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—
Chair

The Honourable Shawn Murphy

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• (1530)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I would like to call the meeting to order and extend to everyone a very warm welcome.

This meeting, ladies and gentlemen, is called pursuant to the Standing Orders, and we're dealing with chapter 7, "Economy and Efficiency of Services—Correctional Service Canada", of the December 2008 Report of the Auditor General of Canada.

Today the committee is very pleased to have with us, from the Office of the Auditor General Canada, Mr. Hugh McRoberts, the assistant auditor. He's accompanied by Mr. Gordon Stock, principal, Public Safety and Emergency Preparedness Canada, Justice. From Correctional Service Canada, we have the commissioner and accounting officer, Mr. Don Head.

Mr. Head, you are very much welcome to the committee.

Perhaps before we do start, I just want to point out to committee members that with your materials you will see a report on the meeting of the steering committee held on Tuesday, March 10. There's nothing in the report that requires any ratification from this committee, so the information is circulated for informational purposes only.

Having said that, I am going to now turn the floor over to you, Mr. McRoberts, for the opening comments from the Office of the Auditor General.

Thank you very much.

Mr. Hugh McRoberts (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chair, for inviting me to discuss chapter 7 of our December 2008 report, "Economy and Efficiency of Services", an audit of Correctional Service Canada.

With me today is Gordon Stock, principal of the public safety team responsible for this audit.

Correctional Service Canada has an obligation to ensure the safety and security of the Canadian public and its own staff, as well as criminal offenders sentenced by the courts to two years or more in prison. It provides custody and care to 14,500 inmates in 58 federal institutions across Canada and spends about one-third of its budget, about \$642 million, on common institutional services and goods, such as security, food, clothing, and cleaning services.

This audit looks at the business side of running institutions. We examined whether CSC's management ensures that goods and services for its institutions are procured, managed, and delivered with sufficient attention to economy and efficiency. Specifically, we focused on whether food, clothing, and cleaning products of the desired quality are obtained at the lowest available cost and whether related services are delivered efficiently. We also looked at security services, in particular at whether CSC is efficient in the deployment of correctional officers among institutions, including the use of overtime.

[Translation]

Savings that are achieved through better management of costs can be reinvested in areas that the Correctional Service has identified as priorities. Given that in its 2007-2008 Report on Plans and Priorities, CSC said it had exhausted its ability to reallocate existing resources in order to meet its challenges, we expected that the Correctional Service had done such an analysis.

[English]

We found that Correctional Service did not manage the provision of food, clothing, and cleaning products in a way to obtain assurance of best value at lowest available cost. In most cases, quantities of food and cleaning products needed for the 58 institutions were not analyzed at the national level. Instead, individual institutions determined the quantities of food and cleaning products they needed and carried out much of their own purchasing at the local or regional level. This means the agency was possibly missing opportunities for savings available through higher-volume purchasing. In addition, CSC had not analyzed either the overall cost of preparing food inside the institutions or whether there were more economical alternatives. While it managed most clothing purchases at the national level, a substantial percentage of purchases were still made locally by institutions.

At the time of the audit, Correctional Service employed approximately 6,200 correctional officers, with an annual salary cost of approximately \$570 million. CSC is developing a model for a more consistent approach to allocating correctional officers amongst institutions by introducing national standards for deployment. The model is based on the estimated minimum number of officers required to maintain a safe and orderly medium-security institution. However, this model has not yet been adapted to suit each institution, nor has its potential impact on the need for overtime been assessed.

Overtime costs have continued to increase, even though the number of prisoners and the reported number of violent incidents has remained relatively stable. Correctional staff point to the changing offender population and therefore the need to keep certain criminal groups away from others as one reason for increased overtime. In the last six years, overtime has significantly exceeded the amount budgeted. At the same time, spending on rehabilitation programs, training, and building maintenance has been less than the budgeted amounts. While we recognize that some overtime is necessary to deliver security services, we found no overall strategy or policy designed to control the use of overtime and little analysis of the impact of overtime on salary expenses and programs and of whether using overtime is more economical than hiring additional personnel.

• (1535)

[Translation]

In examining the increased use of overtime, we noted that some employees' leave records had not been updated consistently to reflect actual leave taken. In the month tested, as many as one third of absences in the eight institutions that were selected for examination were not recorded in the human resources management system. Unrecorded leave allows for additional leave to be taken later by the same employee, and as this is unscheduled leave, it will likely result in additional overtime costs.

[English]

While we understand its focus on safety and security, Correctional Service Canada needs to be better at the business side of running institutions, including analyzing the cost of its goods and services and determining whether there are more economical and efficient alternatives. We found little direction from national headquarters to institutions on how to manage their operations more economically and efficiently. CSC had not performed sufficient analysis to understand its costs, implemented and monitored suitable performance measures for economy and efficiency in its operations, or explored alternatives to identify potential savings.

As responses to our recommendations from Correctional Service Canada were quite detailed, the committee may wish to request an update on their progress in responding to our recommendations.

Mr. Chair, thank you. That concludes my opening statement. We will be happy to respond to the committee's questions.

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

Mr. Head, your opening comments, please.

Mr. Don Head (Commissioner, Correctional Service Canada): Thank you, Mr. Chair.

Good afternoon, and thank you for the opportunity to be able to respond to the Auditor General's report on economies and efficiencies as it relates to Correctional Service Canada.

CSC, Correctional Service Canada, fully agrees with the recommendations included in the Auditor General's report. We aim to improve upon our economies and efficiencies of services that we provide across the country in our institutions and in our parole offices from coast to coast.

The recommendations are clearly linked to the priority of making our government and our organization more effective and efficient while producing quality public service results for Canadians.

As noted in the report, Correctional Service Canada has already taken some action to improve its practices and is committed to addressing all the recommendations. I am confident that all the recommendations will be fully addressed over this coming fiscal year leading up to March 31, 2010. We will continue to remain transparent as we integrate the recommendations into our work and we will continue to ensure that we are as efficient as possible at all levels of management within our organization.

Progress has been achieved on addressing many of the recommendations, which also contribute to our transformation agenda, particularly in the area of finding greater efficiencies and effectiveness for the delivery of federal correctional services across the country. For those of you who may be unaware, the Correctional Service Canada transformation agenda was developed to respond to independent review panel recommendations submitted to the Minister of Public Safety in 2007. The report included 109 recommendations, all with the overall goal of improving the public safety results for Canadians. As we implement the various recommendations from the review panel's report, we will be exploring opportunities for economies and efficiencies in many different areas. We'd be glad to explain some of those to you.

As well, CSC completed a strategic review in 2008, and over the next four years we will be implementing the decisions arising from that process, which are linked to the economy and efficiency of services within our organization.

Correctional Service Canada is committed to ensuring that our business practices are conducted in accordance with the laws and policies regarding the use of public funds. One of our key priorities is to continue to strengthen management practices in the areas of financial management, human resource management, and values and ethics, in order to ensure that we operate with accountability, integrity, and openness.

I would like to briefly comment on the recommendations within the Auditor General's report.

CSC agrees with the recommendations, as I pointed out, concerning centralized purchasing. Correctional Service Canada accepts that several efficiencies and economies could be realized from centralized purchasing of certain food items and various goods that are used within the institutions across the country. As we move forward on this front, we will also do an assessment of the potential impact on smaller local economies to ensure that we keep a balance between economies and efficiencies on the one hand and centralized purchasing on the other. We will also attempt to balance the need for economies and efficiencies in our overall centralized purchasing approaches to ensure that they help and assist us in producing the effective public safety results that Canadians expect.

CSC is also part of a Public Works and Government Services Canada pilot to introduce changes to contracting procedures for construction and maintenance in an attempt to streamline the process and develop a stronger procurement organization. This will help us to develop a structured approach to manage purchasing and procurement generally, including detailed forward procurement planning. It will also assist us with strategic planning, as it will identify improved departmental procurement actions, efficiency gains, cost avoidance, and better general management use of Public Works and Government Services Canada tools, services, and best practices.

As most of you know, CSC is a very complex organization, as the nature of its mandate requires operations to run on a 24/7 basis. I'm sure you're all aware that overtime is a regular occurrence when operating a business that is never closed. The management of overtime can become quite complicated while balancing various operational issues, including training, emergency escorts, hospitalization of inmates, and emergency crisis situations such as riots or hostage-takings. We are committed to ensuring that overtime is kept to a minimum, that its cost is justified and approved, and that leave is managed in an effective manner. In order to do so, we are enhancing our monitoring and analysis of expenditures and alternatives to overtime, as well as financial and performance information related to all aspects of our operation.

I've asked that each of my regional deputy commissioners review overtime expenditures and management controls regularly at their management team meetings, and in turn we will monitor this at the national executive management committee meeting every quarter.

• (1540)

In closing, I wish to thank the committee for this opportunity to speak on CSC's efforts to improve on the economy and efficiency of its services. I welcome all of the questions you might have today.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Head.

We are now going to go to the first round. That's seven minutes each.

Mr. Oliphant.

Mr. Robert Oliphant (Don Valley West, Lib.): Thank you, Mr. Chair, and thank you to both the organizations here.

I want to begin by congratulating both of you for your very different work, which I think is very valuable work for Canadians.

First, to Mr. McRoberts, I followed the news accounts after the auditor's report was released, and they seemed to sensationalize the lack of efficiencies and the costs. However, when I read your report, it would seem to me fairer to say that your concern was the lack of study or proof or monitoring of these expenses, as opposed to the actual expense limit. Is that a fair understanding?

• (1545)

Mr. Hugh McRoberts: Yes, that's entirely correct. What we were looking for was evidence that the commission had done the types of analyses they should have done in order to be assured themselves, and to provide others with assurance, that they were spending their money with due regard, rather than attempting to prove, which one

couldn't do in the context of an audit, that they were incurring excessive costs.

Mr. Robert Oliphant: Did you, in the comparative studies, look at other correctional services around the world and the cost per incarcerated person to have an understanding that perhaps they were out of line, or was it simply that you did not see the audit controls that you thought should be there?

Mr. Hugh McRoberts: We did both, Mr. Chair. We talked to representatives from other correctional services, both within Canada and internationally, and we also looked at other institutions that were engaged in the mass delivery of things like food and cleaning products, both in the hospitality and hospital industries, to understand the types of economies that they had been able to achieve through analysis of their purchasing practices, particularly with the changes in the way in which food and other types of services are now being packaged and delivered. Comparisons on a head-to-head basis were simply not possible because there were too many other variables, but we were convinced, looking at the practice of others, both in corrections and in other industries, that it was reasonable to expect that doing the type of analysis that those industries had done would yield potentially significant savings.

Mr. Robert Oliphant: What about the argument that local economies can actually be as great in 2009 as across Canada, given the fact that in this jurisdiction—I don't know of any hospital chains that are across Canada and would cover this kind of distance. They're provincial jurisdictions. So I'm wondering how you compared that.

Mr. Hugh McRoberts: We also talked to people in the hospitality industry who are involved in supplying food services to very large chains, some of which operate not only in the large cities but in the small towns of Canada. Again, the indications were that in that environment, economies were possible.

Again, we recognize that the answer is not necessarily straightforward. We were not advocating a particular solution, but simply that there were enough changes in the nature of the industry and that others were realizing, in a variety of circumstances, sufficient economies that we believed it was important that Correctional Service Canada begin to look at the various options.

Mr. Robert Oliphant: In your report you said, regarding the deployment of staff, that CSC had not performed sufficient analysis of the model, such as cost-benefit analysis, or had not looked at other alternatives in staff deployment. What do you mean by that? What alternatives?

Mr. Hugh McRoberts: There were a variety of issues there. I think one of the key ones was that the model really needed to be expanded—and I think Corrections agrees with us on this—to look more at the implications for overtime and whether or not there were circumstances in which essentially what looks like overstaffing on the surface can in fact be cheaper than paying overtime on a net per-hour basis.

Mr. Robert Oliphant: I was just wondering, were you talking about outsourcing of staff, or privatization of certain services? Was that in your mind?

Mr. Hugh McRoberts: No, Mr. Chair, we were simply talking about the analysis—the way in which existing staff were organized.

Mr. Robert Oliphant: Thank goodness.

I have a couple of questions for Mr. Head. It's nice to see you again. I have a great respect for your work and your agency. Frankly, I appreciate your accepting the auditor's statements. I think that is intelligent, gracious, and wise.

Do you have enough money to do the job you are mandated to do?

Mr. Don Head: With the infusion of moneys that we received over the last several years through Budget 2007 and Budget 2008, I think we're well positioned to produce the kinds of public safety results we have been producing for the last several years. One of the jobs we have as part of our transformation agenda is to look at how we can become smarter and better at delivering several of our services, particularly programs and interventions to offenders, so that we can improve on the results we've been delivering.

There are some areas in which there are more challenges than in others. For example, the issue of mental health is a significant challenge for our organization. Challenges around responding to the needs of aboriginal offenders are significant. The task we have at hand right now is to decide, looking at the way we do business with the money we have, whether there are other potential efficiencies or economies that we can realize by doing business slightly differently. If there are not at the end of the day, then we would be looking at making appropriate submissions based on improving results.

• (1550)

Mr. Robert Oliphant: Of course, our hope is that you do your work with economy and efficiency.

You have anticipated my concerns, which are around mental health. It seems to me there will be a great need for further money from this government to do the kind of work that I think Canadians are expecting you to do. I would be encouraging you to undertake the efficiencies work, to help make the case that you're underfunded in those two particular areas that are of great concern to me: first nations and aboriginal people, and also mental health issues.

The last question is whether you have managed to spend this year the \$122 million from the 2008 budget.

Mr. Don Head: It's come with various specific initiatives attached to it. That \$122 million is an accrual number over a couple of years. The cash number is higher than that, because there is a capital component to it. We have made some significant inroads in moving the agenda along in many different areas.

I can answer that later.

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

Madame Faille, vous aurez sept minutes, s'il vous plaît.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Thank you, Mr. Chair.

I'd like to welcome all of you to this committee. I have a few questions, in particular my first one which concerns supplying hospital and hotels and comparisons in terms of substantial savings. Can you give us some concrete examples of how hospitals and hotels have saved on the cost of purchasing food?

[English]

Mr. Hugh McRoberts: I will ask Mr. Stock to address this, but there are limits on how much we can say, because the information that was given to us is proprietary to the industries involved.

That said, I'll ask that Mr. Stock respond.

Mr. Gordon Stock (Principal, Public Safety and Emergency Preparedness Canada, Justice, Office of the Auditor General of Canada): Thank you, Mr. Chair.

There are two aspects to where the savings can be realized. The first one is in the terms of the contracts themselves. Longer-term contracts with an ability to come back to renegotiate the prices achieve some savings, both on the administrative side and also in terms of being able to negotiate a better price with the suppliers.

The second part of it is within the distribution side. If you have a large operation, especially within a hotel chain but also within, for instance, Correctional Services—it's across the country—the distribution side does not mean it has to come from a central location. The contract can be done in such a way that it can be sourced locally and then delivered to the institutions. Depending on the terms of the distribution, savings can be realized at that end of the equation as well.

[Translation]

Ms. Meili Faille: Correctional Service Canada operates facilities in remote regions. I'd like you to consider two cases in Quebec where programs have been put in place to address the problem of junk food in hospitals. Hôpital Sainte-Justine has a wonderful program to manage the cafeteria and food services. Hydro-Québec runs a similar program at its facilities. How did Hydro-Québec rise to the challenge of providing its employees with cafeteria services and with managing the junk food problem? In the private sector, Standard Life and a number of other companies run food management programs. I would simply like to know if Correctional Service Canada addressed the issue of junk food in the analyses it conducted.

[English]

Mr. Don Head: Our menus are based on Canada's food guide. We have dieticians who review, on a regular basis, the menus that are produced and sign off on those.

In terms of junk food per se, there's the odd menu that has french fries on it or certain other foods that you may consider fast-food types of food. The traditional junk food that children would eat—the candy bars, the chips—are not supplied by CSC. Inmates are able to purchase that through what are called inmate canteens. They use their own money to purchase that. We don't supply that.

The foods we buy are based on our menus. Our menus are reviewed by dieticians.

• (1555)

[Translation]

Ms. Meili Faille: So then, you are aware of the costs in terms of the health of the inmates in your custody.

On another subject, regarding investments in infrastructures, I'd like to revisit the issue of water contamination, water pipes in certain facilities and lead contamination. Has federal government funding made it possible to correct these problems which affect federal facilities?

[English]

Mr. Don Head: I'm not sure, Mr. Chair, that I mentioned that at all, but in terms of the issues around water quality, we manage and monitor that on a regular basis. For example, in places where water is drawn from wells, we respect the normal protocols for having water tested on a regular basis.

In cases where we have problems with city or municipally supplied water, we respond accordingly when problems are brought to our attention.

[Translation]

Ms. Meili Faille: Are there any facilities that are still operating under boil-water notices?

[English]

Mr. Don Head: At this point, I'm not aware of any of our institutions that are on boil—

[Translation]

Ms. Meili Faille: Could you look into this and let us know if the problems have been corrected?

[English]

Mr. Don Head: Most definitely.

[Translation]

Ms. Meili Faille: Could you also provide us with a summary of the state of repair of your water treatment facilities? I know that a number of these facilities are quite old. Could you provide the committee with information on the state of your drinking and wastewater facilities and how you manage them?

My other question concerns employees, specifically Correctional Service officers. Statistics show that the absenteeism rate among correctional officers has increased significantly, along with the number of sick leave days taken. Percentage wise, what kind of increase are we looking at?

[English]

Mr. Don Head: For our correctional officers, the latest statistic we have is that they use, on average, 17 days of sick leave per year. We've seen some changes over the last couple of years as a result of some of the new provisions that were in the collective agreement. As a result of some changes a few years ago, once a correctional officer has used the 15 days of sick leave they have that they can accumulate in a fiscal year, there's an opportunity to actually earn an additional two days in the year. We've seen a trend where, in some cases, correctional officers are using up their 15 days and using the additional two days as well.

But we also know that in some cases, not all cases, some of the use of sick leave is associated with staff being involved in incidents where they have been assaulted in the institutions, where there has been a major incident and there's a level of stress associated with certain staff members after that incident, whether it be a hostage-taking or a major riot. So we have seen an increase over the last few years.

[Translation]

Ms. Meili Faille: I have one last question. You were just talking about assaults on correctional officers. Obviously, their working conditions are very difficult. I'm curious as to whether you have followed up on one request in particular, namely that inmates be tested to determine if they are HIV positive or if they suffer from any diseases. Sometimes, inmates will spit in the face of an officer. Officers come into contact with bodily fluids. Inmates will spit on, bite and even urinate on correctional officers. Has the federal government followed up on their request to test inmates who do this or something similar to determine if they are infected with a serious disease?

• (1600)

[English]

Mr. Don Head: One of the recommendations that was made in the review panel's report was for the government to look at mandatory testing of all offenders coming into the federal correctional system. That doesn't occur right now, because that requires legislative change.

So our practice has been and continues to be, until there is any legislative change in that area, to subject all staff members who have been exposed to bodily fluids or excrement to the universal protocols for protection. That requires them attending the hospital, being subjected to the various "cocktails", as they're referred to, to potentially combat any issues of infection.

[Translation]

Ms. Meili Faille: So then, you do expose your employees to certain health risks?

[English]

The Chair: *Merci beaucoup.*

Mr. Christopherson, you have seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Mr. Chair, and thank you, Mr. Head, for being here today.

I have to say, when I read the report, both initially and then in more detail, my past came back to haunt me, given that in another life I used to be responsible for the Ontario prison system. I don't know about now, but at that time the Ontario system alone was equal to the entire federal system. It's probably relatively the same.

Two things struck me. One was, I have to admit, a great deal of sympathy because of the challenges faced by that ministry. It's different from any other part of government, and the pressures are enormous. When the money is not there to meet the challenges, those are hellish decisions to make.

I'm not going to be as over the top as I normally am, because that is going to constrain me. It's my experience; you can't go against that. It's a tough ministry to run.

However, I do want to bring forward that in paragraph 7.77 of the Auditor General's report, the first sentence says:

We found that CSC focuses much of its effort on safety and security. It does not pay sufficient attention to economy and efficiency.

You know what? If we have to have a problem, I'm glad it's that way. I am glad this audit didn't show that you're really good at buying the clothes and really good at buying the food and lousy at security and lousy at safety.

I say that with great experience, because I remember that Mike Harris' government privatized one of the youth detention centres and turned it into a boot camp. The night before the grand opening, with the ribbon ready to cut, there was a breakout. The first thing they had to do was call in the public sector correctional workers to secure the place and go and find the prisoners who had escaped.

I say that because we know this government has an interest and is salivating a bit at the system and would love to privatize it.

The biggest growth industry in the United States is building prisons....

Pardon me?

Mr. Robert Oliphant: Can we have a question, please?

The Chair: Move on.

Mr. David Christopherson: When you have your time, you can say whatever you want, my friend, and I'll listen. I would ask you to do the same.

My first question actually is to the Auditor General. Before we get into the specifics of what the report says, I have a couple of questions.

One of the benefits of buying locally is food safety, which is a big issue. If you get food safety wrong, you're instantly poisoning how many thousands of people? So buying locally is something that more and more people are going to because of that security. Also it's local jobs. These institutions are often one of the biggest economic engines, in rural areas in particular, and if you take away their local purchasing it's going to affect the community. How much do we need to think about that in an economic sense?

Then there are the environmental costs of shipping food and products from wherever to these locations. How much of that did you factor in, and what's your sense of how that holds up against the money that you think could be saved?

Mr. Hugh McRoberts: We expected that CSC's management would have factored that into the type of analysis that we would have expected they had done. Our expectation was that management would have been looking at its cost structures, would have been discussing with industry—food delivery being one example, but the other industries as well—what are the delivery options, and frankly, what are the benefits of costs associated with different options?

Certainly we would have expected that local business issues versus national issues, all of those issues, would have been on the

table in the type of analysis that we would have expected to see, but which simply were not there.

● (1605)

Mr. David Christopherson: So it's the absence of that and everything else being considered? Okay.

Then how about that, Mr. Head? How do those things factor in, or do you still have to do that? Give me your thoughts on that, please, sir.

Mr. Don Head: We're still looking at or assessing the information. We are, as I indicated in my opening comments, going to look at issues as they relate to local purchases, that is, at a local supply. We know, for example, that we have some issues.... I'll just use Kingston as an example. As is known by some of the members, Kingston is very much a prison town, with several penitentiaries in the immediate area. As this relates to items such as food and staff, those kinds of things, there are millions of dollars available or that are used in the local economy. We're going to look at and weigh that as we go forward.

But again, for those who are familiar with a correctional system, there are a few things that will result in a very quick riot, and one of them is poor food or bad food. If we don't get this formula right as we go forward, I'll be spending all of my savings on repairing my institutions.

Having said that, again, we do agree with the Auditor General's report that we can get smarter, we can get better at looking at how we purchase certain things, and even simple things, such as an approach to national menus—

Mr. David Christopherson: Okay, thank you, I don't mean to be rude in interrupting you, but I'm just on a short time.

The Auditor General mentioned in paragraph 7.78—and the information is coming from you—that you've curtailed some programs in order to balance your budget. What sorts of programs have you already curtailed?

Mr. Don Head: At the time of the audit, those would have been a variety of programs, ranging from substance abuse programs to some violence prevention programs. They weren't curtailed outright; what happened is that there would not necessarily have been as many programs running in a given fiscal year.

This was obviously a major concern for us, because our primary business is about rehabilitating offenders. So at the time of the audit, again, we were faced with many challenges around our budget, and local wardens had to make decisions in terms of balancing security, programs, and other issues.

Mr. David Christopherson: I imagine you didn't do that with great enthusiasm, because, as you say, as soon as you curtail those programs, beyond the warehousing aspect, we're losing what is supposed to be a progressive part of what corrections is. It isn't supposed to be just punishment.

With the money that you would save, do you have the latitude to put it back into those programs, or are you still facing other budget challenges to meet your current goals in this strategic expenditure review?

Mr. Don Head: Again, as a result of the infusion of moneys through Budget 2007-08, and as a result of some re-investment through the strategic review process, we're actually in a position now to expand programs in some key areas—not in every single area, but in some key areas, particularly programs for lifers, and violence prevention programs, substance abuse programs, and violence prevention programs for those serving short sentences, which is a problem. If they're coming in within a short period of time and we don't have the right kind of program, they're going out with nothing.

We also received some money to allow us to advance the yardsticks around aboriginal programming, which, again, is not going to resolve all of our problems, but has moved the yardsticks significantly. So we're in a much better position to maintain our program delivery.

The Chair: Thank you, Mr. Christopherson, and thank you, Mr. Head.

Mr. Saxton, you have seven minutes.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Mr. Chair, and thank you, gentlemen, for being here today.

There are some serious issues raised in this report, and I thank the Auditor General for bringing them to our attention. Specifically, there are some serious concerns regarding overtime and inefficiencies.

You certainly have your work cut out for you, Mr. Head. However, I am pleased to see there is an action plan and the agency is taking this seriously, because these are serious problems.

My first question is regarding the overtime situation. In the November report I noticed that the Auditor General stated that there were good processes in place. However, now in this report, which examines the situation back to 2004, there are serious concerns. I'm just interested to know why there is a discrepancy between the two. One says there are processes in place and the other one says there are serious concerns.

Are you aware of that, Mr. Head?

Mr. Hugh McRoberts: I'll ask Mr. Stock to address that one.

Mr. Gordon Stock: Thank you, Mr. Chair.

In our previous report in November 2006, I believe it was, we looked at overtime, but we looked at overtime from a different perspective. We were looking to see if overtime and leave were being properly authorized. So we were looking at the process that was in place.

Here what we've tried to do is to look for the causes of why the overtime continued to increase. That was where we came back to whether or not there were proper processes in place to be able to manage the overtime at the institutions.

•(1610)

Mr. Andrew Saxton: Your conclusion was that there are now proper processes. Is that correct?

Mr. Gordon Stock: At the present time, we did not see that there are proper processes to manage overtime. Basically, overtime is encouraged, for a number of reasons, one of the most important having to do with unscheduled leave. There are certain things that

feed into unscheduled leave. It could be something as serious as a riot, or it could be something as simple as someone being sick. In each case, overtime needs to be incurred.

What we found at this point was that the incentives to reduce overtime were not apparent, especially at the management level.

Mr. Andrew Saxton: Okay, thank you.

In May 2007 Minister Day appointed an independent panel to review operational priorities, and in Budget 2008 I see another \$122 million for the CSC. Then there is the action plan in response to the Auditor General's report.

You have a big job in front of you. How confident are you that you can implement the changes that are laid out in this plan, and has this plan been made public?

Mr. Don Head: Mr. Chair, I'm extremely confident that we'll be able to achieve the plan. It's not a plan that's going to be accomplished in one or two years; many elements of it will take us several years to implement.

It truly is a major transformation of our organization from every aspect: from a security aspect, a program delivery aspect, a case management aspect. As mentioned earlier, the infusion of money through Budgets 2007 and 2008 and the reinvestment money that we received as a result of the strategic review process put us on a much better footing than three years ago, when we did not have sufficient money to tackle all these things at once.

As the pieces within our response to the Auditor General's report speak to, I'm extremely confident that we'll be able to move the yardsticks. We've already started to identify some other economies and efficiencies that are coming as a result of our review of our transformation agenda, and we'll be looking at how we reinvest those into key areas—again, around programming, mental health, services for aboriginal offenders, services for women.

Mr. Andrew Saxton: To follow up, when you're running a 24/7 operation, obviously it has its challenges. How are you responding to recommendation 2 on page 15, which is that CSC "should conduct sufficient analysis to determine that its deployment of correctional officers results in the most economic and efficient result"?

Mr. Don Head: We've had what we've called post standards—now we call them deployment standards—in Correctional Services Canada going back to the early 1980s. They have not been updated as frequently as they should have been over the last several years. As the Auditor General has pointed out, we have developed a new model. We call it the "correctional officer deployment model". We have had the opportunity to test that model at Mountain Institution. We actually accelerated the implementation of a component following a major riot at Mountain Institution last year. It allowed us to assess the viability and efficiency of that model, to look at and identify gaps, to look at other issues that are related—for example, to how we schedule correctional officers—which also, then, provides some opportunity to address issues related to overtime.

We're now positioned, based on that review at Mountain Institution and the subsequent engagements we've had over the last four or five months, to roll out the post deployment strategy in all our institutions starting next month, in April.

• (1615)

Mr. Andrew Saxton: Thank you. I have no further questions.

The Chair: Thank you, Mr. Saxton. That concludes the first round.

I want to clarify a couple of issues, Mr. Head, and these are on the whole issue of security. I understand from everything I read and hear that illicit drugs are a major issue within institutions. I have no way of knowing this, but I would assume that the food supply would be a major risk area. Can you elaborate for the committee how this is dealt with? We compare it with hotels, but the hotels don't have the same challenges and issues in that area. You have a major risk factor that you have to deal with, and you can't let any normal person supply or deliver food into an institution without a lot of checks and balances.

Can you elaborate on that point?

Mr. Don Head: Thank you, Mr. Chair, for that question.

We're doing several things.

To start off, Mr. Chair and committee members, if you have taken an airplane from anywhere to anywhere more than once, you pretty well know the routine you go through in terms of getting into the waiting area to take the plane. You have to empty your pockets, you have to take out your laptop, and you have to take out the metal. You do all those kinds of things. It's so routine now that probably most Canadians can recite the process very clearly and in the right order.

One of the problems we had in Correctional Service Canada was that our processes for searching people and goods coming into institutions were not as consistent as they should have been. One of the things we've done within the last year is to put back in place a very systematic and strict approach to the searching of people and goods.

One of the first things we did was, for lack of a better phrase, to get back to basics. On top of that, we've strengthened our capacity to detect specific types of illicit, illegal, or contraband goods coming into the institutions. For example, individuals who enter our institutions have to go through processes that will expose them to ion scanners. These devices are similar to the devices that scan for ballistic or bomb materials at the airport. We have devices that are able to detect particles of drugs that may be on individuals who are coming in to visit us. We also have metal detectors to detect individuals who may be trying to bring in metal objects, which can be used as weapons or might otherwise jeopardize the safety of the institution.

With the money that we've received in the last two years, we've been buying more of the state-of-the-art equipment that will help us in this regard. As well, if we were looking at anything around a more national approach to procurement and to people who would be delivering the goods, one of the things we would continue to do is ensure that we have police checks of those individuals who are

coming through the gates and delivering items or goods to us on a regular basis.

The Chair: I have one last issue. It's my understanding, and correct me if I'm wrong, that Correctional Service Canada has operated, or still is operating, a number of farms across Canada. I'm under no illusion that you would produce food anywhere nearly as cheaply as food purchased in the private sector, but there would be progressive and rehabilitative and environmental reasons for keeping these farms.

It's my understanding they're being phased out. Is that correct?

Mr. Don Head: That's right. Yes.

The Chair: Has that been done?

Mr. Don Head: It'll be done over the next four years. We're using the next couple of years to do the planning for stopping the operations of those farms and replacing those operations with other rehabilitative programs for offenders, such as employment skills building and trades programs.

The Chair: In 30 seconds or less, can you give me the rationale for why this would be done? The farm program makes sense from my vantage point.

Mr. Don Head: The biggest reason is that although there are skill sets that offenders are learning by working on the farm, they're not necessarily conducive to the current labour market needs out there. We're trying to help offenders find jobs and keep jobs out there that are more current with labour market needs.

• (1620)

The Chair: Thank you very much.

The second round is starting.

Mr. Andrews, you have five minutes.

Mr. Scott Andrews (Avalon, Lib.): Thank you very much, folks, for coming here today and appearing before the committee.

I'd like to get back to the overtime issue that we briefly touched on. I'm trying to figure something out from the point of view of the Auditor General's office. Obviously you've been monitoring overtime in many different departments, and you wouldn't bring attention to it if it wasn't a major concern. Could you give me a better understanding of how long you've been monitoring overtime issues with Correctional Service Canada? Can you give us some sort of comparison and tell us why you would draw out this particular agency for its excessive overtime?

Mr. Hugh McRoberts: The reason we looked at it in this context was that it was relevant to the scope of our investigation of the economic and efficient management of resources. Security resources are among the key things the department manages.

We had looked at overtime previously. This time we were struck by the growing volumes of overtime and of what we saw, again, as an absence of a systematic process at the regional and national levels to monitor and manage that overtime and in fact control it. Our feeling was that it was not being adequately controlled. We couldn't see evidence of adequate control of it.

Overtime, everyone knows—we agree—is an inherent part of any 24/7 operation. At the same time, if you look at the rate of growth—it is a rapid rate of growth—it was increasingly eating into the overall budget of the organization, and that alone was sufficient reason to focus some of our audit attention on it, trying to understand better how it was or wasn't being managed and controlled.

Mr. Scott Andrews: Mr. Head, in response to that, it is a 24/7 operation. That would lead me or anyone to believe that you know you're going to have to watch your staff for a 24/7 period and have staff available. Why would you not be keeping conscious of the amount of overtime you're doing? And what would your response be to Mr. McRoberts?

Mr. Don Head: I think part of the response is that it's not that we weren't monitoring the amount of overtime that was being spent. What the Auditor General pointed out, rightfully, was that when we noticed the trend, we were not necessarily taking the concerted action that we should have to try to manage or control it. It's something within the organization that, over the years, has been cyclical. When time and attention have been put on the overtime issue, we have seen some decreases in certain areas, but we've seen other things that suffer. For example, we have wardens then who are focusing all their time on managing the next overtime dollar and not necessarily staying focused on the public safety results.

We know we have to find the right balance. We need to address the general management piece, but we also know that we have to tackle some of the root causes of the overtime differently from the way we have in the past. For example, we saw a significant jump between the year 2006-07 and 2007-08 of about \$13 million in our overtime expenditures as a result of the change of the collective agreement for the correctional officers. The correctional officers got a 13% increase in their wages and moved from being 37.5-hour-per-week workers to 40-hour-per-week workers. That had a significant impact in the actual dollars being paid when somebody was working overtime.

We know that as a result of the changes in the offender population profile over the last several years—a more violent, more acting-out type of population—we've had more incidents in our institutions, a couple of major riots. When we have those kinds of incidents, we have to deploy additional correctional staff; we have to deploy our emergency response teams.

Mr. Scott Andrews: That was one of the questions I was going to ask. I'll finish with two questions.

The Auditor General said you should look at overstaffing. Are you understaffed right now? Have you looked at hiring more officers and more employees to fix this overtime issue?

I notice that two or three times now you have mentioned riots and hostage situations that would be the cause of overtime. What kinds of numbers of riots and hostage incidents are we looking at that would warrant so many extra hours?

• (1625)

Mr. Don Head: I'll just give you an example, the riot that occurred at Mountain Institution last year. It was a major riot, which saw several buildings destroyed, cells destroyed, an inmate murdered during the process of the riot. We had conditions in which it was not easy to contain or maintain the offenders. We had to lock them down

and do extensive searching, because the entire grounds were destroyed. We had to recover all the pieces of materials that could eventually be used for weapons. We had to put in place additional staff to control areas that we identified through that process as vulnerable and that had not been seen that way before. That riot alone cost about \$3 million in overtime.

Concerning vacancies, we have had a significant number of vacancies over the last couple of years, and this has contributed significantly to overtime. When we have holes in our rosters, we have to fill them. If we don't have enough substitute officers in our rosters to fill them, we go to overtime. We're currently in the process, for this fiscal year, of hiring 1,280 correctional officers because of the number of vacancies we've had across the country.

The Chair: Thank you.

Thank you, Mr. Andrews.

Mr. Kramp, you have five minutes.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): I have so many questions. I'll try to get a few in here if I can.

The overtime is extremely problematic. What bothers me, of course, is the fact that the Auditor General has basically said it wasn't a problem back in 2006, and then all of a sudden it became almost an instant problem.

That, honestly, isn't really an acceptable response here, so I'm going to ask you a very straightforward question. Correction Services went close to three years without a contract and there was a lot of labour unrest. Did that add significantly to the fact that we have a lot of overtime during that period?

Mr. Don Head: That was definitely a contributor to the overtime billed during that period of time.

Mr. Daryl Kramp: Okay. Thank you very kindly.

Secondly, I've spent 35 to 37 years in the food service business and hospitality, and I'm actually blown away that there was no control of food costs, that people didn't actually know what something cost. I don't simply mean the purchase price of an item, but all the ancillary costs with preparation and equipment and everything.

The CSC has been around a long time. In other institutions, in various forms, everybody knows their simple basic costs. How has this gone unattended for so long, to have that kind of dereliction of responsibility?

Mr. Don Head: I don't think it's a question that the organization didn't know what its costs were. We knew how much we were paying for rations. We know at any given time how much we pay in salaries for staff who work in the kitchens. We know how much we pay for inmate allowances and pay for the inmates who work in those kitchens. We know how much it costs us on a regular basis to replace equipment.

For us, the biggest piece that comes away from the Auditor General's report is that although we knew those costs and we knew what they were, did we give the appropriate attention to finding more efficient ways of doing bulk buying or national buying of certain items? That is something the organization had not looked at but is now committed to do.

Mr. Daryl Kramp: As a simple industry standard, did you monitor your waste?

Mr. Don Head: That I'd have to check.

Mr. Daryl Kramp: The reason I suggest that is if you happen to be in the hospitality business, you can tell whether that business is successful or a failure just simply due to the waste alone. That tells you whether you have an efficient, effective operation. I realize that's a bit of a simplistic approach, but might I suggest that somehow I can't believe that the institution did not have a better control on that? This report is so damning in that respect that there should be some very specific actions taken with regard to professional standards that should be upheld.

I have another couple of quick questions.

I notice your clothing allowance from 2005 to almost 2007. As a matter of fact, it has doubled or more than doubled in the space of three to five years. How can that be?

Mr. Don Head: A big part of that was the changeover in uniforms for the correctional officers, a new style of uniform, new materials that were more respectful of the kinds of materials appropriate for work in that environment, plus all the accoutrements that we buy. We're in the process of buying stab-resistant vests for staff. So a lot of that is associated with moving to the new uniform for correctional officers.

• (1630)

Mr. Daryl Kramp: Okay.

Building on our chair's comment a little bit earlier, there is a perception out there that corrections certainly can keep their prisoners in, but they can't keep contraband out. As such, I've seen a number of proposals from various players in the industry who have suggested better ways to build the mousetrap.

I would like to know whether Correctional Service is willing to look outside the box. I've seen proposals and theories under pilot processes that would definitely help in terms of contraband, with significantly fewer dollars involved than what you're presently undertaking. Would you be receptive to looking at other ideas?

Mr. Don Head: We're always open to looking at new ideas around stopping the flow of contraband into our institutions. We've been talking with various manufacturers of different pieces of equipment out in the private sector to help us with some of the specific problems. As we've become better at defining the problems we're trying to combat, we've been going outside to the private sector. We've been going outside to international correctional jurisdictions to look at this. But we're always open to any new ideas or suggestions.

Mr. Daryl Kramp: I have a quick question.

In managing your overtime, you've suggested, and rightfully so, the challenges you have with the institutional process. I understand.

But there are other emergency forces working 24/7 where there are police officers, other emergency things, that are faced with the same type of overtime burden, that do not have problems. Why should you be an exception?

Mr. Don Head: I agree that we shouldn't be an exception. I think the onus is on us to get smarter and better at the way we manage overtime, to make this a priority for all our senior managers, and to make sure we've got the right tools in place to not only monitor it but also to look at ways of reducing the overtime expenditures.

The Chair: Thank you, Mr. Kramp.

M. Desnoyers, cinq minutes.

[Translation]

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Thank you, Mr. Chair.

My first question is for Mr. Head.

Is there a standard in place for inmates and if so, what is that standard?

[English]

Mr. Don Head: I'm really not sure what the question is. We have standards for offenders in terms of their classification, such as minimum, medium, and maximum security. I'm not quite sure of the question.

[Translation]

Mr. Luc Desnoyers: I'd like to know, for instance if, on average, there is one correctional officer for every ten inmates.

[English]

Mr. Don Head: Okay, I understand now.

A lot of that depends on the physical design of our institutions. We have institutions ranging from the oldest in the country—Kingston Penitentiary is 165 years old—to a few facilities that are just over 10-plus years. Most of our institutions average 40 years. We have just a variety of different designs that had been put in place over the years reflecting different correctional philosophies. Those designs all have inherent security management surveillance problems associated with them, and in order to address them, there are certain standards for the deployment of staff.

Normally we have units of staff that range between 80 and 120 inmates. There may be units within those that range anywhere between 10 to 20 per range. Those are the kinds of standards we have.

[Translation]

Mr. Luc Desnoyers: And that would be one for—

[English]

Mr. Don Head: It varies.

[Translation]

Mr. Luc Desnoyers: So then, as I understand it, it would depend on a number of factors, such as the type of institution. . .

[English]

Mr. Don Head: That's right.

[Translation]

Mr. Luc Desnoyers: . . . the age of the facility and its location.

Has the number of inmates housed in these institutions increased significantly over the past several years?

[English]

Mr. Don Head: No. We have periods of time when the population goes up and when it goes down. We have been running around 13,000 inmates inside for the last couple of years. At times it goes a little higher than that; at times it's a little lower. We have around 14,000 cells that are available to us to use, but we also have, on any given day, about 800 offenders who are under a temporary detention order until they're reviewed as to whether they can go back into the community.

•(1635)

[Translation]

Mr. Luc Desnoyers: Do some institutions have a larger inmate population than others?

[English]

Mr. Don Head: Yes. Again, it varies with the design of the institution. We have institutions, such as our healing lodges, which are relatively small, that can have about 100 inmates. Then there are the institutions that have 500 and 600 inmates.

[Translation]

Mr. Luc Desnoyers: Therefore, some institutions pose a higher risk than others.

[English]

Mr. Don Head: That's right, and depending on the design, the level of openness, and the best way to provide supervision, surveillance, and management of the inmates, our new deployment standards are used to make the determination as to how best to provide the right level of security.

[Translation]

Mr. Luc Desnoyers: What you're saying is that considerably more overtime may be required at facilities with a larger inmate population and where more restrictions are in place. I'm trying to understand how overtime is managed. From what you're saying, it varies according to the nature of the facility. Correct?

[English]

Mr. Don Head: Yes. Some of that is driven by design, but our new deployment standards that we're putting in place will alleviate a significant part of that. We had standards before and duty rosters, schedules for the staff, that did not provide the right coverage; therefore, there was overtime built into the operation. Now, with our new deployment standards that we're putting in place, we're addressing that. We've increased the number of what we call substitute officers, relief officers who are available in the institution to backfill staff, so that will address that.

Our new standards, our new rosters, will go a long way towards minimizing it, but one of the biggest pieces as well is filling the vacancies that we've had in our rosters for the last couple of years.

[Translation]

Mr. Luc Desnoyers: As I understand it, in a new institution such as the one in Sept-Îles, which is located 1,000 kilometres from Montreal, normally, there are no problems because it is a new facility and the ratio of correctional officers to inmates is appropriate.

Moving right along, the amount of overtime mentioned here is enormous. I just want to be sure that these are not really false savings, in the case of institutions that are full to capacity, where, as you mentioned wings have been closed and the situation is more conducive to riots breaking out. As I understand it, aboriginals also have special needs which must often be taken into consideration. This could also explain the overtime. When problems with overtime are mentioned, this also brings to light some major concerns regarding the Auditor General's report. I'm not sure if we have truly examined every aspect of the situation. We have not looked at the problem from the standpoint of each individual facility.

Lastly, individual institutions do their own purchasing of products. I can see them buying clothing, but as far as food products are concerned, I'm not sure that shipping twenty-six hams from British Columbia to Sept-Îles is the most cost-effective way of doing business. I would imagine that institutions focus on doing their purchasing at the local level.

[English]

The Chair: Okay.

Mr. Head.

Mr. Don Head: Again, as we go through this review and analysis of our food needs and the best way of being economical and efficient in procuring those goods, there will be times when we'll identify certain goods as better procured, and more efficiently and more cheaply procured via local purchases. The Auditor General wasn't suggesting that everything be a national purchase. Things that are more perishable are probably going to be purchased locally, as opposed to the other goods that can be maintained. But we have to finish that assessment to determine the right balance.

The Chair: Okay.

Merci beaucoup, M. Desnoyers.

Mr. Weston, for five minutes.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Thank you, Mr. Head, Mr. McRoberts, and Mr. Stock. Your comments have certainly captured the attention of this committee.

By way of general comment, it would seem, as Mr. Christopherson pointed out, that you have your priorities right. From what we've heard, we're not that concerned about security as much as we are about money management. That's where I would throw in my lot with Mr. Christopherson: that's where we would want it to be.

Secondly, in responding to Ms. Faille's questions, you indicated that the quality of food was good. I think as Canadians we like to know that our prisoners are being humanely treated. The same goes for the water.

We heard that the funds are generally sufficient. In answer to a question, you said you were well positioned to do the job based on the funds made available in Budget 2007-08. Mr. Head, that's good news.

Then of course there are deficiencies. You have an action plan in place and we've been able to review that. I think we all like the way you take responsibility. You said the onus was on you to see that you could work smarter and better.

Finally, you have a good command of the facts in response to all the questions. So that's comforting.

Given that there are management issues that are still a factor—which we have been discussing—I direct my question first to you, Mr. Head, and then to you, Mr. McRoberts.

We didn't see in the Auditor General's report, nor have we heard anything about, the corporate culture of Correctional Service Canada. What happens if somebody at the low end of the hierarchy sees ways to improve money management and to economize on the use of resources. Is it a corporate culture that encourages people to give you good ideas right up to the top?

Mr. McRoberts, from your perspective, did that come up? The only allusion I saw to that in the report was in paragraph 7.74 or 7.79, or around there, where there was some allusion to improvement generally, but we didn't see anything about that.

• (1640)

Mr. Don Head: Thank you for the question. There are several things we've been doing as a result of our overall transformation agenda. One of them is opening up better lines of communication with all our staff across the country. As we've been going forward with various aspects of our transformation, we have been getting feedback, right from front-line staff, as to ideas they have about how we could do a practice or a procedure differently. Some of those have money implications; others do not—they are just good practices. As part of this transformation agenda, we have truly opened up the dialogue.

More directly now, as the commissioner, I get letters or e-mails on a regular basis from front-line staff, which has not been the practice in years gone by, either commenting on something we're doing or giving another suggestion. Through our transformation team, which we formed to help us move forward over the next years, we are sifting through those and looking at what options or opportunities exist, how they fit into the transformation agenda, how they fit into our financial management strategies, and even our human resource management strategies.

At the time of the audit—and I'll let the Auditor General staff speak for themselves—they would not have seen that, because we were just in the early stages of our transformation agenda.

Mr. John Weston: Some people take the initiative in suggesting things. Before we let you off the hook, Mr. Head, do you ever take the initiative in asking for ideas from people throughout the organization?

Mr. Don Head: Very much so. Just within the last couple of months I put the challenge out to my executive committee members, to our assistant deputy commissioners out in the regions, to the

wardens and the district directors, asking them each to find two or three things we've been doing that don't add value to the organization and asking what it is we can stop. The question that was asked had a cultural component to it. Part of the culture we face is that people don't like giving up things they've always done before.

It's been a bit of a challenge, but we are starting to see those ideas. I personally put the challenge out to our senior executive and our senior managers across the country to bring forward two or three ideas each that we can look at.

Mr. John Weston: That's very gratifying.

Mr. McRoberts, did you see any evidence of that in the audit?

Mr. Hugh McRoberts: During the period of the audit, as we have pointed out.... The two relevant sections of the report, Mr. Chair, begin with paragraph 7.69 and go through to paragraph 7.79. To summarize them, we certainly understand that the focus of management is on custody and rehabilitation; those are two legs of the stool. The third leg of the stool, however, is the economic and efficient management of the operations.

During the period we were looking at in the audit, our view was that management was largely focused on the first two and was really not looking for opportunities to achieve economy and efficiency in its management of the operations. We felt this was an important issue, particularly given that CSC had previously told Parliament it had already exhausted its ability to reallocate existing resources to custody and rehabilitation. We were surprised that we didn't find analysis in support of that claim.

• (1645)

The Chair: Mr. Christopherson, you have five minutes.

Mr. David Christopherson: I have a couple of quick questions and then one a little more substantive.

I'd like to hear an assurance from you, assuming you can give one, that there's no study, review, consideration, or intent to privatize the Canadian correctional system.

Mr. Don Head: We had that assurance, when the independent review panel was going on, from the government. The minister of the day—Minister Day—assured Canadians that this was the case. It is something that was of significant concern not only to us but to our unions. We had that assurance. There is no study going on, for our part, to privatize the service.

Having said that, we have some aspects of service delivered under contractual arrangement, such as, for example, some education services, some—

Mr. David Christopherson: Is that new?

Mr. Don Head: No, it's been around for a while.

Mr. David Christopherson: That's fine; I was looking for change.

Also, I'd like, just for the record, an assurance that while you're doing the absolute numbers, as recommended by the Auditor General, you'll also take into consideration the issues I've raised of food security, local jobs and their impact, and the environment. You can't always put a number to it, but I want to hear you give me some assurance that those things will be evaluated when you crunch the numbers.

Mr. Don Head: Most definitely. We'll make sure this is in our evaluation framework as we assess all these pieces.

Mr. David Christopherson: Good. I'm glad to hear that. Thank you.

I have one final, substantive question.

I'm with Mr. Kramp. One of the toughest things was getting my head around the notion that you had never done this analysis. It didn't make sense, given all the pressures you have. It's an obvious one. I was really surprised.

I'm a little bit concerned, and here's why. Today you said, on page 3 of your remarks, "One of our key priorities is to continue to strengthen management practices". That's the phrase you're giving to assure us that you got it this time.

Here's my concern. Back in 2007, when this plan was produced for 2008-09, here's what was said in it, on page 17:

Combining non-financial performance indicators and measures with its robust and rigorous financial and risk management frameworks will position CSC to evaluate its operational performance relative to the resources entrusted to the organization and to take the necessary actions to ensure the organization continues to achieve results for Canadians.

So it sounds as though this report got it. The words that are used to describe it on page 33 are headed "Priority: Strengthened Management Practices"—the same three words you used today, back in 2007. Not only that, but on page 24, under "Priorities, Result Commitments and Measurement Strategies" we find—oh, oh!—"strengthened management practices".

The comments of your predecessor Mr. Coulter, the commissioner before you, in the second paragraph on page 7, say "strengthen management practices" and—the *pièce de résistance*—on page 5, from the minister: "This year, Correctional Service of Canada", yada, yada, yada, "...and strengthening management practices".

Here's my worry. It seemed that this report showed that you should have gotten the notion that this kind of macro-economics should be looked at. The words used over and over in that report were "strengthening management practices". It didn't happen. And now, sir, you're here today giving us exactly the same words.

What assurance do we have that your words today are going to have more weight and meaning than the words we had back in 2007?

Mr. Don Head: There are a couple of things, Mr. Chair, that we've done as a follow-up. They are things that were starting, or were to have started, earlier—simple things, such as that when our executive committee meets roughly every month, when we go through our presentations now, there is a section in the presentations made to us around economies and efficiencies.

So it's right in front of us; it's so blatant—it's in black and white. But it wasn't in the presentations that were being done previously. So that's there now.

The human resource management committee within the organization and the financial management committee in the organization are now chaired by me, as the commissioner within the organization.

Mr. Chair, it may sound rather cliché, but my word is my word, and I understand very clearly the intent of the Auditor General's report and the commitment that we made to Canadians through the reports on plans and priorities. At the end of day, I know I'm accountable to deliver on it. It may sound cliché, but for me my word is everything.

● (1650)

Mr. David Christopherson: Thank you, sir.

Thank you, Chair.

The Chair: Thank you, Mr. Christopherson.

Mr. Shipley, you have five minutes, sir.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, witnesses, for being here.

Mr. Head, how long have you been commissioner?

Mr. Don Head: It has been since June 27 last year.

Mr. Bev Shipley: I was interested in your comment a little while ago indicating that you had gone to the staff on your management team and asked them about ideas for things that could be stopped, recognizing some of the four efficiencies. I would suspect that to be the case, recognizing that this has been an ongoing issue for a while, in terms of trying to build in, as was relayed earlier, the safety part, the security part. It seems to me that basic business sense and management practices appeared not to be important.

Do you have people around you who actually have a strong business managerial sense, who may actually have been in business, to help carry through what you would call, if you've been in business, just the natural things you do?

Mr. Don Head: In my management team I have a strong chief financial officer who has had many years of experience within the public service and who previously worked in the Auditor General's office. I have a human resources team now that is much stronger than it was a couple of years ago. So for issues around managing things such as, for example, overtime and the human resource components of it—the schedules—I have a much stronger team than we had several years ago.

In terms of people from the private sector being part of the organization, the short answer is no.

Mr. Bev Shipley: You've never had anybody there from the private sector who's actually run a business?

Mr. Don Head: No.

Mr. Bev Shipley: Would you be open, having been benchmarked now, to coming back in a year and talking to this committee about the steps that have been taken, giving a progress report based on the Auditor General's report?

Mr. Don Head: Oh, most definitely. Yes, there's no question about that.

Mr. Bev Shipley: Following up, then, on some of the management issues, I get a little concerned about what I was reading about the employment leave records. This, to me, would be a natural operation, so help me understand why it isn't, when up to 35% of those people would be absent but not recorded by your human resources. I need to understand it a little more. I'm hoping you're going to tell me that from that time until now, under your direction, this has changed.

Mr. Don Head: The short answer is yes, it has. As a result of the review done by the Auditor General's office, once they brought it to our attention, we initiated an approach to review specifically the sites that were audited. As well, we initiated a review of all the institutions across the country to assure ourselves that the leave records were up to date. That process has occurred. Through my chief audit executive, by the end of this month we will be reviewing that again to make sure we're on track.

I think there was one institution that was around 35%. There was a range of 3% to 35% in the sampling. As to how the situation developed, what happened, to the best of our knowledge, is that an individual would phone in to what we call a correctional manager or supervisor on the shift and book off sick. The supervisor would make a notation somewhere but would immediately be focused on finding somebody to fill the upcoming shift. They'd get an overtime person in, and that person would come in.

The staff member may have booked off sick just the day before going on rest days, and then is not back in the institution for three, four, or five days, until their next cycle of work comes in. The notation by the supervisor who was on at the time wasn't carried on into a proper process for doing the follow-up with the employee, who comes back.... The employee may have forgotten to submit the form or whatever; we don't know. The form just was never submitted.

•(1655)

Mr. Bev Shipley: Is the national scheduling, the deployment system, going to be part of the solution?

Mr. Don Head: Very much so. The automated scheduling system that will be available in September will make it much easier, so that when an officer phones in and books, the correctional manager will push a button in the system, it will be recorded, and then the follow-up will be recorded and will occur as soon as the staff member is back.

Mr. Bev Shipley: Here is a quick one just out of interest. We've had a lot of discussion about the cost of food. What is the cost for meals per day per inmate?

Mr. Don Head: The cost of the rations is around \$4.75, or in that \$4 range—just under \$5. The issue that was pointed out by the Auditor General is that it's not a true cost, because then you have to look at the preparation and so on. When we start to add in the cost for prep, we add in another \$11, \$12, or \$15, depending on the mode of delivery in certain institutions.

The Chair: Thank you.

Mr. Oliphant, you have five minutes.

Mr. Robert Oliphant: Thank you, Mr. Chair. We'll split our time here.

I want to come back to the overtime issue that was raised. You gave the illustration of sick time. My concern is for correctional officers. Do you note an increased amount of sick leave or stress leave among correctional officers?

Mr. Don Head: Yes. As mentioned earlier, we've noticed over the last several years that the average number of sick leave days taken by correctional officers has increased. Currently the average is about 17 days. That's almost the maxed-out number of sick leave days that a correctional officer can take in a given year: 15, plus these additional two, if they've already used up their 15.

We also have an issue or a problem around a provision that was put into the collective agreement several years ago, whereby correctional officers, if they've used up all the sick leave they have in their bank, can actually go into deficit for an additional 200 hours. We have several officers who are in deficit of 200 hours. The reasons for that vary from long-term illness to disability issues—those kinds of things.

Mr. Robert Oliphant: I might end up disagreeing with the honourable member across who suggested that police services, EMS, and those sorts of agencies don't have overtime issues. I follow very closely the Toronto Police Service and EMS and Ontario corrections, and actually they do have significant problems with overtime. That's a budgetary problem that I've dealt with.

My concern is whether you have adequate funding for mental health, not for inmates—we'll get to that, hopefully, in my other committee—but for correctional officers and their well-being. Is that a program that needs expanding? Is it something that you need to do?

I ask this because I think auditors are like canaries in the mineshaft that signal things going on. I care, frankly, less about paperwork being done than about the well-being of our correctional officers, who are in highly stressful positions. I've worked with them and I know that. I want your opinion on that.

Mr. Don Head: That's very much so. This is a growing concern, probably more in the last few years than in the past.

If I go back to my own situation, when I started 31 years ago as a front-line correctional officer, if an incident occurred, it didn't matter how serious it was, you dealt with the incident. You were back at work the next day. It was just the culture. You just breathed it up and went on.

Today, as a result of all the good work the people have done around employee assistance, critical incident stress management, and the balance of work-family issues, it's not the case any more. Staff need the respite or the time away to heal.

One of my biggest concerns right now is dealing with issues that I would equate to post-traumatic stress disorder among some of our correctional officers, who are facing some of the most serious situations in our institutions. For that, we're starting to engage quite closely with the Union of Canadian Correctional Officers, UCCO SACC CSN, and looking at what we could do collectively to try, for one thing, to recognize this issue, and two, to address it. But it's not an issue that this organization ever anticipated.

• (1700)

Mr. Robert Oliphant: I will be appealing to the minister for funding for that important work. I don't think the government has it anywhere on their radar, so we'll be appealing for it.

My colleague has a question.

Mr. Scott Andrews: This is a quick question. There's a lot of talk right now about getting tough on crime. I'm wondering about the space for the prisoners who are incarcerated right now in our prison system. How are we going to be able to jump on that after we get tough on crime?

Specifically, I'm wondering where we are with the government's commitment to a new federal penitentiary in Newfoundland and Labrador.

Mr. Don Head: On the issue of the proposed legislative amendments, we continue to provide input as to the impact on the correctional service, as do other government departments that may experience some impacts. In our calculations, we look at what the projected population growth would be based on our normal flow in and out of the system. We make representations for funding through those processes. We're comfortable that our voice is being heard and that our situation is well understood.

One of the issues for us, of course, is how quickly certain things may come on. From the things we've seen so far, based on plans that we've put forward, we believe we'll be able to manage until appropriate resources come forward for us to put in place the necessary capacity for significant growth within the organization.

The Chair: Mr. Andrews is finished, but he asked a question—you don't have to answer this if you don't want to, because it's really not relevant to this chapter—about the Newfoundland initiative.

Don't feel you're under any obligation.

Mr. Don Head: At this point in time, we're not involved in any financial discussion with Newfoundland, but we are talking with them about their needs.

The Chair: Okay. Thank you very much, Mr. Andrews.

Mr. Young, you have five minutes.

Mr. Terence Young (Oakville, CPC): Thank you, Mr. Chair.

For my friend opposite, I think it's important to note—you were talking about dealing with problems—that corrections officers went for three years without a contract under the Liberal government, and that's a very stressful thing. They're already in very stressful jobs, and that added to it.

It sounds to me as though sick leave days are directly related to your overtime costs. Somebody calls in sick and you have to call somebody in on overtime. Is that correct?

Mr. Don Head: For the most part, yes, it is. If everything were equal—all our positions were fully staffed, all our rosters properly balanced, our post deployment scenarios in place—we have the ability through our substitute officers to cover a certain level of leave, which not only includes sick leave but annual leave and family related leave.

Mr. Terence Young: It's been my experience that overtime is not just a money cost, and it's not just a matter of people calling in sick

or working overtime. Sometimes it's because you should be hiring more officers, for example. Do you have part-time officers?

Mr. Don Head: Not any more, no.

Mr. Terence Young: No, so it can be managed with hiring other officers. Then it becomes a training issue. Then you have all these other issues with people under stress that you have to deal with.

I want to back up to something else you said, which I'm very interested in. How much does a stab-proof vest cost?

Mr. Don Head: I think it's \$800.

Mr. Terence Young: And how many did you have to buy?

Mr. Don Head: At this point I think we've purchased.... I'd have to get back to you with the exact number. We've equipped our maximum security institutions, so there are probably about 1,500 there, and our medium security institutions.... We're probably getting up to about 3,000 or 4,000 vests that we're buying, and we'll probably be equipping all the others over subsequent years.

Mr. Terence Young: We have people come before this committee all the time, and they often say, "We're waiting for this new software system, and once we get this software system online, then we're going to have things under control". I'm sure it's true. I'm sure the software is going to help make a difference, and you'll have consistent systems at all the institutions, etc.

In the meanwhile, there are things you could do, hopefully. Could you tell us what you've been doing to manage the overtime issues—the human issues around overtime—in the meanwhile?

• (1705)

Mr. Don Head: One of the things is cleaning up what we call our roll calls, the actual paper lists of staff who are supposed to be on shift, and better recording of the staff who are coming in and the ones who are not coming in. The old paper and pencil process has been cleaned up. That is linked to our deployment standards. We now have better standardization in that area.

As well, there's the whole issue of just recording the overtime by shift in the institutions and by the immediate reason that presents itself: was this because somebody phoned in sick, because somebody was on annual leave, because we had to send an inmate to an outside hospital? We're using a better, consistent, refined paper and pencil process right now, until the automated system—

Mr. Terence Young: Does that help you record the leaves too to get control of your personnel?

Mr. Don Head: Very much so, yes.

Mr. Terence Young: My other concern about the overtime thing is the human cost. People are in stressful situations, people are incarcerated, and then employees get tired. When employees get tired, their patience is lower and tempers can flare.

How much of the management side of your overtime is due to...for instance, you mentioned crises or emergency, or...what did you say, emergency escorts? How does that affect the overtime costs?

Mr. Don Head: It plays into it. For example, if we have an inmate who slashes up or does serious self-harm and has to go to an outside hospital, because we do not have staff sitting around in the institution waiting for that to happen, we will send staff who are on duty right now to take that inmate down to the hospital. But we then have to call in staff on overtime to backfill, so that we're not jeopardizing the overall safety or security of the institution while those personnel are outside.

Mr. Terence Young: Is that at time and a half?

Mr. Don Head: It could be at time and a half; it could be at double time.

Mr. Terence Young: Does it go to double time after four hours or something?

Mr. Don Head: There are different scenarios for it, in terms of how many hours you worked or whether you're on a second day of rest. There are specific clauses that we have to respect in the collective agreement.

Mr. Terence Young: Wouldn't it be smarter, sometimes, to have an extra person on staff?

Mr. Don Head: Sometimes that occurs, when we have the substitute officers. But because, as I mentioned earlier, we've been running with a significant number of vacancies across the country, we haven't even had the substitute officers available to backfill.

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

Mr. Desnoyers, do you have a point of clarification?

[Translation]

Mr. Luc Desnoyers: Mr. Head, you may just have confirmed it for me. During our last exchange, I talked about the overtime worked at the different institutions. More staff and more overtime may be needed at some of the older facilities as compared to the newer establishments like the one in Sept-Îles where staffing levels are adequate. When the issue was raised, you appeared to be nodding your head. I simply wanted some clarification. You've just confirmed to Mr. Young that additional staff would be needed. Is that correct?

[English]

Mr. Don Head: Yes, and again it depends on the scenario whether the roster is full and all the vacancies filled. A place, for example, such as Sept-Îles has fewer posts than a place like Kingston Penitentiary. Everything being equal, if I have staff who book off at Kingston Pen.... I may not even have that kind of post at Sept-Îles; therefore, I would never incur the overtime at Sept-Îles, but I would at Kingston Pen because I have many more posts that have to be covered on the shift.

[Translation]

Mr. Luc Desnoyers: I simply want some assurances that the government is not merely making some false savings and that because of the overtime worked, the safety of correctional officers is not being compromised.

I do not believe that the Auditor General has really delved into all aspects of this issue, as you and Mr. Young have described them.

[English]

The Chair: I have just one point on that, Mr. Head. It seems to me that you are operating in Kingston with a 165-year-old facility, as you say.

Mr. Don Head: Kingston Penitentiary is that old, yes.

The Chair: Have there been any studies, either in this country or maybe in the United States, as to the costs when you have a facility that old? There must be tremendous efficiencies when you build a new facility.

At what point in time does it become non-economical to operate out of a 165-year-old facility, rather than spend the \$15 million or \$12 million, or whatever it costs, to go to a modern facility with modern standards, modern requirements, and make it more efficient and safer for your employees? It is penny-wise and pound foolish to continue to operate that way.

Dorchester Penitentiary itself is an old facility in our area.

There must be some studies to indicate at what point in time it is no longer economical or efficient to operate in these facilities.

• (1710)

Mr. Don Head: The short answer is that a place like Kingston Penitentiary is not an ideal setting, from many different perspectives. It's not conducive to delivering modern correctional practices. It was built in a different era, under a different philosophy, which was basically to lock up prisoners, with very, very limited programming or interventions. So its time has come and gone many, many, many years ago.

There is no question that as part of our transformation agenda this is one of the items that was identified in the independent review panel report. It's one of the items that we are pursuing right now. What designs, what approaches, can we take in terms of modern infrastructure that will allow us to deliver the most effective correctional practices, but also in the most effective and economical way? We can build new institutions now that would be tremendously less costly than a place like Kingston Penitentiary.

The Chair: Madame Faille, do you have a question?

[Translation]

Ms. Meili Faille: I've almost forgotten the question I wanted to ask you. I deplore the fact that correctional officers continue to be the target of assaults and that nothing is being done because of a legislative matter. This situation does nothing to improve workplace safety. Moreover, the knowledge that the workplace is not safe is in no way an incentive for people to apply for work as correctional officers.

Perhaps you could submit to the committee the exact wording of the legislative changes you are seeking, especially in the area of privacy protection, and identify for the committee the legislative changes that are needed in order to rectify the situation. In my opinion, this is important.

You also alluded to the Kingston Penitentiary. I visited this institution on two or three occasions. I toured G wing where I saw some inmates. I was also the target of numerous insults because I was a woman. I would not want to qualify the experience. Suffice to say that it was rather unpleasant.

Given the new realities of the fight against terrorism and national security issues, you are confronted with new challenges. You have a mandate to manage inmates as well as persons who are in custody but have yet to be formally charged.

Explain to me if you will what goes on at Kingston Penitentiary, the so called Guantanamo North, where people were held in custody under security certificates and treated as prisoners, even though they had not yet been formally charged? Who is responsible for these matters today and what has become of this wing?

[*English*]

The Chair: Before we go ahead, Mr. Head, you can answer the question if you want to, but it really has nothing to do with this report. But if you want to respond, I'll let you.

Mr. Don Head: Thank you, Mr. Chair.

The short answer to the second question is that the Kingston Immigration Holding Centre, although it's on our property and our staff work there, is actually under the banner of the Canada Border Services Agency. So the operations and decisions having anything to do with the Kingston Immigration Holding Centre are not a CSC responsibility; they belong to CBSA.

[*Translation*]

Ms. Meili Faille: I asked the question, Mr. Chair, because the witness stated that investments were being made in infrastructures. When we visited the centre in Kingston, we were told that improvements would be made to the Kingston Penitentiary and to this wing. That is the only reason I asked the question.

Thank you.

[*English*]

The Chair: Do you have anything to add on that particular issue? We have addressed it before—the facility at Kingston—renovations or replacement.

Mr. Don Head: At this point we continue to operate it until future decisions are made. We try to make the best of an old facility. I tip my hat to my staff who work in that environment, because it's a challenging environment to work in. We hope, with the planning going forward, that we're able to address the infrastructure issue.

• (1715)

The Chair: *Merci beaucoup, madame Faille.*

That, colleagues, concludes the first and second round.

I will adjourn, but first of all, I want to point out to Mr. Head that this committee follows a very extensive follow-up program on your departmental report on plans and priorities and your departmental performance report. So we invite you to be very diligent in addressing the Auditor General's report on both of these reports, as

to exactly what is being done, because we will be following it very closely.

There is a possibility that you may be invited back in the future, as one of the members has indicated, but if not, we're certainly going to be following it extremely closely with your reports to Parliament.

Now I'm going to invite the witnesses to make any closing comments, if they have any.

Mr. McRoberts, on behalf of the Office of the Auditor General, do you have any closing remarks?

Mr. Hugh McRoberts: Thank you, Mr. Chair.

This audit was all about balance, the balance that Corrections Canada establishes among its three major roles: custody, rehabilitation, and operating an efficient and economical organization. We were concerned in the audit to find that we felt things were out of balance.

It's important to realize that to the extent that funds are spent in an economically inefficient way, those are funds that are ultimately not available in support of custody and rehabilitation; it's not just efficiency and economy for their own sake.

I think we're encouraged by the quite detailed and time-specific responses that management has given to our recommendations and by their and Mr. Head's clear commitment to re-establish the balance that needs to be there in terms of attention to the economy and efficiency of operations.

We look forward to coming back in the future and reporting on the progress they have made.

The Chair: Mr. Head, are there any final comments you want to make to the committee?

Mr. Don Head: Just very quickly, Mr. Chair, Correctional Service Canada and I personally have found the report to be extremely useful in pointing to areas to which we need to give a lot of time and attention. We clearly understand the need for the three-part balance reported on by the Auditor General, and we're committed to moving forward.

We also are committed to using our transformation agenda as a vehicle for looking at further economies and efficiencies as we move into the future, and I look forward at any point in the future to coming back and reporting to this committee the progress we've made against our plans.

The Chair: On behalf of everyone on the committee, I want to thank you all for attending today, and in particular you, Mr. Head. The people who work under you have an extremely important job. It's a challenging job and a job that is not without risk and danger. On behalf of all members of Parliament, I want to express our thanks. Continue to do the good work. And again, follow up with the Auditor General's report.

Again, we thank you for your appearance here today.

The meeting is adjourned.

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