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Chair

Ms. Anita Neville

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• (1105)

[English]

The Chair (Ms. Anita Neville (Winnipeg South Centre, Lib.)): Good morning, everybody. I'm sorry if we kept you waiting for a few minutes. It was unintentional.

Let me begin by welcoming the witnesses who are here today.

I would like to advise members of the committee that we have taken a slightly different approach to this morning's meeting. As you are probably aware, the estimates for this committee are now going to be discussed in a committee of the whole in the House of Commons under the heritage ministry. I urge you all to be present when that happens.

The briefing today will be from Treasury Board and the Auditor General's department. It will be an overview of the estimates process and how it will affect our committee's work. It's a briefing, and we're not confined to the usual ten minutes for a presentation. My understanding is that Treasury Board's presentation is approximately half an hour and the Auditor General's presentation is approximately ten minutes. We will then open it up for questions, comments, and discussion. This is part of our becoming established on a firm footing as a committee.

So I welcome all of you here this morning. We will begin hearing from you, and we will move on to committee business afterwards, because we are going to have to do a few adjustments to our work plan that were not anticipated. We will talk about that later.

Who is going to lead off? Please begin.

Mr. Robert Mellon (Director, Estimates Production, Expenditure Operations & Estimates Directorate, Treasury Board of Canada Secretariat): Good morning, Madam Chair. Thank you for the invitation to brief your committee on the estimates process.

My name is Bob Mellon. I'm joined by my colleague Marc Monette. We both work in the expenditure, operations, and estimates division at Treasury Board. We are responsible for the development, the review, the production, and the tabling of those blue books that you see in Parliament all the time, as well as the associated supply bills. Our division is also the policy centre for the reports on plans and priorities, which I'll be mentioning later.

[Translation]

I would like to make this morning's presentation in English. It would be easier for me and probably less painful for you. After that, if you have questions, Marc and myself will be pleased to answer them in both official languages.

[English]

That being said, I would like you to turn your attention to the blue deck, which is called "The Estimates Process and Authorities". Essentially, this deck gives you a high-level overview of the estimates process and a quick relationship to the budget. It talks about information for Parliament, and it deals with parliamentary authorities and government spending plans.

In talking about the budgeting and resource allocation process, there are essentially two main components: an executive resource allocation process that involves cabinet, Treasury Board, and the Department of Finance; and the legislative process, which is the one you're concerned with and which is parliamentary. It talks about authorizing spending for government.

The executive process, as outlined on page 4 of the deck, essentially has to do with the process of allocating resources that are managed by the cabinet, the Department of Finance, and Treasury Board. It begins with the development of the budget proposed by the finance minister and its tabling in the House, normally in February. That budget usually includes one or two years of the executive's fiscal plan, forecasted revenues, and planned expenditures. Those planned expenditures will include things such as planned spending allocated to the departments, as well as reserves, which are planned spending not allocated to departments but which provide for new initiatives, changes in expenditure forecasts, and emergencies. That's the key thing to remember about the budget. Two years out, there's planned spending plus some reserves.

As you know, and as outlined on page 6, the budget is tabled in Parliament by the Minister of Finance, again normally in the spring. It provides an update of federal revenues and expenditure plans, and it includes the key assumptions that are being made on economic changes, new spending, and tax measures.

On page 7, there is a simplified diagram of the estimates cycle. There's a lot of other stuff that's in orbit around this process, but if we focus on estimates, these are the key events that take place.

If we start at 12 o'clock, with the tabling of estimates—those are the main estimates, of course—and the reports on plans and priorities, those two things basically take place at the end of February and in early March. By the time we move into late March, we are now looking at approval of interim supply—and I'll talk a little bit about that in a minute—plus full supply for final supplementary estimates for the fiscal year.

In the fall, which is basically now, we table the first regular supplementary estimates, and that's what we did today, November 4. I believe the public accounts have just been tabled, and I believe Canada's departmental performance reports were tabled on October 28. That takes us across the bottom of that flow chart, and those are major pieces of reporting to Parliament that take place in the fall.

By the time we get to December.... For this year, December 9 is the day Parliament will be asked to approve the remainder of full supply on the 2004-05 main estimates, as well as full supply on first supplementary estimates. December 9 is D-Day, from our point of view, in terms of getting you folks to give us the money, and we will ask for that most kindly.

Again we get into late February, and come the latter part of February we'll be tabling main estimates for the upcoming fiscal year, 2005-06. We table the final supplementary estimates for this fiscal year, and the whole cycle repeats itself again.

So that's a simplified cycle of how things work.

As you know, from a legislative perspective, no expenditures can be made without Parliament's authority. That's covered in both the Financial Administration Act and the Constitution. That's why the Governor General, of course, makes her recommendation to Parliament whenever estimates are tabled or whenever supply is tabled. That is the royal recommendation to Parliament for spending, and that's consistent with our Constitution. The government cannot initiate expenditures without that authority.

• (1110)

In order to translate all of that executive planned spending stuff into parliamentary spending authority that you folks approve, it basically involves two things: estimates and supply.

What are estimates? I've touched on it a little bit, but essentially they're large volumes of information that are prepared for Parliament's review to support the supply bill. They're tabled in the House of Commons by the President of the Treasury Board. Essentially, what they intend to do is show what departmental planned spending is, and they also include forecasts of expenditures that have already been approved by Parliament.

One of the main purposes of the estimates, aside from showing planned spending for departments, is to also show how that planned spending relates to the budget. There's a front section in the main estimates that makes that linkage. It says, here's the Minister of Finance's budget, here are the estimates, and here's how they fit together.

That's part I of the main estimates.

That being said—I turned this phrase several years ago, and nobody's ever objected to it—I call it the “estimates family”, for lack of a better word. It's basically part I, the government expenditure plan, which is the budget overview; part II, the main estimates, which is the big, thick blue book; departmental expenditure plans, which are the reports on plans and priorities that get tabled in the spring; departmental performance reports, which are tabled in the fall; plus at least two sets of supplementary estimates.

That is a tremendous volume of paper. If you stack it all up on the floor, you're probably talking in the neighbourhood of 9 million to 10 million pages of paper that get printed every year on estimates. All of that is background information to support the appropriation bills.

I've talked a little bit about what's in the government expenditure plan, and I'll skip over that. What I'd like to do is go to page 14. When you look at the big, thick blue book, the main estimates.... I hate to say it, but it's a summary document. There's not a lot of detail in there. Despite the fact that it's, I don't know, 600 or 700 pages long, it's still only a summary-level document. All of the detailed spending for every ministry, for every department, for every agency, is contained in their respective reports on plans and priorities. This year I believe we tabled something like 89 separate departmental documents. All of those reports on plans and priorities are the blow-up of the detail that you find in the main estimates document.

The main estimates are organized by ministry. For example, Status of Women is found within the Canadian heritage ministry, for which a minister is responsible. The organization's objective is contained in there. Its business lines are contained in there. Its proposed expenditures are broken out—we list the types of payments. If there are grants and contributions in the program, all of those are listed in the estimates as well.

I touched on the reports on plans and priorities and the performance reports. They basically came into existence in a different form in the early eighties when there was a major reform of the estimates done. At that time, they were called part III of the estimates. In 1997, part III of the estimates was broken into two chunks. One was essentially a planning document, called the report on plans and priorities, and the other one was an accountability document called a departmental performance report. They're linked together; they're supposed to be joined at the hip.

So we put forward a planning document in the spring, and 18 months later the department comes forward and says, you know all those promises I made in my planning document, well, here's my report about how well I did. I think my colleagues from the OAG will be talking about how the committee can use those documents more effectively for your purposes.

• (1115)

The last thing I'd like to talk a little bit about in the estimates family is supplementary estimates. As you know, we just had some tabled today. They seek parliamentary authority for a whole bunch of things: transfers between votes, new programs, debt write-off, loan guarantees, new or increased grants, or authorizing changes to legislation. So the supplementary estimates are a very useful tool for the executive to be able to accomplish a lot of changes during the course of the fiscal year.

One of the big things supplementary estimates do, of course, is provide additional spending authority to government to cover off items that come up during the course of the fiscal year that either were not anticipated in the main estimates or weren't ready to go to Parliament in main estimates. The supplementary estimates also provide a mechanism to cover unforeseen eventualities—there's a mechanism for that. They also provide information to parliamentarians on things such as new capital projects, transfer payments, and objects-of-expenditure information.

In this year's supplementary estimates—and I would recommend them to you—we have made some very significant changes in the format and content, and I think you will find them much more user friendly. I hate to admit it, but until fairly recently the supplementary estimates documents were useful if you were a practitioner, but if you weren't too familiar with the documents, they weren't very useful to you. We're hoping you will find the changes we've made this year much more beneficial.

Moving to supply, it's another word for money. People talk about supply bills, appropriation bills, money bills—all the same language. That's where the rubber hits the road. Supply is essentially that process of obtaining authority from Parliament via annual appropriation bills. Each set of estimates that gets tabled in the House has an associated supply bill with it, whether it's mains or sups, so typically you will see three to four supply bills a year. On main estimates, for example, there are usually two supply bills—one for interim supply, one for full supply—and one for each of the supplementary estimates. So that's two more, for a total of four.

In the area of supplementary estimates, for the last several years we've been able to contain departments to two supplementary estimates a year. But I can remember not too many years ago having eight. So there is no theoretical limit to how many supplementary estimates you can have. But the discipline for the last number of years has been two per year: one in the fall, one in the spring.

The appropriations we look for in main estimates, and sups for that matter, are roughly, give or take, 30-odd per cent of overall planned spending. The rest of that money is statutory. You're actually looking at a fairly small chunk of change when it's all said and done. So out of that \$180 billion that the Minister of Finance puts down, only about 30% of it actually needs to be voted on an annual basis for appropriation purposes.

Parliament approves and controls spending authority through individual appropriations, otherwise known as votes, for each department. Those votes lapse on an annual basis. In other words, Status of Women gets a certain amount of money at the beginning of the year. If they don't spend it all by the end of the fiscal year, whatever they haven't spent lapses. They have to come forward for new spending authority for the following fiscal year.

There are some exceptions to that. Parks Canada and Revenue Canada both have authority to carry over unused spending into the following fiscal year. That's an unusual situation for those two agencies and it has to do with their revenue flows. But in general, virtually for all departments and agencies, any unspent money lapses at the end of the fiscal.

There are things that are called carry-forward provisions. If you want to know about those, Marc is an expert in that area and he can certainly tell you about that.

• (1120)

I've talked a little bit about the dates. I'm on page 20. The review and passage of interim supply bills for main estimates are in mid-March and early June.

For those who may not be completely familiar with interim supply, it is essentially transition money to get us from the end of the fiscal year at the end of March to full supply in June. What happens is that we go forward with a supply bill in late March and we say, we would like three-twelfths to cover off April, May and June; we would like three months' worth of money while you folks are looking at the estimates. That's called interim supply, and it gets us to June, when Parliament provides us with the rest of the funding for the fiscal year.

Interim supply is very important. If we don't get it, come the beginning of the fiscal year there is no money available in government. So interim supply is very important, and we're always very concerned that the Senate not be too late in passing the supply bill so we can get royal assent. That's something we worry about.

I've talked a little bit about a number of votes; that's how Parliament approves funds, by vote. When the Status of Women votes go before the committee of the whole, they will be looking at votes. That's what committees make recommendations on, and that's what opposed items are all about. It's always at the vote level.

There are basically two kinds of votes. There are budgetary votes, which include such things as servicing the public debt, and operating and capital expenditures in departments, and transfer payments to other levels of government. Then there are non-budgetary expenditures—and you've probably heard that term. Those are things such as loans, investments, and advances, or outlays representing changes in the financial assets of the government. They don't necessarily represent a cash outlay.

When we talk about budgetary votes, which is where I think this committee would probably be focused, there are a whole number of different kinds of votes. There are program expenditure votes and operating expenditure votes, but I'm not going to go through them all with you in detail except to say that they are the basis upon which funding is provided. I would think that in the case of Status of Women there are no capital votes, so you would have a program expenditure vote. That's the kind of vote the Status of Women would have.

One other vote that might be of interest to you is found on the bottom of slide 23, the Treasury Board centrally funded votes. Those are votes that allow us to help perform our statutory responsibilities for managing the government's financial, human, and *matériel* resources. We have, for example, something called a government contingencies vote, otherwise known as TB vote 5. Emergencies come up during the year that cannot be forecast—a landslide in B.C., a flood in Manitoba, an ice storm, whatever. The Treasury Board has a fund of \$750 million that it can essentially use as a line of credit to advance to departments to cover off those kinds of emergency requirements.

What happens is that Treasury Board has the authority to advance that money to a department. In return, the department then goes to Parliament at the next available opportunity, gets that money approved—albeit after the fact—and the Treasury Board vote gets paid back. So that's how Treasury Board vote 5 works. It's a line of credit: money gets advanced, you go to Parliament and get the money, and the money is repaid to the fund so that it's brought back up to its \$750 million level and there are always funds available for emergencies.

We have a public service insurance vote, which covers off employee payments for insurance purposes. We have a government-wide initiatives vote, which is used to fund initiatives across government, often in the form of seed money.

I've already talked about non-budgetary votes.

Let me talk a little bit about the linkage on page 25 between main estimates and supply bills. The dates here are important.

● (1125)

Estimates for a new fiscal year must be tabled in the House and be referred to standing committee on or before March 1 of the current fiscal year, in accordance with Standing Order 81(4). So for 2004-05, those main estimates were initially tabled in the House back on February 24. The ones for 2005-06 we hope to be able to table on roughly the same timeline; but in any case, they must be tabled on or before March 1. I talked a little bit about interim supply, which is one of the reasons for getting estimates done before March 1.

We normally get full supply about the second or third week in June, which completes the process. The timeline between the end of February and June gives time to committees such as yours to review the estimates and decide whether or not you're completely comfortable with them.

I think that's it. Yes, that's the last slide.

I realize that I have gone through this at blazing speed. I've been a practitioner of this since 1980, and I'm only now getting comfortable with it. Maybe I'm a little slow, but it is a complicated process; and certainly from a member's point of view, you probably only see it three or four times a year when the estimates get tabled. The rest of the time, you really don't see much of this and it happens in the background. It is a complex process.

That finishes my presentation.

The Chair: Are you suggesting it's going to take us 20 years to get up to speed?

Mr. Robert Mellon: I wouldn't suggest any such thing, Madam Chair. It's taken me that long.

● (1130)

The Chair: Thank you.

From the Office of the Auditor General, which of you will be taking the lead?

Go ahead.

Mr. Richard Flageole (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Madam Chair.

I have a very, very brief opening statement, and then, with your permission, Mr. Wileman will cover a very specific document that was distributed to you.

First, I would really like to thank you for the opportunity to be here this morning and to discuss with your committee the review of the estimates document. I'm Richard Flageole, the assistant auditor general responsible for the whole Canadian Heritage portfolio. I have Mr. Wileman with me, who is a principal in our office responsible for accountability. He's really the expert in these things.

We have reported a good number of times on the estimates documents in the last couple of years, most recently in our December 2000 report, chapter 19; in April 2002, chapter 6; and in May 2003, chapter 1. All of those reports are available on our website, if you are interested. We also have had many chapters where we commented on how well departments report on the performance of the programs we have audited.

[*Translation*]

Overall, Madam Chair, we have been disappointed by the slow progress of the government in improving its reporting of plans and performance to Parliament.

Generally, we found that statements of intended results were often not clear and concrete. There was too much reporting of activities rather than results; poor linking of activities to the reported outcomes; little discussion of the reliability of the information reported; few instances of reporting on weak performance—there was a tendency to mention what was going well but less what was not so good—and weak links between the financial information, and the results of programs.

As you are aware and as the representatives of the Treasury Board Secretariat have explained to you, the Main Estimates are divided into three parts.

Part I provides an overview of the government's spending for the new fiscal year and describes the relationship of the Estimates to the government's expenditure plan as set out in the budget.

Part II directly supports the Appropriation Act by identifying the spending authorities and providing a detailed listing of the budgetary and statutory expenditures for all departments and agencies.

Part III of the Estimates is split into two documents, departmental Reports on Plans and Priorities, the famous RPPs and Performance Reports.

Reports on Plans and Priorities provide information on the plans and priorities of departments and agencies and how resources entrusted to them will contribute to the achievement of their strategic outcomes.

Departmental Performance Reports provide information on the results that programs have delivered over several years and on whether progress is being made in attaining performance targets, including strategic outcomes.

Standing Committees can use the planning and performance information which is in those two documents to examine the overall direction of public policy, assess the use of resources to achieve results, and suggest where priorities should be adjusted or where resources should be reallocated.

[English]

Let me talk very briefly about powers available to standing committees. Standing committees have a number of powers available to them when examining the estimates. For example, they can call ministers and departmental officials to appear before the committees. Committees can question officials on technical and administrative issues related to the estimates. They can issue reports on the estimates and matters related to the management and operation of departments and agencies and they can also suggest a reduction or even the rejection of a vote.

In March 2003 we provided parliamentarians with a report called "Parliamentary Committee Review of the Estimates Documents". The intent was to assist committees to undertake review of estimates documents by describing the estimate process and making a number of suggestions that committees might find useful. I understand that a copy of this report has been distributed to you.

With your permission, we would like to take you through this report, setting the context for reviewing the estimates documents—in particular, the report on plans and priorities—and highlighting key suggestions. We have a short deck to structure this discussion, and Mr. Wileman, with your permission, will take you through the deck.

Madam Chair, thank you again for this opportunity to meet with your committee. We'll be pleased to answer any questions you might have.

• (1135)

The Chair: Thank you.

Go ahead.

Mr. Tom Wileman (Principal, Office of the Auditor General of Canada): Thank you very much, Madam Chair.

The Chair: Could you hold on for a moment, please. Will we be able to follow through without the report?

Mr. Tom Wileman: I think so, Madam Chair. It would be helpful. I will be referring to this document, but I think we can do it without it.

The Chair: I'm going to ask if we can get some copies made, but I'll ask you to begin nonetheless, and then we'll do some backup.

Thank you.

Mr. Tom Wileman: We have distributed to you a set of slides, and I'd like to take you through them quickly.

[Translation]

This comes under the parliamentary committee's "Review of the Estimates documents to which my colleague has just referred".

[English]

As Treasury Board colleagues have said, our purpose is really to make suggestions in terms of how you can use estimates documents better, more effectively. Along those lines, I'd like to go over some of these points a bit more quickly, because I think the Treasury Board has really covered some of the descriptive elements.

For example, our second slide is about the estimates documents—the main estimates, reports on plans and priorities, and departmental performance reports—and also mentions supplementary estimates. I believe that has really been covered for you.

The next slide we have is on the estimates process, and once again, this is the cycle that our Treasury Board colleagues have presented to you, the estimates cycle.

I'd like to make a couple of points, though, in relation to the estimates cycle. Really, committees have three opportunities to influence the government in terms of estimates. There is the spring planning period, the fall performance reporting, and the budget and main estimates consultations. But I'll come back to these points.

I'd also like to refer to related documents you've received. You have, of course, the estimates books, and as has been mentioned, these are quite voluminous. But I want to mention as well our own reports, the reports of the Auditor General of Canada, and give you some sense of at what times these appear and how they relate to the estimates documents.

Basically, the Office of the Auditor General reports to Parliament four times a year. There is generally a spring report in March or April. The next report we do is called our status report, which essentially contains chapters that follow up on earlier reports. I'll give you some precision in terms of the actual dates that these things have appeared.

Most recently, we did a spring report, on March 23, 2004. The next report this year was on October 26, regarding the Commissioner of the Environment and Sustainable Development. The upcoming report on November 23 is what we call the annual report, which appears toward the end of the calendar year. The report after that, the status report, the follow-up report, is in February 2005. That's just to give you a sense of our reports.

Our role, of course, as the Office of the Auditor General is to carry out audits on behalf of Parliament, and there is clearly a link between the information you see in the estimates and what we say in the audits and studies we carry out.

I want to mention another document that has been referred to, the *Public Accounts of Canada*, which was tabled just this past month. The *Public Accounts of Canada* is the flip side of the estimates process. In other words, this records the transactions of the Government of Canada that have occurred in the fiscal year.

Also I'd mention that there is an annual financial report of the government and an annual report of the President of the Treasury Board on Canada's performance. That appears in the fall.

•(1140)

[*Translation*]

I would like to briefly mention the reasons why there is a review of the Estimates. The question remains: why should members of Parliament allocate their limited time to reviewing the government's expenditure plans and performance reports?

We might suggest three reasons why it is important for you to devote all the time required to that exercise.

Firstly, parliamentarians have the right and the obligation to review and approve all spending from the public purse.

Secondly, the government must be held to account so that it can retain the confidence of the House.

Thirdly, a standing committee has an interest in contributing to good public policies. It can help improve the information included in the estimates documents in order to influence government's priorities. We are saying that standing committees have a major role to play. They must influence department actions. Committees can have their say. Ministers and officials speak on the record and can be held to account for what they say to committees. Committees can question officials and report to the House.

Now I would like to explain what committees can do. In fact, what do they do when they review the Estimates?

Parliament and its committees can insist on clear plans and priorities. They can hold the government to account by reviewing its performance. In fact, you can hold the government to account. The information that is given should help committees to evaluate several things like the general direction of public policy, the use of resources, and areas in which priorities should be readjusted or reallocated.

Another role is to ask for more information. Departments might be reluctant to produce a complete performance report if they did not meet expectations.

There is also the whole issue of witnesses' appearance before committees and reports that committees can make to the House.

[*English*]

I'd like to pass along perhaps some suggestions in our document about what can constitute effective meetings with officials. We have a number of points that we suggest for your attention here.

First of all, of course, there's preparation in terms of pre-hearings, briefings, and examination of documents. As has been mentioned, these are voluminous documents. We might suggest consideration of an agenda, in effect deciding which parts of the department's program you wish to examine in a given year or in terms of a given set of estimates documents; to select target areas for greatest impact in terms of the strategic direction of the programs, the impacts on Canadians, and the opportunities for improvement; to take these documents and have for the committee something of an agenda to examine them; to involve stakeholders and experts as witnesses in addition to ministers and their officials; and of course, to make full use of electronic sources of information. These days, these

documents can be supplemented with a vast array of information available through the Internet and other means.

The balance of this presentation relates to questions that we have suggested for consideration. I won't go through all these questions with you, but I'll touch on a few of them.

What we're really trying to do with these questions—

•(1145)

The Chair: I'm sorry, Mr. Wileman, I have to interrupt. We're almost at the end of the time allotted. So I'm going to ask, with the concurrence of my colleagues, that you wind up in the next two or three minutes and then open it up for comments.

Mr. Tom Wileman: Thank you very much, Madam Chair.

As I mentioned, we have several slides with suggested questions. I was not planning to go through them all. I would like to mention to you that these are ways that you can work with the reports on plans and priorities and the performance documents, to ask a series of questions that may be helpful to you in terms of getting at what lies behind these documents, how well they're being done, and the kind and the quality of information that is being provided to you.

With that, Madam Chair, I'll conclude my presentation.

The Chair: Thank you. That was certainly comprehensive.

We're going to go to a round of questioning of the witnesses by members present. I'm going to follow the allocations that we have agreed upon at the beginning and ask who is going to begin from the Conservative Party.

Ms. Yelich.

Mrs. Lynne Yelich (Blackstrap, CPC): Thank you very much.

I really appreciate all of you attending today. I would like to have you separately in my office for a couple of hours.

As you said, it took many years, and it will take many hours of questioning. I think we can get through some of my questions.

First, the Auditor General. You said you report four times a year, but not on the status of women department. To see where the status of women department was in the Auditor General's eyes, then we have to go back to that report. The last report was 2002. I just wondered about that.

Statutory spending as opposed to discretionary spending. Do we ever address the statutory spending? I just wonder, because it's there. It's not for us to debate or to prioritize, as Mr. Wileman talked about some of the influence we could have, or to look to see where the government is going. When it's statutory spending, do we have that tool? Do we do this at committee as well, or is statutory spending set?

Do you understand my questions?

Mr. Richard Flageole: Perhaps in relation to the first question, as you know, what we call our audit universe is quite large as an office, so we haven't done any specific work on this specific organization in recent years. There are no specific audit reports dealing with this specific organization.

The chapters I was referring to are mainly related to the estimates process, the quality of the performance information. So those are chapters that cover this, but there's nothing specific on the status of women organization.

Mr. Tom Wileman: Perhaps on the second questions, on the issue of statutory versus discretionary spending, on votes versus statutory items, there is information in the estimates documents about statutory items, but essentially the authority for those items has already been granted. In other words, it isn't at the disposition of the committee to do anything with respect to those statutory items. The legislation has already been passed. As I mentioned, there is information about them.

One of the roles of the committee is to examine, in general, I believe under Standing Order 108(2), the mandate, the operations, and the functioning of the department. If there were statutory spending—and you can look at the information that is in the estimates documents about it—it is my understanding you can indeed report about it under Standing Order 108(2). This is open to you, but you can in fact suggest modifications in funds that have already been approved by Parliament in statute.

Mrs. Lynne Yelich: I just wanted to know if it was worthwhile for us to attack something we really wouldn't be able to have any influence on.

That's a good answer. Thank you.

I'm not sure if you had anything to add.

•(1150)

Mr. Robert Mellon: The only thing I was going to say about statutory expenditures is that increasingly items coming forward now tend to have sunset clauses in them. They expire at a certain period of time, and they have to go back to Parliament. Increasingly now, statutory items have a built-in review mechanism for them, so they have to come back to Parliament.

Secondly, if there is something in statute that really sticks in your teeth, the committee can certainly look at that, a report can be made to the House, changes can be made to legislation. Legislation can be amended. So I wouldn't dismiss it completely. The problem is that this is normally not done within the context of the supply process. That's done outside the supply process. So if you're looking for money, you're not going to spend your time focusing on statutory items, but if you want to change statutory items, you certainly can do that over time. I'm not suggesting it's necessarily an easy process.

Mrs. Lynne Yelich: When we're looking at the estimates and we have questions about detailed spending, where exactly do we go for that? And how do we evaluate performance on the spending? Where do we go for that to simplify it into our language?

The book is very confusing. I'm not sure if I'm marking in hundreds of thousands or millions. In this department I think I'm working in hundreds of thousands, but sometimes you—

Mr. Robert Mellon: You're probably working in thousands.

Mrs. Lynne Yelich: Okay.

I always think everything is in millions and billions in this business.

Mr. Robert Mellon: Generally speaking, in the reports on plans and priorities and the departmental performance reports, which I assume are the two documents to which you're referring, generally the numbers are presented on the basis of thousands because that links up very nicely with the main estimates, which are also presented on the base of thousands.

Much of the fundamental information is in those two documents, the planning document being the RPP, the performance document being the departmental performance report. And if you have particular issues or concerns about what they're doing, what they say they've done, what they say they would like to do, those are the two primary source documents. As Tom has suggested already, you can certainly call officials before this committee to explain to you in detail what they're doing, why they're doing it, and what they expect to achieve.

Mr. Tom Wileman: Perhaps, Madam Chair, I could add a comment as well with respect to that question.

The government has adopted a results-based approach in the estimates documents, so that essentially in the report on plans and priorities you see what they're planning to do and then the performance report should dovetail. You should see what has actually been accomplished in terms of what they said they would set out to do. You can get to the essence of the documents in terms of seeing what the planned results are. What did they want to achieve? And then you can use the performance report to assess how far they've achieved those things.

So there is a structure within the documents that can be used and it should be related to the outcomes, the benefits for Canadians. Those are really the results and that's really the intention in the documents, to structure them that way.

The Chair: That's just at seven minutes.

Colleagues from the Bloc, who wishes to speak?

Madame.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Thank you, Madam Chair.

The Estimates of the Status of Women program seem rather confusing to me when I look at it globally. You will allow a new member to try and get some clarifications.

I see that there is a lot of research being conducted. What percentage of the program's budget goes to operating expenditures? What is the percentage for research? What percentage of that budget could go to groups instead?

Could we get those informations?

Mr. Richard Flageole: Madam Chair, some details are included in the Estimates. I can only give you an overview of that entity because we did not do a study. It has a yearly budget of about \$24 million of which about \$13 million are for operating expenditures and approximately \$11 million for grants and subsidies. As you have mentioned, within that budget, there are amounts for research and for various organizations. If you examine the documents in detail, you will find some information that will give you an idea of the various percentages. If you want to go deeper, you should probably ask the officials of Status of Women to give you more information.

• (1155)

Ms. Paule Brunelle: How are those amounts allocated? How do they decide, for instance, what percentage will go to research, what percentage will go to operations, and so on?

Mr. Marc Monette (Senior Director, Expenditure Operations and Estimates Directorate, Treasury Board of Canada Secretariat): If I may, Madam Chair, I shall explain the process.

First of all, there is a base budget which was established several years ago. Every year, if some funds have been allocated in the budget of the Department of Finance, for instance, that project or initiative will be detailed in the estimates of that department. After that, you need a supplementary estimates to give the money to departments that are entitled to it.

At this time, departments will provide information. It is done by initiative and by program. They will look at the program or initiative and establish the human resources or infrastructure, for instance, that is required. It is the program or initiative that will determine the type of funds that they will need.

For instance, if you develop a computer system you will ask for human resources and capital resources for the system development. If you buy a building, you will ask for capital resources. However, as Mr. Mellon explained earlier, there are different types of votes. There are votes for operations, for capital expenditures, for transfer payments or for grants and subsidies.

What really determines the type of votes you get is the fact that there is a \$5 million threshold. When that threshold is reached, we shall create a vote for the department. It is a form of parliamentary control on the public funds. When that threshold is reached, a vote is created. Within the same vote, when you have a small budget, you may find a large number of initiatives or projects for which a department will require funds for human resources and capital resources. They will also have grants and subsidies, which is the case for that department. In fact, the program will dictate the type of funds that will be required.

[English]

The Chair: We have about two and a half minutes left on this round.

Ms. Phinney.

Ms. Beth Phinney (Hamilton Mountain, Lib.): I wasn't at the last meeting so maybe this is my fault, but I'm a little confused. Are we going to be able to meet with people from the Status of Women to get specific answers to the questions?

The Chair: No. We're going to have an opportunity to meet with Status of Women. This was originally to be on the estimates. I think

you may have been outside the room, but the estimates have been referred to committee of the whole in the House, so this was a briefing on the estimates process and how we can operate effectively as a committee, being a new committee, working with the department.

Ms. Beth Phinney: So if we have specific questions about—

The Chair: We'll have an opportunity.

Ms. Beth Phinney: Only in the House, or will we have an opportunity here?

The Chair: In the House, and we will have the minister here as well.

Ms. Beth Phinney: Okay. That's the main thing I wanted.

Also, for any new members, I've sat on public accounts for quite a long time. I don't know if I know much more now than I did when I started on that committee, but it's very interesting. I get the impression from what you said that these people might think you're involved in the daily running of a committee, even accounting for it, or anything like that; the work you do is mainly if you're asked to study a certain—it would never be a whole department—section in a department. You're not involved in the daily work of a department.

• (1200)

Mr. Richard Flageole: Just to be precise, we do audits. Our main responsibility is to provide information to parliamentarians on different aspects of government programs. We're not involved in the management of those programs.

Our primary relationship with Parliament is with the public accounts committee. All of our reports that we table in Parliament are referred to the public accounts committee for review and study. So we have quite an interaction with the public accounts committee, but we also have a fair amount of intervention with other committees.

If there's a specific topic that was the subject of an audit that the committee is interested in, we're pleased to appear and provide additional information on the findings. We can give you information on the adequacy of the corrective measures that the departments are planning to make.

Ms. Beth Phinney: So if you did a study on Status of Women, we would then look at your study and ask questions from your study?.

Mr. Richard Flageole: Exactly.

Maybe just in closing, one of the members before you mentioned that she would like to maybe spend some time with us. I would just like to reinforce that we're working for you. Parliamentarians are the focus of the work we do, so again, we would be more than pleased to meet with any member of this committee.

I think it's important for us to know what you think about those programs and if you have any concerns. In planning our future work, it would be extremely helpful to have an idea of what you're interested in as members of Parliament. That really helps us in making sure we're doing relevant work for Parliament as a whole on this.

The Chair: Thank you.

You have about three and a half minutes left. Do you have anything else?

Ms. Beth Phinney: No, that's fine.

The Chair: Ms. Torsney.

Hon. Paddy Torsney (Burlington, Lib.): I would hope that all members of the committee, and particularly new members of Parliament, have also referred to Jack Stillborn's document, which was distributed as well.

I'm just a little sensitive on the tone. While I think the Auditor General's department has identified, based on previous experience, some opportunities for this committee, I like the Library of Parliament being our adviser on what some of our options are. I think some of the information was already covered.

I guess the challenge some days.... It seems there's a perception among the public that it's an antagonistic relationship, that there are times when the government of the day says, you know what, some things we agree with and want to improve, and other things we actually disagree with, and that's okay too. An auditor's function is to provide advice. It doesn't all have to be accepted. There were times when the previous Auditor General used to come to finance and not like how we booked certain expenditures, but it was quite consistent each year, of course. I recall the millennium scholarships, over which there was an argument amongst accountants over whether to book it here or book it there. It's an opinion, and we don't always have to accept it.

The flip side of that is.... You mentioned that there are opportunities to look at where your reports have identified what the adequacy of corrective measures is. Unfortunately, that side of what a government has done to change things never seems to get out. Look at the HRDC department. In fact, I understand and have listened to your reports in which you're saying, not only have they corrected faster than anybody and done all kinds of great things, but in fact they may have overcorrected, and because of the explosive nature of what happens when an auditor reports sometimes, we're in danger of destroying some of our programs because people have become so boxed into what something means if it's interpreted this way by the next Auditor General's report.

Obviously the Auditor General's job is absolutely important. It's absolutely important to look at where we're spending, to reprioritize. But the estimates procedure and going through it needs to be beefed up in terms of making sure departments are spending on the priorities and are perhaps sometimes recommending improvements or increases in certain areas, because that's the priority of Parliament. That's a going-forward thing, not a looking-back thing. It's almost too late by the time you guys get there. How do we enhance the planning-forward side? That represents the best opportunities and a

bit less "gotcha" than I think most people realize, in that there are some serious opportunities there.

• (1205)

Mr. Robert Mellon: I wonder if you would allow me to respond to that very briefly.

You're absolutely right. I'm very familiar with Jack's report, and a lot of the recommendations that Jack had in his last report you will see reflected in these supplementary estimates. So yes, we are moving forward.

The reports on plans and priorities, the guidelines for the upcoming fiscal year, are in the process of being completed right now. I'm responsible for those guidelines. I think you will find in those guidelines a very much stronger focus on departments talking about their priorities, what those priorities are going to cost, how they're going to get them accomplished, and how they intend to tell the world whether or not they've accomplished them. In all of those areas, I'd like to feel we are making significant progress.

The Chair: Thank you.

Ms. Crowder.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): My understanding of the process at this point, Madam Chair, is that it's more looking at the procedural thing rather than the actual performance of the department.

The Chair: That's correct.

Ms. Jean Crowder: I have a couple of questions, then, to the Auditor General's department.

In your opening statement you talked about a number of points around the slow progress of the government in improving reporting of plans. I assumed that question was in a broader context rather than being aimed specifically at this particular department?

Mr. Tom Wileman: Yes.

Ms. Jean Crowder: So to follow up on that, one of the things I was wondering about is, when the department itself produces a research document that is critical of its performance, does that trigger any kind of look at the department function by the Auditor General, or is that just more serendipity?

Mr. Tom Wileman: We have a process for determining which audits we'll carry out. We do financial and attest work, of course, in relation to the *Public Accounts of Canada*. We also have, of course, performance audits—what used to be called value for money audits—and there is a procedure we follow. It's a risk-based procedure. We essentially examine whole sectors of the government departments, and areas, and so forth, and try to determine where the risks would really require we go in and do a performance audit. That's basically the approach we follow.

Ms. Jean Crowder: Given the fact that this is a relatively low-budget department, it's unlikely it would be very high on the radar in terms of any kind of scrutiny.

Mr. Tom Wileman: We have recently, at the request of parliamentary committees, examined some rather small entities—in terms of expenditures—as well; for example, the Office of the Privacy Commissioner. So on occasion there would be specific reasons why we would examine an entity not solely based on materiality, the size of the entity. There can be other factors as well.

Ms. Jean Crowder: So really then, based on that, if there is going to be a look at how the mission and the business lines line up with the expenditures and the results, it's probably incumbent upon this committee to review that, then, rather than to have any expectation that the Auditor General's department would look at it—

Ms. Beth Phinney: Unless there's a complaint.

Ms. Jean Crowder: Unless there's a complaint.

Mr. Richard Flageole: I think it's a key role of this committee, if I can briefly add to what my colleague said. You're right, there are some very small organizations in the government, so when we look at the audit universe, we have choices to make. But again, one of the things we've done in about the last two years is really pay a lot more attention to smaller organizations in terms of dollars, because sometimes the dollars are small but the impact of what they do is very significant.

So we will probably be doing a certain number of audits of smaller organizations in future years. That will be part of our risk analysis for the government as a whole, so that's the way we intend to approach this in future years.

Ms. Jean Crowder: I have one final question. Part of the mission of Status of Women Canada talks about encouraging and promoting gender equality—and I'm not sure who it's appropriate to direct this question to, whether it's Treasury Board or Auditor General—but the challenge with this is that gender equality for women ranges across a number of departments and yet we're going to be specifically looking at the outcomes of Status of Women Canada.

Is there a mechanism for us—and I'm not really suggesting we go down this road, because I can't imagine how we'd deal with the amount of information—to take a look at whether that equality seeking is happening over a range of departments? And I do understand that there is a gender-based analysis that's supposed to happen within departments. I'm just not sure the results are there.

• (1210)

Mr. Richard Flageole: By definition, Status of Women Canada are dealing with horizontal issues, so they are doing a fair amount of work with other departments, other organizations in the private sector, international organizations. I think they're fully aware that their basic mandate extends to this. So those would certainly be good questions to ask, how they handle this and how they know the type of results, because you'll see the results probably in the other organizations and not within Status of Women Canada specifically. So whether you want to start inviting others is probably something that would be quite a project, but—

The Chair: But not that important.

Mr. Richard Flageole: Yes.

The Chair: Go ahead.

Mr. Marc Monette: Thank you.

In more technical terms, what we are currently developing and we will be putting in place in 2005-06 with main estimates is a planning structure that will be more focused on results as opposed to just business line as you see them today. You will notice that in the main estimates for 2005-06 you will see a change in the structure of all of the departments. I think what we have done is we have asked departments to come in with more information in order for us to provide more information in the main estimates and the supplementary estimates. That will be put in place in the 2005-06 main estimates where, instead of their being called business lines, you will see activities. You will see more activities in the business line. You will see a lot of changes over many departments. Some are relatively close; you may have had five, and now there are seven, eight, or nine.

In the reporting system, what we're developing and building on is multiple levels of information. For example, in mains you will see only the activity level for now; currently that's what you see, the top level. However, we're looking at the possibility of drilling down a little bit further in order to try to capture information across and have more information on horizontal items. There are some that we will be capturing.

The Chair: Thank you. I'll come back to you later.

I have Ms. Hinton, and then I'll get back to you. We're on five-minute rounds now.

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Thank you, Madam Chair.

There are a couple of things I'd like to clarify, to begin with. There's been quite a bit of talk today about confusion on the estimates, etc. I've been on the status of women committee for three years now and I also sat on the heritage committee. When you put the two and three parts of the budget all together, it's no wonder there's some confusion. Because this is a public broadcast, I wanted to explain that there are four members of the official opposition here; there are two Bloc members, there's an NDP member, there are two members of the Liberal Party and the chair. None of us is stupid. So I wanted to make certain that everyone understands that when you're looking at this kind of estimate, there are so many components to it that it's very hard to draw conclusions.

I want to make a request to the Auditor General's office. I happen to believe that the Auditor General's reports are done without malice and they're done strictly for factual information. So I would like to ask you if you can supply me with a summary of the itemized expenditures from the existing estimates; go back perhaps eight years, if you could do that. Can you also supply me with a results report? I need to see what we spent and what we got for that money, because there are a number of issues that I think have been ignored.

I also must commend the chair and all parties, for that matter, on the fact that this is the first time there has actually been a committee on the status of women, and I'm very hopeful that we're going to make some progress, because although there was a minister of status of women, there were never any formal meetings and there was very little exchange. I'm really happy to see this happening and I'm looking forward to our developing criteria for what it is we're going to study. It would be very helpful to me if you could supply the material I've just asked you for.

•(1215)

Mr. Richard Flageole: Madam Chair, I think the request should probably be addressed to the department and the organization. Some of that information will not be available to us unless we really start an audit project. We probably have information that we can grab in various documents, but again, we won't really have it available.

I don't know if our colleagues from the Treasury Board Secretariat would like to comment on that.

Mr. Robert Mellon: I would concur. I think your best, fastest, and most reliable source of information would be with the department directly. You can call on that department at any time and ask for that information, and they are obliged to provide it to you.

Mrs. Betty Hinton: Although I have a great deal of respect for the department, I would like it to be a three-part dialogue with the Auditor General's office and the Treasury Board office, as well as the Status of Women.

To be quite frank, normally we don't tend to analyze our own performance very well when we're giving ourselves a report. We don't ask employees to say how well they are doing in their jobs; there's a position that does that. Feedback from all three would be very helpful to me. I would appreciate any information that you are able to supply through the Treasury Board, and especially through the Auditor General's report.

The Chair: Thank you.

Ms. Phinney.

Ms. Beth Phinney: I'm a little disappointed in the answer—

The Chair: I'm sorry, just a minute.

You have two more minutes on that round.

Ms. Grewal.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Madam Chair.

I would like to thank the officials for giving us the briefing.

My question to the officials today is this. On October 30, 2004, the departmental performance reports of 90 departments and agencies were tabled in the House of Commons. These departmental performance reports are listed on the Treasury Board Secretariat website. However, the listing of Status of Women Canada indicates that the document is not yet available. Could you explain why this might be the case? Are some departments late in submitting their DPRs? To date, what has been happening?

Also, what happens to a department's budget if it is not entirely spent by the end of the fiscal year? Does the department have the opportunity to carry any funding into the next fiscal period? Do departments usually lapse funding? How would the committee determine whether Status of Women Canada is spending the full amount allocated to it in the estimates?

Mr. Robert Mellon: Let me respond to those questions. I'm hoping I have them all.

First of all, the production of RPPs, and DPRs for that matter—departmental performance reports—is always a significant undertaking. Our focus of course is on getting printed material into the

House, tabled, because that becomes a document of record. At the same time as we ask departments to submit their documents to us, we also ask them to provide us with the necessary electronic information, either in HTML or PDF format, which then gets posted on their website.

We have found with some departments and agencies, especially smaller ones, that the capacity to do this is sometimes limited. Sometimes it takes a little longer for them to get their website up and functioning. We get the document printed and tabled in the House, and then some time later the website comes up to speed.

In this particular case, I'm not responsible for the departmental performance reports so I can't give you a precise answer as to why Status of Women is not up there, but I will certainly inquire and see what we can do about it.

There was a question about spending at the end of year. As I mentioned earlier, not all departments spend all of their funds. The way our constitution is currently constructed, if you don't spend all of your money at the end of the year, it lapses. You lose it. The extent to which there is a difference between what you spent and what you are authorized is reflected in the public accounts. You can go to the public accounts and you can see for the previous completed fiscal year how big the lapse was.

Overall, within government, the Department of Finance actually budgets lapse. It actually counts on departments not spending all their money. I'm not sure what the precise figure is, but it's in the billions of dollars. So yes, lapsing is an unfortunate fact of life.

There is a provision for carry-over, which my colleague will explain. It's called operating budget carry-forward, and there's a policy dealing with it. Marc can tell you about that.

•(1220)

Mr. Marc Monette: There are three ways you can carry forward money from one year to the next. The first one is carrying a portion of your operating budget to the following year. There is a provision where you can carry forward up to 5% of your main estimates.

For example, you will see in the supplementary estimates tabled today \$1 billion for carry-forwards from the previous year. That's 5% of the main estimates. It's basically to help the management of the financial resources in departments, to ensure that they will not go ahead and spend when it shouldn't be spent, to help them spend their money more prudently. Therefore, if money is lapsed, there is an opportunity to carry forward to the next fiscal year. That's the operating budget.

The second method is to carry forward capital money. If you have a capital project, you're building something, and there are all kinds of *imprévus*. You cannot plan for everything. You can't stop building on March 31 and say, well, we can't continue the next fiscal year. What happens is that you still have the opportunity in December to say that you will need to carry forward a certain amount for this capital project to the next fiscal year to balance what you are planning.

The Chair: I'm going to have to ask you to wind up very quickly because we're well over the allotted time in this round.

Hon. Paddy Torsney: I have a point of order.

The Chair: Go ahead.

Hon. Paddy Torsney: To be fair, I think there were quite a few questions asked in that two minutes, which kind of loaded up the agenda.

The Chair: With the agreement of colleagues, then, we'll proceed.

Hon. Paddy Torsney: It is interesting information for all of us.

The Chair: Go ahead.

Mr. Marc Monette: The third one is reprofiling funds in the grants and contributions component of your budget. That is done through the Treasury Board Secretariat to Treasury Board and finance. There is an agreement that when a request comes in there's an analysis of the request, why the money wasn't used and why it should be used the following year. Due diligence is done on all requests and there's an authority in place that will reprofile that money to the following fiscal year.

However, even if it is transferred to the next fiscal year, we still need to come to Parliament to get approval. You will see in the supplementary estimates "capital carry-forward," "operating budget carry-forward". In these supplementary estimates the format and content has been changed significantly. The first part of the supplementary estimate will provide you with an overview of all the supplementary estimates of all the departments. You will see horizontal items that are carried over multiple departments.

I hope this answers some of your questions we had earlier. These are the three mechanisms.

The Chair: Thank you.

I'm trying to be fair while trying to move in an informal manner as well. You'll have to forgive me as I try to balance it.

Ms. Phinney.

Ms. Beth Phinney: I have one comment for Treasury Board and a comment for the Auditor General's office in general, since you're here, and it's not specifically to do with this.

I'm going to add on to what Ms. Torsney said. Usually the reports that you people write come out and the media pick up one item and say, oh, this is dreadful. But in two or three lines in a 30-page or 15-page report it'll say things such as—apparently hidden, that the reporters don't see—that the information gathered might have been from two or three years ago, and that most of the things have been fixed since you started your study. By the time the book comes out, most of the things you had been looking at have been fixed already.

I don't know how the Auditor General is...as I say, I worked on public accounts for a long time. You look at all the things that were done and corrected and are okay now, but you're looking at a report that the media uses to say this was dreadful. The Auditor General will take 20 pages to say that this one little thing is bad, but it takes two or three lines to say that it's good.

I'm not asking for an answer to this, but I think it could be done in a more positive way so that the Auditor General's report is not just a negative thing, bringing out negative things. That's all. A lot of the departments work very hard to correct most of the things the Auditor General's office asks them to correct. They do correct them. I think that should be in there.

Now, Treasury Board, I don't like the answer you gave Ms. Crowder. She asked you a question, and neither group was able to answer it. If any department is doing a study that goes to different departments, it needs information from each department. You didn't answer that.

How can we best get that information? If we're doing a gender analysis in each department—you didn't answer this question—how can we get this information from those departments? Can they be forced to answer it? If this committee wants to do something that includes every department, how do we get the information?

• (1225)

Mr. Robert Mellon: Horizontal items are a difficult one. Whether it's gender equality, acid rain, or Government On-Line, they all have the same problem at heart, which is collecting information across 115 entities, collating it, analyzing it, and being able to come to—

Ms. Beth Phinney: Let's say 20 or 25 entities. Why is it a problem?

Mr. Robert Mellon: Who's going to do it?

Ms. Beth Phinney: Well, somebody in the department, if they're asked to provide it.

Mr. Robert Mellon: That's correct. So I think the Status of Women, in this particular case, would be the lead department in carrying out those kinds of studies. It would be up to that department to go to its partners and ask them what they are doing, with a clear set of questions and expectations as to what information it's looking for.

Ms. Beth Phinney: Presumably the expectations would be there. I'm wondering how we can force those other departments to give us the answers.

Mr. Robert Mellon: I'm not sure it's a matter of forcing them. I think when you talk to Status of Women and make that requirement clear to them, it will then be incumbent upon them to get the job done because you have laid that burden on them.

Ms. Beth Phinney: Except that you run, really, the accounting and the money and what's going in the government. Surely you've had this question before from other groups, other departments, that want to know some information. Has that never come up before in the history of the Government of Canada, where people want to get information from other departments?

Mr. Robert Mellon: Information can be sought on horizontal items. Our focus, certainly, is on the money side. In terms of specific statistics you may be looking for, we at Treasury Board don't specifically gather that kind of information. But departments can and will, for their own purposes.

Ms. Beth Phinney: I'm not sure I have the answer yet.

The Chair: I may come back to it once I get a turn.

The Bloc, Madame Bonsant.

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Thank you, Madam Chair.

You mentioned a \$24 million amount for the Status of Women. Who decides what amount will be given to the Status of Women? Is it the government or the committee? I am new here.

Mr. Marc Monette: It is the government.

We take the base budget which has been established for a number of years. In summer and fall, we add all the items for which there has been a source of funds and which have appeared in the Estimates of the Department of Finance. For example, if there was a line saying that such amount was allotted to such department to do further studies on such subject because it is a government priority, funds are made available.

The time schedule does allow us include all items or all amounts in the Main Estimates. Main Estimates as well as the Estimates of the Department of Finance are tabled in the same supply period. So, we complete the Main Estimates with a Supplementary Estimate which is tabled in February for the current year. When supplementary estimates are tabled, parliamentarians are asked to vote on the item that was established in the Budget of the Department of Finance.

• (1230)

[English]

The Chair: We've lost track of the order here a little bit, but we're okay.

Ms. Crowder, you are next.

Ms. Jean Crowder: I'd like to follow up again on the gender-based analysis, and I appreciate Ms. Phinney bringing the point forward.

My understanding on the horizontal initiative is that gender-based analysis is not actually listed on the Treasury Board's list of horizontal initiatives. I don't have the year, but I understood that there was a commitment by the government to request departments to conduct a gender-based analysis. The reason I think this is so important is that if the federal government doesn't take a lead in promoting equality, and I think the pay equity report is a good example of that, for women within the public service and more broadly, then it's a problem, especially if we can't even begin to establish whether that's happening.

Could you comment on why that's not listed?

Mr. Robert Mellon: Frankly, I have no idea.

Ms. Jean Crowder: Who should we ask, then? If the commitment was made in 1995 and almost 10 years later it's still not happening, what is it that we need to do to make that happen? Who should we ask? Who do we need to get on side?

Mr. Robert Mellon: I've indicated this before, but with due respect, I really do believe that you need to have the department here. You have to put that question to the deputy head of Status of Women Canada. It is the lead department in this area. It is its responsibility to know what is happening, so you need to put that question to it.

Ms. Jean Crowder: It seems to me then that what you're saying is that a department that has a funding level of \$24 million—and, I would suggest, insufficient resources—to take this initiative on are the ones we need to ask to take the lead on this.

Mr. Robert Mellon: It may not necessarily be that they do the work, but you need to have a point man.

Ms. Jean Crowder: Woman.

Mr. Robert Mellon: A point person. Sorry, I apologize. You need to have a point person who is charged with the responsibility of finding out. Whether they do that work themselves or they get somebody else to do it really doesn't matter, but that organization has the responsibility.

Ms. Jean Crowder: Who determines horizontal initiatives, then? Is it the Treasury Board? If it is the Treasury Board that determines horizontal initiatives, why is it not part of the Treasury Board's horizontal initiatives?

Mr. Robert Mellon: Horizontal initiatives are essentially determined at the government level. Treasury Board doesn't determine horizontal initiatives. That's a government priority that's set by the Prime Minister and cabinet.

There are all kinds of horizontal initiatives. There are horizontal initiatives on a national level. There are horizontal initiatives at a departmental level. There are horizontal initiatives within specific subject areas. So if you pick Environment, for example, or if you pick Health, or if you pick Defence, there are subsets within those that you can look for. But I would think that the kind of initiative you're talking about is at the national level.

Ms. Jean Crowder: Madam Chair, one final question, so I'm absolutely clear on this. What I am hearing you say is that on this particular initiative, what we need to do is have the Prime Minister and the cabinet on side in order to implement a horizontal initiative.

Mr. Robert Mellon: I didn't say that.

Ms. Jean Crowder: That's why I'm clarifying it, because that's what I heard you say.

Mr. Robert Mellon: What I was trying to say was that horizontal initiatives of national import are established by the Prime Minister and cabinet. That's what I said.

Ms. Jean Crowder: So it would seem that since 51% of the population are women, it would presumably be a national initiative.

Mr. Robert Mellon: That's a fair presumption.

The Chair: Thank you.

Does anybody have any questions? I'm going to come back to one last person who hasn't had a chance to comment today.

Hon. Paddy Torsney: To Ms. Crowder, it absolutely was a commitment in 1995 that the government would undertake this. The question becomes, who's job is it to oversee it?

Clearly Treasury Board could provide some help on that, and PCO definitely has some obligations. Of course, each of the cabinet ministers does, and the Minister of Finance does. Perhaps it's shocking that the Auditor General hasn't done a report on that, but maybe that's something they could report on—our compliance with our commitment internationally on that front.

Also, the opportunity, I think, isn't just to say that the Minister responsible for the Status of Women hasn't accomplished it. Perhaps it's that in every single committee, as they're considering estimates, the members should get that question in: when various proposals or legislation is coming forward, where is the gender analysis?

I think if we really have a crosscutting initiative, and perhaps Treasury Board could answer this, everybody thinks it's one department's job to make sure it's done—in this case the Status of Women. But if crosscutting initiatives mean everybody thinks it's somebody else's job to do it, and not their own—often—is there a way to institutionalize it, and is it through PCO?

The way to police it or encourage it is to continue to ask, I would think, throughout all of the estimates in all of the various committees. Or is there some other way we could think of?

• (1235)

Mr. Robert Mellon: I'm getting myself into deep water here; I have to be careful.

Some hon. members: Oh, oh!

Hon. Paddy Torsney: You're on the side of the angels if you agree.

Mr. Robert Mellon: As I said before, those horizontal initiatives are established at the government level. It is my understanding of the process—and my understanding may very well be imperfect here—that when these initiatives are developed and created, lead departments are identified. It is the responsibility of the department to move forward with that particular initiative.

I think that's about all I can say on the subject without your talking to PCO, for example.

Hon. Paddy Torsney: But on that, though, yes, the lead department has been identified. Status of Women is the lead department, and we'll certainly ask the minister when she comes before us how she fulfills that mandate.

But is it not true that if, let's say, the health department is not fulfilling that, there isn't the possibility that the Minister responsible for the Status of Women could reach into the Department of Health and say, “You know what? Your program spending in this area won't achieve our goals on gender equality”, or “You're putting forward that program, but you haven't done the gender analysis”. He or she, as the Minister responsible for the Status of Women, can't reach into another department and fix it, or stop something.

Am I wrong?

Mr. Robert Mellon: No, you're correct. On the other hand, I would expect that the ministers and deputy ministers would talk to each other about that requirement.

The Chair: I think we're going to come back on this topic.

We'll have a very quick comment, and then I'm going to ask Ms. Guergis to speak.

Mrs. Lynne Yelich: Maybe this is too simple, but I always think that in our best interests we'd be doing it as the legislation was coming forward, and then we'd be talking to the department. But to set up a horizontal line across every department.... You mentioned Environment, and I'm not sure we'd want to go there until we saw the bill, but I can see lots of bills coming up that I wouldn't mind having a voice on.

So I'm thinking about legislation, not about departments.

The Chair: Let's give one last chance here, and then we're going to wind up.

Ms. Helena Guergis (Simcoe—Grey, CPC): Thanks, Madam Chair.

On a different topic, all federal departments were recently asked to cut at least 5% from their budgets. Can the departments choose whether these cuts will be in either the net costs associated with running the department or in their transfer programs? What direction is being provided to the departments from the Treasury Board Secretariat relating to these cuts, and when are departments required to decide where they will cut? And most importantly, how can this committee monitor those decisions?

The Chair: Who wants to go?

You're going to give this committee a reputation soon.

Mr. Marc Monette: In terms of government reallocation, in the supplementary estimates that were tabled you will see under each department there's a reduction due to the reallocation. You will see that on each individual page for that department.

So there is information in the supplementary estimates on government reallocation. You will see all of the amounts that touched on this year's supplementary estimates. In that table we have amounts that were affected in main estimates and we have amounts that were impacted on in the fiscal framework, which means that funding that was not provided to departments was withheld.

In the news release, in the backgrounder on sups, there's a table that will tell you individual amounts by ministry. For additional specific information, departments were asked to provide the information upon request.

• (1240)

Mr. Robert Mellon: So if the Status of Women contributed to the \$1-billion exercise, when you go to the supplementary estimates and look up Status of Women, there will be a line specifically in there identifying that item and the amount that was contributed.

Mr. Marc Monette: If there was no item for the Status of Women, you would still see it, because we did print a page for each department. Although they may not be asking for money, we said we want to inform Canadian parliamentarians of the reallocation.

The Chair: I think we'll come back to this.

Let me just say thank you to the four of you for coming out today. This is our committee's first opportunity, and it was very helpful. I can speak for myself, as someone who's been here for three years—or longer, actually—that I wish I'd had a presentation like this some years ago.

So thank you all very much. It was comprehensive, and I suspect we may be asking you back again as we get more familiar with this.

Mrs. Lynne Yelich: I would just like to mention I did have the department come to my office and they were very helpful. Communications did actually come over and spend as much time as I wanted on some questions, and my questions now are going to be forwarded to someone in that department.

I really appreciated that, and I really appreciated all of you coming today—and I'd like all of your business cards.

The Chair: Thank you.

We're going to have to move on fairly quickly because we're behind schedule and we have a little bit of work to do.

The work plan that we set out originally is not 100% valid. The study option can no longer be a study of the estimates, as the estimates are going before the House. But we can still proceed to hear witnesses under the general committee mandate, and we can hold briefing sessions with witnesses from the Status of Women on November 16, which I'm perhaps suggesting, and with the minister on November 23, the familiarization of the Status of Women Canada. I know the minister is interested in appearing here, and the department will have an opportunity to come before us.

If you remember, we had proposed a third-party panel to come in to speak to the estimates, but we're not doing the estimates here. What we're proposing is just a general discussion on what we've heard after the briefing from the Status of Women. It will be a meeting on that, followed by a meeting with the minister, followed by meetings with national organizations and various community groups.

I'm wondering if that would be agreeable—instead of having the coalition. Or would you prefer to have the coalition?

Go ahead, Paddy.

Hon. Paddy Torsney: I apologize. Do we have a copy of this?

The Chair: You got it last time.

What we were looking at, for those of you who don't have it, was what we had today; then next week a briefing from Status of Women, which would in part speak to some of the issues today and look at the program and policy; and then we were looking to have, on November 18—the Tuesday of the second week we're back—a reaction of stakeholders to the estimates as we've heard them here. But we're not going to be hearing the estimates here, and that's what creates the need for the change.

Go ahead.

Hon. Paddy Torsney: I was wondering, building on Helena's question, if there isn't an opportunity perhaps to ask the minister who has been charged with the exercise

[*Translation*]

to find money in each department, what is happening with priorities?

•(1245)

[*English*]

That's a question of whether or not there's going to be gender analysis, how we choose things, how this committee could give some message to the minister about what priorities we were interested in, and whether that isn't the going-forward exercise, rather than the looking-back one, that we could have the best impact on.

The Chair: What are you suggesting? I'm not sure I—

Hon. Paddy Torsney: Perhaps Minister McCallum could be coming to talk about the process on finding the \$1 million, or the 5% in each department. I think it's helpful in terms of how the government organizes itself. It might be supportive of his work to make sure the priorities of this committee and women in the country are reflected in the changes that are made, rather than just going

forward and spending—but also being careful concerning any of the changes or reallocations that are being made.

The Chair: Are there other comments?

Ms. Crowder.

Ms. Jean Crowder: I'm certainly more interested in hearing from the minister.

The Chair: It's not either/or. She's coming on November 23.

Ms. Jean Crowder: But if what we're suggesting is a third-party panel, I'm still not clear why we wouldn't have it happen, because my understanding is this is going to be in the House for the discussion on November 16.

The Chair: Is that the date?

Ms. Jean Crowder: It still would seem appropriate that we hear from some key stakeholders on November 18, because that discussion would have happened. People would have had an opportunity to either be present in the House and listen to it, or whatever.

The Chair: We won't have the input, though. That's the issue.

Ms. Jean Crowder: They want to have input, but we could still get a reaction from them to whatever the discussion was on November 16.

Hon. Paddy Torsney: It's not on November 16, because they won't have a reaction time if it's on November 16.

The Chair: That's possible. It's up to the committee.

Ms. Jean Crowder: I'm just thinking it's still a valuable part of the process to hear from key stakeholders.

Hon. Paddy Torsney: Sure.

The Chair: Okay. Ms. Phinney.

Ms. Beth Phinney: Are we going to make sure they have the material available? What are they going to...?

The Chair: Oh, they're following it.

Ms. Beth Phinney: So they have the material? They know what's...?

The Chair: I think so.

Ms. Beth Phinney: So they know better than we do how to study the estimates, etc.?

The Chair: Ms. Torsney.

Hon. Paddy Torsney: I am genuinely confused. On November 16 we'll be having a committee meeting, and the House is going on at the same time.

The Chair: On November 16 we have the Status of Women coming. The estimates will be done in the evening of that day.

Hon. Paddy Torsney: So the estimates are done in the evening of November 16 at the main committee?

The Chair: It's in committee of the whole.

Hon. Paddy Torsney: Okay, so reaction of the stakeholders sometime earlier in the day.... It's input, not reaction, then. Am I wrong? Am I just not understanding something?

The Chair: We're looking at the stakeholders coming two days later, on November 18.

Hon. Paddy Torsney: And moving the minister?

The Chair: No, the minister is on November 23. That's been confirmed.

Hon. Paddy Torsney: The document I have says November 18. That's why I'm confused.

The Chair: I'm sorry.

Do you want to speak to it?

The Clerk of the Committee (Ms. Bonnie Charron): We had changed the dates based on our last meeting. These are still the copies from the last meeting. I apologize.

The dates, starting from November 4, are as follows: today, obviously, the Treasury Board; on November 16, Status of Women Canada; on November 18, the proposed third-party panel; and on November 23, Madame Frulla, the minister.

Ms. Beth Phinney: What's on November 16?

The Chair: November 16 is the briefing from Status of Women Canada. In the evening it appears that the estimates will be done in committee of the whole.

Hon. Paddy Torsney: So November 2 we've done. Today is November 4.

Both sets that I have now of this document have the wrong dates. If you don't mind looking at page 2 of this document, there's a chart. It says "Date: November 2, Treasury Board." Then there's November 4. The next box is November 16.

• (1250)

The Chair: And then November 18 and 23.

We will get corrected documents out to you.

Ms. Phinney. Then I'll come to the other side of the table.

Ms. Beth Phinney: I think what Ms. Torsney was suggesting is that we get the minister here who is responsible for cutting, and—I'm being very blunt about it—maybe suggest that we shouldn't be cut. If he's going to take 5% or whatever it is from every department, let's put our pitch in before he does it and not complain afterwards.

I don't mean it has to be right now. I don't think his cuts have anything to do with this business in here, but I think we should have him in as soon as possible to give our pitch, after we've talked to the Status of Women, about why we don't want it cut.

The Chair: Let me ask you whether on November 18, if he's available, you would prefer to have Minister McCallum or you would prefer at that point to have the stakeholders in for a discussion on the estimates, recognizing that the estimates will have taken place already.

Hon. Paddy Torsney: In terms of process, if I can be so bold, the night of the 16th is the general debate. The third-party panel would be comprised of whom?

The Clerk: It hasn't been confirmed yet, but it was proposed that it be the Coalition for Women's Equality.

Hon. Paddy Torsney: And that is a coalition of a series of groups that are nationally based?

The Chair: It's several groups.

Hon. Paddy Torsney: Then we're going to hear from the minister. Then we have on page two of the proposed timeline a series of round tables.

Maybe we should wait and talk to Minister McCallum about his exercise after having had feedback from the various national organizations. Thematically, maybe these could help us tell him places where he should be cutting and where he should be putting more money in.

The Chair: Does that sound agreeable?

Ms. Beth Phinney: Excuse me, does anybody know when his deadline is?

The Chair: I don't know.

Hon. Paddy Torsney: We'll trust the chair to go and chat with him.

The Chair: We'll check it out.

We're going to proceed with a change of dates. I understand the corrected one has been sent out to you.

We're looking at: on the first Tuesday after the break, a briefing from the Status of Women; on November 18, a general discussion with stakeholders; and on November 23 we will have the minister before us to ask her any questions. Following that, we will go into round tables, as we agreed last time, with national organizations.

Let me give you the corrected dates. The first one would be on November 25, the second on November 30, the next on December 2 and December 7. I'm going to stop there, because you'll get a corrected schedule before that, and you can look at it yourselves.

I would ask as well that you get suggestions in for possible presenters. You have a document that has been distributed to you with suggested names of proposed witnesses for the round tables. A number of organizations have been suggested as national organizations. Madame Brunelle, you've suggested another one, Femmes autochtonesdu Québec, and we'll add it.

Does anybody have any other suggestions?

Ms. Crowder.

Ms. Jean Crowder: I didn't get the document with the list of organizations.

The Chair: It's probably sitting in your office.

Ms. Jean Crowder: No, we didn't get it this morning. It wasn't there at nine o'clock this morning. We got another document this morning, but we didn't get that one.

The Chair: What I'm going to suggest, then, is that you review this and get your comments in to the clerk by Monday. I'm pushing this because it's important to establish a budget to bring delegates to Ottawa.

It should be in your office—I don't know how and when.

Ms. Bonsant.

[*Translation*]

Ms. France Bonsant: Would it be possible to get documents in advance and not at the last minute? We are all very busy and do not have the time to read them. I think it would be nice to get them one or two days in advance.

[*English*]

The Chair: We will make every effort. I agree with you that they should be in your offices the day before, if we can, not the evening before, because some of us don't go back to our offices before we come here. Occasionally we may have to come in with amended documents, if something comes up, but we'll make a real effort to do that.

Paddy.

•(1255)

Hon. Paddy Torsney: Just speaking from the wisdom of some experience, I think this is going to be a constant challenge. Everybody's office is getting stuff. Everybody is scrambling. Our staffs are trying to figure out what's important. There are a zillion e-mails every day.

I don't know what the title of the item is when the clerk sends things, but maybe there could be some identifier that would help. Maybe there are a few staff members you could call.

It's a constant battle. I've been here for 11 years, and it has never been solved. There's always somebody who says he or she doesn't have it.

I would say to all members, just assume the best of the clerk, because usually it's in our offices. Assume the best of our staff too, because usually they're just scrambling to try to figure out—

Ms. Beth Phinney: I don't know all the clerks' names for the committees. These things are sent out under the clerks' names. I know you have orders from your top clerk that they have to go out under the clerks' names. I'd like to see the committee name across the top, saying it's the status of women committee. Why does that have to be hidden and the clerks' names come first?

Ms. Helena Guergis: That is a very good point for all the committees. I'm checking my own e-mail right now, because I don't

have staff, and I'm getting them for every committee. So I'm trying to figure out who's who.

Ms. Beth Phinney: Yes, because we don't know the clerks.

The Chair: We're working our way through. We'll figure out some identification. It's a good point.

Hon. Paddy Torsney: The second part of it is that when documents are sent, like this one, we need to figure out a way to make sure it's really very clear that this is for this meeting. I'm sure that for all of us it gets shoved in a file that's put on our desks and might or might not get opened.

The Chair: We have to know that from the witnesses.

Hon. Paddy Torsney: Yes, we have to know that very clearly.

The Chair: Madame.

[*Translation*]

Ms. France Bonsant: You could also have extra copies of documents in the committee rooms so that we can get them if we did not receive them in time.

[*English*]

The Chair: That's a good idea.

Hon. Paddy Torsney: Last, in terms of paper, maybe people could indicate to the clerk—and maybe the clerk will tell me this is wrong—the language of preference, because I notice that this document got photocopied in both English and French. It was an emergency situation, but just note whether people want them in both languages or one language. I'm sure you've already thought about that.

The Chair: Thank you, everybody.

I need a motion to change the work plan as discussed, which is to bring the minister responsible for expenditure review.

It is moved by Madame Brunelle and seconded by Madame Grewal.

(Motion agreed to)

The Chair: We will move forward. We're learning, but we're going to do it. Thank you, everybody.

The meeting is adjourned.

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