my colleague Mr. Pilon respond to that question.

[English]

The Chair: Give a brief answer.

[Translation]

Mr. Daniel Pilon: Thank you.

I want to clarify that Global Affairs Canada did not sign any contracts with McKinsey. However, we use consulting services and we sign contracts with consultants. That's part of our regular contracting activities.

Furthermore, as Ms. Carruthers indicated, we often use consultants to meet a need for expertise in very complicated and complex international fields.

[English]

The Chair: Thank you very much.

Ms. Zarrillo, please go ahead for two and a half minutes.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

My questions are related to some of the document deficiencies.

It was outlined in the audit that it looked like there were some widespread document deficiencies. I have two questions. What was it within the internal culture that allowed for a widespread lack of documentation, and how has that been addressed?

Ms. Shirley Carruthers: First of all, information management is definitely something we as a department need to tackle from a cultural perspective.

Thinking about the results of this audit in particular, there were a number of reasons that the audit wasn't able to identify documentation. In some cases, it wasn't that the proper documentation wasn't there or the proper due diligence wasn't performed, but that the documents just weren't readily available to the auditor when they were looking for them. For example, as I mentioned before, some of the documentation would have resided within the mission net-

work. It could have been an instance where an employee left the department and the documentation couldn't be found. We see this as an issue, and it's something we're working very hard to resolve within the department. We know it's very important to maintain these records and have them available.

To rectify this issue, we are working on training for our employees, tackling it from a cultural perspective and making sure folks understand what's important. Then, of course, there's looking at a global information management strategy, one in which we would have a global platform where we could store our information. It could be readily available so people who reside in Ottawa can access documents at missions, and people at missions can access documents that are maintained in Ottawa. Obviously, this would go a long way toward increasing not only compliance with an audit but general practices within the department.

• (1400)

Ms. Bonita Zarrillo: I think I have time for one last question, which is—

The Chair: No, I'm afraid you're past your time. I'm sorry, but you'll have a couple of more interventions.

Mr. Brock, go ahead, please.

Mr. Larry Brock: Ms. Lalonde, although you weren't sworn in or didn't affirm to tell the truth, any witness who appears at a parliamentary committee is expected to tell the truth. My first question to you is this: Prior to your attendance today, did you read your audit?

Ms. Natalie Lalonde: Yes, of course I read my audit.

Mr. Larry Brock: You just responded to a question put to you by my colleague Mrs. Block that there were no cases of contract splitting, which allows consultants to abuse taxpayer money. You said there were no instances. The report states in section 2.1, under the heading "Contract splitting", "Through the review of both the statistical random and risk-based sample, the audit team assessed whether there were instances of contract splitting. In the statistical random sample"—

[Translation]

Ms. Andr anne Larouche: On a point of order, Mr. Chair.

[English]

The Chair: I'm sorry, Mr. Brock.

Go ahead, Ms. Larouche.

[Translation]

Ms. Andr anne Larouche: These days, we're reminded of how important it is to keep in mind our interpreters' health. I'm being told that the sound quality is poor.

[English]

The Chair: Please wait one moment.

Mr. Brock, our interpreters are saying that your sound quality is bad. I hate to do this, but are you okay if we switch over to Mr. Genuis, and we'll have IT contact you?

Mr. Larry Brock: Yes.

The Chair: Mr. Genuis, we'll start at five minutes. If you're able to, go ahead, sir.

Mr. Garnett Genuis: Yes, I am, Chair.

I'll pick up where Mr. Brock left off. The report indicates that there were three instances of contract splitting. I wonder if our auditor can confirm that, in fact, instances of contract splitting were identified and give us some context for her previous response.

Ms. Natalie Lalonde: Yes, of course. I was under the impression that her question had to do with the statistical sample and whether there were any incidents of contract splitting there. The answer to that question is no.

My report details three instances where we found potential contract splitting. That was related to another type of sampling we did, which was risk-based, and there, we were looking for contract splitting. After validation verification, we did find three instances.

Mr. Garnett Genuis: Okay, thank you.

I would suggest that in the future, you try to be more precise, because I think that lends itself to significantly less confusion.

Further to the issue of contract splitting, there's been an effort to portray this as an instance of forgetting to cross the t's and dot the i's, but contract splitting involves intention. It involves somebody knowing what the rules are—that a competitive process is required over a certain threshold—and then intentionally trying to divide the contract up in a way that is not consistent with policies in order to get around policies and avoid a competitive process. This is explicitly a kind of corruption, an effort to circumvent the rules to avoid a competitive process and benefit somebody. That needs to be noted in the context of some of the downplaying of the problems going on.

Do you have any information about the motivation behind the contract splitting and, in the instances of contract splitting, who specifically benefited from it?

• (1405)

Ms. Shirley Carruthers: In terms of the three instances where contract splitting was mentioned in the audit, I'll just say that those were six relatively low-dollar value—

Mr. Garnett Genuis: That's not the point. Who benefited?

Ms. Shirley Carruthers: Who benefited? Maybe first I can just address the—

Mr. Garnett Genuis: No. Could you answer the question, please?

Ms. Shirley Carruthers: Who benefited? Are—

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): On a point of order, Mr. Chair, if my colleague could allow the witness to answer the question, that would help all of us get the information we need.

Mr. Garnett Genuis: On the same point of order, Ms. Carruthers spent four minutes not answering the same question in the

last round, so I'm going to be more direct this time, in my expectation that direct questions receive direct answers. Mr. Kusmierczyk knows that it's my time to do so.

The Chair: Mr. Kusmierczyk, it is the member's time.

Go ahead, Mr. Genuis.

Mr. Garnett Genuis: Ms. Carruthers, who benefited from this corrupt contract splitting? Who were the consultants who benefited?

Ms. Shirley Carruthers: I'm going to turn this over to my colleague Dan Pilon.

Mr. Daniel Pilon: The three instances of contract splitting were from the same unit and from the same manager, so it was a very isolated incident in that it was not widespread throughout the department. It was one specific manager of our administrative distribution centre. That manager is no longer in the position. That being said, when we found out about this, we addressed the issue. We addressed it with the person's supervisor. Then we went in with mandatory training and readdressed the situation.

Mr. Garnett Genuis: You're telling us that this person was involved with multiple cases of corrupt contract splitting. You said they're no longer in the position. I hear that as you saying they still work for the government.

Does that person still work for the Government of Canada?

Mr. Daniel Pilon: I do not know personally if this person.... I think they are still within the department, although I don't know their tenure specifically.

Mr. Garnett Genuis: You don't know for sure, but you say they were likely moved to a different position within the department. I would like you to provide to the committee the name of that individual and the current position they hold. If you have that information, you can provide it now. If you don't, you can follow up in writing.

Are you prepared to do that?

Mr. Daniel Pilon: I will not provide it now. I don't have that information. If you require it, we will provide it.

Mr. Garnett Genuis: We'll require that in writing, according to the timelines that we usually require.

Who were the consultants who benefited from these instances of contract splitting? Who got the deals? Who got the money?

Mr. Daniel Pilon: I will answer, if you don't mind.

It was one company that was used for temporary help services. They provide services to help staff and so forth. There were three instances—

Mr. Garnett Genuis: What's the name of the company?

Mr. Daniel Pilon: I will get that to you in 30 seconds. I'll put on my glasses.

It is Excel Human Resources.

Mr. Garnett Genuis: I assume that if I request it, we'll have the agreement of the committee to bring Excel HR to provide testimony.

The Chair: Agreed....

Mr. Garnett Genuis: Okay, thank you.

Has Mélanie Joly been briefed on this audit?

Ms. Shirley Carruthers: I don't know if she was specifically briefed, but I do know that her office has been briefed on the results of this audit.

Mr. Garnett Genuis: Who would have briefed her?

The Chair: I'm sorry. I have to interrupt. We are past our time.

Mr. Baines, please go ahead.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair, and thank you to our witnesses from the department for joining us.

I requested to sit on the OGGO committee to look at improving the operations of government and finding efficiencies. The work you're doing here of reviewing procurement is ultimately to find those efficiencies.

My understanding is that this report was a routine audit conducted under the approved 2023 to 2025 risk-based audit plan of Global Affairs Canada. Can you explain how the plan was developed and approved?

Ms. Shirley Carruthers: I'll turn this one over to my colleague Natalie Lalonde.

• (1410)

Ms. Natalie Lalonde: Every year, we do a risk assessment of the operations of the department. With the resources we have, we determine a certain number of engagements to take on.

Internal auditing is a fairly policy-based function, and there are certain rules we need to apply. We have an independent departmental audit committee that supports operations and gives advice and guidance to the deputy heads. That committee is composed of four external members outside of the public service.

We present the report to the departmental audit committee. They review it, they ask a lot of questions and, if they agree, they recommend it for approval by the deputy minister. Ultimately, the approval is obtained by the deputy minister, and then we can go ahead with the work we have planned.

Mr. Parm Bains: What risk factors does it take into consideration?

Ms. Natalie Lalonde: It takes several risk factors into consideration. What we look at—gosh, I'd like to show you the spreadsheet—is so wide and large. We try to—

Mr. Parm Bains: How does the plan lead to specific audits being conducted? How many risk factors need to be hit before an audit is conducted?

Ms. Natalie Lalonde: Once we complete our risk assessment, we look at the potential engagements we can do during the year, and we prioritize a certain list specifically.

Mr. Parm Bains: A concern I have, as we've seen, in procurement and contracting—we've discussed this in this committee before—is that in many instances, the procurement process hasn't changed for over 20 years. One issue we find is that many contractors and subcontractors know one another. They work on several different duties, and over time, relationships are built.

I'm just wondering how all of these things are mitigated.

Ms. Natalie Lalonde: Thank you very much for the question. I'm not sure I understand it.

As to the reason we did this audit, we do several contracting audits within a five- or six-year period. Understanding the issues that arose from other departments and other audits that were published last year, we thought it was important for us to look at our own practices and report proactively the results of the assessment. Therefore, we published the report on our website.

Mr. Parm Bains: Given the significant series of world events that Global Affairs has responded to over a five-year period, there were a significant number of consulting services contracts. Can you outline the breadth of the consulting services that GAC contracts for, or the activities?

Ms. Shirley Carruthers: There are a couple of figures that I can give you. Over the last five years, the department has entered into contracts worth over \$3 billion. These contracts span a number of areas, including our security guards in missions abroad, construction and various services. There's a vast array of procurement and contracting that the department does.

Mr. Parm Bains: Do you mean for security at consular services, or maybe for international development and international trade? Can you give me some examples there?

Ms. Shirley Carruthers: Our department has some funding reserved specifically to address issues at our embassies relating to security. It's called our duty of care. Certainly, we enter into some contracts using that source of funds. Those contracts are predominantly for hiring security guards, for example, at our missions abroad. They're also for hiring different vendors to help with maintenance and the like in our vast missions portfolio.

• (1415)

Mr. Parm Bains: Can you explain how the volume historically compares to the longer-term trends?

Ms. Shirley Carruthers: If I go back to 2017-18 and the number of contracts that the department entered into, we're looking at about 1,500 contracts. In comparison, in 2023-24, the volume of contracts has decreased significantly. It's almost by half, so 7,676. I think these numbers reflect and are in line with the direction of the government, if you think about the recent refocusing government spending exercise. All government departments were asked to reduce professional services.

I think this number really demonstrates what we've done within the department to reduce our spending on consulting services. However, as I mentioned, a lot of consulting services are unavoidable given our contracting for security guards at missions abroad.

The Chair: Thank you very much

Mrs. Block, go ahead.

Mrs. Kelly Block: Thank you very much, Chair.

We now know that there is a widespread problem of government officials working as contractors and getting contracts from the Government of Canada. The most infamous case, of course, is the arrive scam app contractor. Dalian's founder was paid \$9 million for the app and was also working at DND. In fact, he signed a contract with the government on the very first day he started working at DND.

Treasury Board submitted documents to this committee on all conflicts of interest from government officials working as contractors. It included information from Global Affairs. They claim that one official signed a contract and that there was no conflict, but in the audit, it was clearly stated that one contract was approved by an individual who benefited from that contract.

Is this not a direct conflict of interest?

Ms. Shirley Carruthers: I welcome the opportunity to clarify that particular situation.

Concerning the one instance in the audit where an individual benefited from the transaction, it was a contract put in place for coaching services for one of our managers within the department. The contract was for a value of under \$5,000, and it was split over two fiscal years.

In this instance—

Mrs. Kelly Block: I'm just going to stop you there, because I don't think the dollar amount matters and I don't think it was extended over two years.

Do you not consider it a direct conflict of interest if someone who works in a department is getting a contract from that same department?

Ms. Shirley Carruthers: In this particular instance, what happened was the employee put in place a contract for coaching services. When the invoice came in, the invoice was scheduled to be paid by her manager from her manager's fund centre. In this instance, that manager was actually acting on behalf of her manager when the invoice came in, and she signed for that contract.

By regulations, that employee was in the wrong and they should not have signed that payment because they did benefit from the transaction. What I can say is that there was no mal-intent. I think it was just an administrative oversight. We have—

Mrs. Kelly Block: Thank you.

How many cases of conflict of interest do you have at Global Affairs?

Ms. Shirley Carruthers: Unfortunately, I don't have that information.

Mrs. Kelly Block: I'm sure you'll be willing to provide that to the committee.

Ms. Shirley Carruthers: Yes, absolutely.

Mrs. Kelly Block: Will you also commit to reviewing all contracts, the recipients and those who approve the contracts?

Ms. Shirley Carruthers: I think we would have to have further details on what you're asking for.

Mrs. Kelly Block: This would be particular to the conflict of interest that you've said you will provide the information for.

Ms. Shirley Carruthers: I'll take that back to the department. We'll provide you with information accordingly.

Mrs. Kelly Block: You've given us the position the person was in. You've given us some explanation of how they didn't benefit.

This individual was in the wrong in signing off on this contract. Was there any sort of reprimand or reprisal in following up on that?

• (1420)

Ms. Shirley Carruthers: In this particular incident, again, it was the position of the department that this wasn't necessarily wrongdoing. This was more of an error on her part, and she really shouldn't have signed it. She was acting on behalf of her manager. The invoice came in, and I think she should have waited and had that invoice signed off when her supervisor returned.

Unfortunately, I can't speak for the employee. I'm assuming she wanted the vendor to be paid promptly within the terms of the contract.

Mrs. Kelly Block: What we have seen in many of the contracting issues we have studied at this committee is a broad failure to enforce the Financial Administration Act. I think that's been noted by others who have conducted investigations.

Who is responsible for ensuring that the Financial Administration Act is properly enforced in a department, and perhaps in yours in particular?

Ms. Shirley Carruthers: Under the FAA, the deputy head is ultimately responsible for ensuring that the Financial Administration Act is respected. Obviously, as the chief financial officer within the department, I have a very important role, as does our auditor. It really is to make sure that the necessary controls are in place to ensure that the Financial Administration Act is respected.

Mrs. Kelly Block: In the case of the—

The Chair: Thank you very much. I'm afraid that's our time, Mrs. Block.

Mrs. Kelly Block: Thank you.

The Chair: Mr. Kusmierczyk, please go ahead.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

Over the last two years, I've been very pleased to be part of the work of the OGGO committee, which provides a significant level of scrutiny to procurement and contracts, making sure that we're doing everything we possibly can to be accountable to taxpayers and Canadians. It also makes sure that other folks in the procurement and contract business are being accountable, so that we're protecting taxpayers.

Over the last year or so, we've seen an RCMP investigation, we've seen the Auditor General provide a report and we've seen the procurement ombudsman delve deep into the procurement and contract system. Our very own OGGO committee has had numerous meetings. For ArriveCAN, for example, we had 64 witnesses, and for McKinsey, we had 59 witnesses. There's been a Privacy Commissioner report. The Public Sector Integrity Commissioner has been asked to look into this. CBSA has done its own integrity investigation, and now, obviously, we have Global Affairs Canada proactively looking at contracts and procurement. There has been a tremendous level of scrutiny.

Thus far, what all of that work has found is that more documentation is required. We've seen gaps in documentation, and we need stronger record-keeping, especially in the decisions that are made around contracts. What we haven't found in all the investigations and studies that we've seen is any political interference, including political interference in contracts. That's the state of play that we're in.

It's interesting that, over the last year and a half, the biggest whopper or revelation that we've seen is actually from today, when we saw a report from CBC stating that the Conservative Party has been abusing taxpayers by billing them \$426,000 for partisan political activity. Anyone who's been an MP for any measurable period of time knows that this is illegal. It is outside of the rules to charge the House of Commons budget and the taxpayer for clearly partisan and political events.

The Conservative Party has now been found to be misappropriating taxpayer funds and abusing the taxpayer. This is what I would describe as robbery in plain sight, basically sending taxpayers the bill for purely political and partisan Conservative events. I think it's something my colleagues around this table really need to respond to. I hope they delve into this misappropriation of taxpayer funds. This is a very serious issue.

My question is for our officials from Global Affairs.

In the United States, over the last number of months, we've seen the MAGA Republicans blocking military aid to Ukraine in the U.S. Congress, which has placed Ukraine at a disadvantage. We're seeing Russia making military advances right now in Ukraine. That's from MAGA Republicans in the United States.

On the Canadian side, we saw the Leader of the Opposition and the Conservative Party try to block—

• (1425)

Mrs. Kelly Block: I have a point of order, Mr. Chair.

The Chair: Excuse me, Mr. Kusmierczyk.

Mrs. Block, go ahead.

Mrs. Kelly Block: I know this member has trouble sticking to the matters at hand when it comes to his interventions. I question the relevance of his intervention so far, as it doesn't line up with the study or the questioning of the witnesses before us on the audit report.

The Chair: Thanks very much.

It is Mr. Kusmierczyk's time if he wishes to go on with this.

Go ahead, please.

Mr. Irek Kusmierczyk: Again, in the U.S. we saw MAGA Republicans blocking military aid to Ukraine. In Canada, we're seeing MAGA Conservatives trying to block support for the Ukrainian free trade deal.

I would like to ask our Global Affairs officials whether this is something they would look at in the contracts they have with consultants. Is this the type of issue that would be looked at by some of these consultants? Do they look at the impact on support for Ukraine and at the possible impact on the war in Ukraine?

Ms. Shirley Carruthers: I'm not aware of any contracts in that area that I could speak to.

Mr. Irek Kusmierczyk: Okay, no problem. I want to move on to my next question, then.

In *The Globe and Mail* last year, there was an article titled "Germany's far right isn't on the doorstep of power. It's already arrived". It talked about the alarming level of support for far right parties, like Alternative for Germany, which is the AfD party. What we've seen is, again, Conservative MPs—

The Chair: Mr. Kusmierczyk, you're out of time. Can you wrap up with a question?

Mr. Irek Kusmierczyk: Sure.

Last year, we saw Conservative MPs having lunch with the extremist AfD party.

Mr. Garnett Genuis: Mr. Chair, on a point of order, I think if he's out of time, he's out of time, and he can post this to his Twitter feed or something.

The Chair: Thanks, Mr. Genuis.

Mr. Kusmierczyk, you are past the clock. Could you wrap up with a very brief question?

Mr. Irek Kusmierczyk: I want to ask whether some of that consulting is around the impact of, again, the Conservatives meeting with far right extremist groups from Germany. Are we looking at the impact that has on anti-democratic—

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

The Chair: Mr. Kusmierczyk, I asked you twice to wrap up, and we're well past the time now. I'm ready to move on to our next intervention.

Was there a point of order, Mr. Brock, or is this settled? Can we move on?

Mr. Larry Brock: He's well past his time, and all he's doing is editorializing. He's not asking a question. It's time to move on.

The Chair: Thanks. We have finished. That's not a point of order, but I appreciate you bringing it up.

We are now going to Ms. Larouche for two and a half minutes.

[Translation]

Ms. Andr anne Larouche: Thank you, Mr. Chair.

I'm slightly confused about some points this afternoon. Actually, there are two things. I'd like to raise a point and then ask a question. You can interject.

Reportedly, 109,000 public servants joined the ranks of the public service in one year. There were 368,000 employees in 2024, an increase of 109,000.

I'm trying to understand something. There are more public servants, but when I ask why more consultants are being used, I'm told that there are fewer resources. If there are more public servants, meaning more resources, I fail to understand why more outside contracts are being awarded.

Then, Mr. Pilon, in response to the question I asked you earlier, you quickly answered that McKinsey didn't get a contract. You may have answered quickly given all the problems with McKinsey. However, it took a bit more effort to get the name Excel Human Resources, and it wasn't easy to find out which public servant was dismissed or not dismissed.

I don't know, Mr. Pilon or Ms. Carruthers, whether you can respond or provide some clarity with regard to my questions.

• (1430)

Mr. Daniel Pilon: I apologize, but I cannot speak to the number of employees in the public service, because that's outside my area of expertise.

It took me a moment to see the name of the company, because I had to put on my glasses. That said, we're going to give you the name of the manager in question, but I can tell you that the issue was addressed with the employee, the manager and their supervisor. We were quite clear and we explained that the processes used by that manager were not acceptable. Measures were put in place. They're probably related to staffing and employment, given the reprimand. As the contracting manager, I don't have access to that information. I don't see individuals' personnel files.

Ms. Andr anne Larouche: Where's that manager now, Mr. Pilon?

Mr. Daniel Pilon: We're going to get you that information.

[English]

The Chair: Give us a brief answer, please.

[Translation]

Mr. Daniel Pilon: I don't have that information with me. I'm sorry. The department has 6,000 employees across the country.

[English]

The Chair: I assume you'll get back to us with that.

[Translation]

Mr. Daniel Pilon: Yes, we'll certainly do that.

[English]

Thank you.

The Chair: Wonderful. Thanks very much.

Ms. Zarrillo, please go ahead for two and a half minutes.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I'm going to revisit data privacy with the lens of foreign interference, which we've been talking about in Parliament.

Five years ago, the Office of the Privacy Commissioner issued an alert on contracting out and said that those services "can raise certain risks for privacy"—I think about Canadians here—and that it's "important to consider the privacy implications". For federal government institutions, the Privacy Commissioner made some recommendations. Those included defining the "ownership of the information" when contracting out, recognizing "individuals' rights of access to their personal information" in regard to contracting out, restricting "further uses of the personal data" to contractors, protecting "information against unauthorized disclosure" and having written into contracts "retention and disposal criteria".

All of that is top of mind for me and the NDP right now as we think about protecting Canadians. Has this been taken on and adopted in regard to outsourcing at Global Affairs?

Ms. Shirley Carruthers: Yes, this is definitely something that Global Affairs has addressed.

Perhaps I can turn to my colleague Dan Pilon, who can provide you with some additional details.

Mr. Daniel Pilon: Every contract that is awarded by Global Affairs, as per government policy, goes through an assessment. As you've probably heard before, there is a security requirements checklist, which is standard procedure, where an analysis is done on the sensitivity linked to the contract regarding privacy, national security, communication security and so forth. A thorough review is done. That form is then used to feed consultation within the department. If security sensitivities are identified, experts are brought in. If that is the case, we determine an appropriate path in procurement that safeguards information or the subject matter.

Every single contract in the Government of Canada, and especially at Global Affairs, is supposed to undergo that analysis. Our review has demonstrated that we routinely use this form. Definitely, for anything over \$10,000 for which a physical contract is issued, we do that.

Ms. Bonita Zarrillo: Mr. Pilon, I'm just going to clarify something. I really want to know about people's personal information and whether that's protected and written into contracts when outsourcing.

As a follow-up question, is that information accessible? Is information that's held by an outsourced organization accessible, whether it's through ATIPs or any kind of transparency questions from the residents or constituents of Canada?

The Chair: I'm afraid we're past our time again. You'll have one more intervention, Ms. Zarrillo, or perhaps we'll get that in writing. I'll leave it up to you during your next intervention.

We're going to try Mr. Brock again.

Mr. Brock, can you just give us a few words and we'll check with interpretation?

Mr. Larry Brock: Yes. I hope I'm coming through loud and clear without causing any harm to our excellent interpreters. I've had some good assistance from the IT team over the last half an hour.

Are there any issues?

• (1435)

The Chair: It appears your volume is coming in quite low.

Why don't we start? If there are problems with interpretation, we'll probably have to skip over to Mrs. Block or Mr. Genuis.

Go ahead, Mr. Brock.

Mr. Larry Brock: Thank you, Chair.

I have a question for Ms. Lalonde.

Much earlier in the meeting, you provided a response to a question about the procurement process at Global Affairs. You made a comment that the process is "complex". That's your word. I'm going to push back. I'm going to suggest to you that the process is not complex with respect to procurement across all ministries, particularly your ministry, when the people who are in charge of procurement do their jobs honestly and follow the rules.

Would you agree with that?

Ms. Natalie Lalonde: Yes, I would.

Mr. Larry Brock: Ms. Carruthers, earlier in this meeting, you made a couple of comments that piqued my interest. One is that you are firmly of the belief, notwithstanding this damning report from the audit department, that you delivered "value for money". You delivered value "for Canadians". Those are your words.

You're of the mindset that there is no evidence of wrongdoing with respect to the factual findings of a very small sample. The sample was under 100 contracts from over 8,000 contracts in total over a four-year period, with a fail rate of close to 25%, and you determined that there's no evidence of wrongdoing. You may conclude that there have been instances of irregularities, but I view this from a different lens. I view this from the lens of a Crown attorney for 30 years. There are clear examples, in my view, of criminality and outright corruption here.

The Trudeau government and the whole department, with respect to procurement and contracting in general, are rife with abuse and mismanagement. It's a culture—

Mr. Irek Kusmierczyk: On a point of order, Mr. Chair, Mr. Brock is completely misdirecting and misinforming this committee with his—

Mr. Larry Brock: That's not a point of order, Chair.

Mr. Garnett Genuis: On the same point of order—

The Chair: I will decide whether it's a point of order or not.

Make your comment brief, Mr. Genuis.

Mr. Garnett Genuis: I would just refer Mr. Kusmierczyk to the scripture I referred to earlier about trying to remove a sliver—

The Chair: Okay, thank you, Mr. Genuis.

Mr. Kusmierczyk, that's not a point of order. I find it very ironic that this is coming from you after your last intervention. I don't think anyone should be throwing rocks inside glass houses.

Mr. Brock, continue, please.

Mr. Larry Brock: The culture of abuse and mismanagement in the Justin Trudeau government is alive and well at Global Affairs. There were instances of irregularities, as you call them. I call it corruption. There were no signed contracts, yet money was paid out. Contracts were signed after the fact for services rendered. One contract was signed by an individual who benefited from the transaction. Contracts within—

[*Translation*]

Ms. Andréanne Larouche: On a point of order, Mr. Chair.

[*English*]

The Chair: Unfortunately, we've lost interpretation again.

[*Translation*]

Ms. Andréanne Larouche: The sound quality was poor.

[*English*]

The Chair: My apologies, Ms. Larouche. We're obviously having lots of tech issues today.

Do you want to just back up and—

Mr. Larry Brock: Is there still a problem, Chair?

The Chair: Yes. You're perfectly loud and clear inside the room. Unfortunately, just for interpretation, there is some glitch.

There are two minutes and 20 seconds left. Perhaps Mr. Genuis or Mrs. Block can finish off.

Mr. Genuis, go ahead, please, for two minutes and 20 seconds.

• (1440)

Mr. Garnett Genuis: Thank you.

We heard earlier about a case where an employee put in place a contract for an outside consultant to give them 5,000 dollars' worth of coaching services, and then that employee signed for the contract. Obviously, that employee broke the rules when they signed the contract for themselves.

Is it common at Global Affairs for officials to hire outside consultants to provide them with coaching services?

Ms. Shirley Carruthers: Yes, this type of activity is permitted.

Mr. Garnett Genuis: Is it common?

Ms. Shirley Carruthers: I don't know if I would say it's common. It's not uncommon. We would have to do a sample of the numbers, but it's something that happens—

Mr. Garnett Genuis: Could you do that? Could you provide the committee with the number of instances that outside consultants were hired to provide coaching services? We would request to see that within the usual time frame.

Have you ever thought about setting up an internal mentorship process so you don't have to hire outside consultants? Why don't you have the expertise for people to coach and support each other without bringing in external consultants for these expensive, nebulous advice contracts?

Ms. Shirley Carruthers: We do have several mentorship programs within the department. We have a school within the department that provides a lot of training services to our employees. One of—

Mr. Garnett Genuis: That's perfect. Then why in the world is there contracting out for a life coach? It just doesn't make any sense to me that the government would spend money hiring external consultants to provide coaching when you already clearly have the internal capacity to provide mentorship and support within the public service.

Ms. Shirley Carruthers: I think the hiring of professional services for things like coaching is done across all government departments. Of course, it's—

Mr. Garnett Genuis: Wow. Well, let's start at Global Affairs. Will you provide the information requested to the committee?

Ms. Shirley Carruthers: Certainly.

Mr. Garnett Genuis: Thank you.

The Chair: Thank you very much.

We'll go to Mr. Jowhari, please, for five minutes.

Mr. Majid Jowhari: Thank you, Mr. Chair.

I'll go back to Ms. Carruthers.

There has been a lot of talk over the last two hours about the types of professional services and the amounts. Naturally, 8,000 contracts have been highlighted over five or six years.

Can you give me some idea...? Could you classify the top three types of services that Global Affairs received, the top three services that International Trade received and the top three services that International Development received, and even what some of our consular services received, so we can put that into perspective? What types of services and what dollar value are we talking about?

Ms. Shirley Carruthers: First I'll clarify that the 8,000 contracts were for one particular type of contracting service. Can you certainly provide you with some details on all of the different classes you inquired about.

Mr. Daniel Pilon: At a very high level, the number one expenditure at Global Affairs in contracting is for services that are in support of our mission operations. There are two categories of that. One is for things like protective services—security guards—and duty of care. The other is for management consulting services that are linked to supporting our mission infrastructure, so architects,

engineers—things like that. As we renovate and build our mission network and make improvements to it, we require professional services that are qualified in geographical and legal environments across the world, so we do a lot of outsourcing for that.

For the international development portfolio, our biggest spend is on what we call our field support services. Those are professional services that assist us in delivering our development mandate across the world. A lot of times that's facilitating the use of transportation or things like office space when we need to organize events. They're support services, made in-country in foreign countries, to help us deliver our mandate. With that, we also have a strong regime of monitoring and evaluation, so we send in auditors and evaluators to monitor how successful our programs are and how we're doing on the delivery of development and international aid. These are professional services that supplement Global Affairs personnel in evaluating our programs.

The last spend, which is mostly for regular government operations, is obviously on IT consultants, management consultants, HR consultants, expert witnesses for international negotiations and so forth.

• (1445)

Mr. Majid Jowhari: Can you give me a sense of the ratio and whether there were any changes during the period of your audit? Did you see that the same level of service needed—which you talked about—in the past is happening now or will happen in the future? What do you see as the trajectory going forward?

Ms. Shirley Carruthers: Something I can point to is the category that we call “services”. Back in 2017-18, we had \$403 million in services, and if we think about the last fiscal year, it was \$259 million. As I mentioned earlier, procurement across all of our different lines has decreased over the last five years.

Mr. Majid Jowhari: Do you see the same trajectory going forward?

Ms. Shirley Carruthers: I would say yes. Given the recent refocusing in government spending, the budget of the department for professional services was reduced by 15%. The department is committed to reducing our spending in that area, so I expect there will be a decrease in expenditures in the next fiscal year.

The Chair: Thank you, Mr. Jowhari.

We're now in our final round. We'll go to Mr. Genuis and then to Mrs. Atwin, and we'll finish up with Ms. Larouche and Ms. Zarrillo.

Go ahead, please, Mr. Genuis.

Mr. Garnett Genuis: I'm going to try to do this rapid-fire.

Will you provide the RCMP access to problematic files in relation to this audit?

Ms. Shirley Carruthers: Certainly.

Mr. Garnett Genuis: Global Affairs has given over 8,000 contracts in the last five years. How many of those outside consultants also do work for foreign governments?

Ms. Shirley Carruthers: None that I'm aware of.

Mr. Garnett Genuis: Do you track this information? Do you ask? We know that McKinsey has done a lot of work for the government, and, of course, they work extensively with our strategic rivals, so are you seeking this information?

Ms. Shirley Carruthers: I'm going to ask my colleague Dan Pilon to provide some specific details there.

Mr. Daniel Pilon: We do business with a lot of companies across the world. Some of them are multinational companies, so we have to assume, just in a general sense, that, yes, they do business with foreign governments. When sensitive issues arise, again, we do a security assessment, and that drives the decision in procurement as to who we do business with.

Mr. Garnett Genuis: I will just point out the obvious, Mr. Pilon. Your answer explicitly contradicted the answer the assistant deputy minister gave about 30 seconds prior.

Do you track, in general, the client lists of these multinational companies so that you would be able to say for certain that the company you're doing business with does or does not do business with a strategic rival? Do you meticulously get that information or do you just make assumptions?

Mr. Daniel Pilon: I can confirm that we do not track the consultants' or companies' client lists.

Mr. Garnett Genuis: Thank you for that forthright though troubling response.

You weren't able to say if Minister Joly was briefed on this audit, but her office was told. Has she issued any new directives or changed any policies in response to this latest report?

Ms. Shirley Carruthers: As I've mentioned, the department has been very seized with the results of this audit and has been working towards implementing a number of activities in order to mitigate—

• (1450)

Mr. Garnett Genuis: I'm sorry, but that's not the question.

Has Minister Joly issued new directives or changed policies in response to the report?

Ms. Shirley Carruthers: Perhaps it wasn't directly in response to it; however, she is very involved in the GAC transformation and a lot of the initiatives that are implemented in the GAC—

Mr. Garnett Genuis: I'm sorry. She's very involved, but you're not sure if she's been briefed. How do I make sense of those two things?

Ms. Shirley Carruthers: Just to clarify, what I was saying is that she's very involved in our overall Global Affairs transformation. When I think of some of the initiatives that are in our Global Affairs transformation—

Mr. Garnett Genuis: You must understand my confusion. How can one be very involved if one has not been briefed on this audit? It would seem to me that the foundational step for involvement in the transformation or structural issues at Global Affairs in general

would be to receive a briefing on this critical audit, wouldn't you say?

Ms. Shirley Carruthers: I would have to ask her staff if they've briefed her on the outcome of this audit. The practice would be for us to brief her employees on this type of information.

Mr. Garnett Genuis: On that basis, Chair, I suspect that you will find agreement of the committee to invite Minister Joly to testify on this.

The Chair: Mr. Kusmierczyk, are you opining on this?

Mr. Irek Kusmierczyk: Yes. I don't think there are grounds for that at this point. Again, these are contracts that have zero political involvement—

The Chair: I'm going to interrupt you there.

I'm going to take it that we don't have UC, and I'll give the floor back to Mr. Genuis.

Mr. Garnett Genuis: Chair, I move that we invite Minister Joly, and we can have a vote to see where members stand on it.

The fact is, from my line of questioning, it's been made very clear that the officials cannot speak to whether the minister was informed, what she knows and the extent to which she is involved or not in this issue. She is responsible for the department. I do not suppose that she personally signed off on every one of or necessarily any of the 8,000 contracts, although maybe she did in some cases.

The principal point here is that there's a very significant audit that shows very significant problems in contracting within her department, and officials are not able to answer questions about what she knew and when, what actions she has taken, if and when she was briefed, and her engagement with the follow-up on that.

Insofar as we have a system of ministerial accountability, I think we should hear from the minister about these matters. I will simply move, as I said, that the committee invite the minister to testify on this matter for two hours.

The Chair: Thanks.

I see Mr. Kusmierczyk and then it's Mr. Jowhari.

Mr. Irek Kusmierczyk: I would ask, Mr. Chair, that we suspend so we can read through this motion. If it can be translated and circulated to all the committee members, that would be much appreciated.

Thank you very much.

The Chair: As it's such a simple motion—it's just to have the minister attend for two hours—I don't see a reason to suspend or to spend time circulating it. You can stay on the—

Mr. Irek Kusmierczyk: I would ask for a short suspension, Mr. Chair. As I said, this would provide my team with an opportunity to have a discussion about this.

The Chair: Fine. We'll have a one-minute suspension because we're running late.

• (1450) _____ (Pause) _____

• (1455)

The Chair: We are back.

I have Mr. Jowhari on the speaking list.

Go ahead, Mr. Jowhari.

Mr. Majid Jowhari: Thank you, Mr. Chair.

I think the conclusion we are reaching that the minister was not directly updated by the deputy minister does not mean that the minister was not updated by her staff. That's a very wrong conclusion to reach and use as a base to call the minister to come. I don't think we have enough grounds to say that, because Madam Carruthers did not personally brief the minister, the minister was not briefed and is not aware of the situation, or that other ministers were not briefed and were not aware of the situation.

You can look at the world we are in right now. Let's talk about something that started a couple of years ago. Let's talk about the challenge we had with the supply chain and then with NAFTA, which translated to CUSMA. Shortly after that, we had a conflict in Russia and Ukraine and then in Azerbaijan and Armenia, where we opened up a new mission. Then there's the challenge we have in the Middle East.

We can look at the priorities that any of those ministers have, like the agenda of the Minister of International Trade, which is specifically on the Indo-Pacific strategy and trying to make sure that we build the strong partnerships we need in the Indo-Pacific region, or the international development minister's agenda. When we look at the agenda the government has, with the level of complexity and the sensitivity of time, even if the minister did not get briefed directly by Madam Carruthers, I don't think the minister should be called over. There are bigger priorities.

Looking at the fact that the absence of one update does not necessarily mean the absence of other updates to the minister, as well as at the priorities of all three ministers, I don't think it's justified for us to call any minister to come in at this time.

Thank you, Mr. Chair.

The Chair: Thank you.

Before we go to Mr. Kusmierczyk, I'm going to excuse our witnesses because we've hit our three o'clock time.

Before you go, though, could you get back to us on one thing? We asked about this previously, but we haven't heard back from PSPC. You may recall the Nuctech issue from a few years ago. Would you provide to the committee who the CBSA finally chose for the scanners at our embassies once the government stepped back from Nuctech? Could you get back to us on that?

Mr. Daniel Pilon: Yes, we can get back to you on our procurement of additional scanners.

The Chair: Perfect. Thanks.

Mr. Kusmierczyk, go ahead.

Mr. Irek Kusmierczyk: Thank you very much.

Chair, how much time do we have for resources? I'm just curious. I'm looking at the time.

• (1500)

The Chair: I have nothing but time for you, Mr. Kusmierczyk. Go ahead.

Mr. Irek Kusmierczyk: Do we have resources for the foreseeable future?

The Chair: No, we don't have a lot of resources, sir.

Mr. Irek Kusmierczyk: Until what time do we have them, Chair?

The Chair: We have until about 3:04, so I suggest you start talking if you want to get something in in the next few minutes.

Mr. Irek Kusmierczyk: Sure. I appreciate that.

We looked at the report that Global Affairs Canada proactively brought forward and published as part of their plan, their own departmental plan, to make sure they could strengthen their processes when it came to procurement and contracts. Over a five-year period, they signed 8,000 contracts, which was worth a total of half a billion dollars.

They went through this audit process, again, proactively—it was part of the audit plan—and they looked at 100 contracts. The non-competitive contracts were valued at less than \$40,000. They looked at those contracts, and what they found was that 90% of them had a documented rationale for not soliciting bids. Those that remained perhaps needed to strengthen some of their documentation, but 90% had a documented rationale for not soliciting bids.

These are contracts of under \$40,000, and the decision as to whether to award those contracts or not at the ministerial level. It's at the level of the officials. It's at the level of the deputy minister, senior management and officials who are down the ladder in terms of authority. Again, 90% had a documented rationale. What the report showed was that we needed to strengthen documentation for the remaining 10%.

When you look at the contracts in the competitive process, the report found that there was insufficient documentation for 27% of them. Nowhere in the report does it talk about malfeasance, misappropriation, corruption or fraud. It is about strengthening documentation.

What I would put forward is that to call a minister here, especially the foreign affairs minister, when we have significant crises around the world, like the war in Ukraine that's taking place and the crisis in the Middle East, and when we have significant issues that require the minister's attention.... To call the foreign affairs minister to this committee for two hours to talk about why there's insufficient documentation I think is a misallocation of her time, her resources and her focus. It harms the work that Canadians need the foreign affairs minister to be focused on, and it does them a disservice.

One thing I've found over the years is that my Conservative colleagues like to interject hyperbole at every turn, wherever they possibly can. They're doing so again in this situation. We have a report that clearly states we need to strengthen—

The Chair: Mr. Kusmierczyk, I'm going to interrupt you because we are out of resources.

With that, we are adjourned.

Before we go, though, I'll note that several of us around the table still have our hockey teams playing in the playoffs, and your Leafs are not.

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