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## **Standing Committee on Public Accounts**

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**EVIDENCE**

**Tuesday, April 16, 2013**

**Chair**

**Mr. David Christopherson**



## Standing Committee on Public Accounts

Tuesday, April 16, 2013

• (1530)

[English]

**The Chair (Mr. David Christopherson (Hamilton Centre, NDP)):** I now declare this 84th meeting of the Standing Committee on Public Accounts in order.

Colleagues, you will recall that we had decided we would hold a public hearing today on chapter 2, “Grant and Contribution Program Reforms”, which flows from the fall 2012 report of the Auditor General of Canada.

Before I go any further on what's in front of us right this minute, I would just like to leave with colleagues something to consider. Should we conclude our rounds of discussion and questions and have time remaining—that would mean if we don't have an extension of the regular question rotation—then I would ask the committee to deal with some committee business. If we don't have time, it can hold until Thursday, but I think it would be in everyone's interest if we could take a stab at some of that work this afternoon if we have the time. I would just ask members to keep that in mind as we get towards the end of the rotation and make a determination on whether they wish to continue or move in camera to deal with a couple of outstanding business matters, one of which is significantly important.

With that, I would like to welcome all our guests today.

We have with us representatives from the Office of the Auditor General, the Treasury Board Secretariat, the Public Health Agency, the Canadian International Development Agency, Human Resources and Skills Development Canada, and Western Economic Diversification Canada.

I will start with the Auditor General and ask Mr. Ferguson to introduce his delegation, if he has anyone with him, and to also commence with his opening remarks.

Mr. Auditor General, you have the floor, sir.

**Mr. Michael Ferguson (Auditor General of Canada, Office of the Auditor General of Canada):** Thank you.

[Translation]

Mr. Chair, thank you for this opportunity to discuss our office's work related to Chapter 2 of our fall 2012 report—Grant and Contribution Program Reforms.

With me today is Frank Barrett, the principal responsible for this audit.

[English]

The federal government transfers money to individuals and to organizations of various types, including businesses and other governments. In 2010-11 transfer payments totalled \$158 billion. The majority of those payments, \$121 billion, were transferred to other levels of government and individuals through programs with ongoing spending authority.

However, a significant portion, \$37 billion, was transferred through grant and contribution agreements. Our audit focused on grant and contribution programs.

In our 2006 audit on grant and contribution programs, we found that recipients had expressed concern about the heavy administrative burden associated with applying for programs and with meeting the various requirements of those programs. Later that year an independent blue ribbon panel concluded that the government needed to make fundamental changes in the way it designed and managed its grant and contribution programs.

In May 2008 the government announced an action plan to respond to the panel's recommendations. This plan committed the government to reducing the administrative and reporting burden on recipients of grant and contribution agreements.

[Translation]

In this audit, we looked at the implementation of the government action plan to streamline grant and contribution programs and reduce the reporting burden on recipients.

We assessed the actions of the Treasury Board of Canada Secretariat to meet the commitments made in the government action plan. We also examined specific actions taken by the Treasury Board Secretariat and five federal organizations to meet their respective obligations under the new Policy on Transfer Payments, which was developed by the government in 2008. Our audit work was completed in July 2012.

• (1535)

[English]

We found that to date the government has fulfilled most of the commitments it made in its 2008 action plan, which was aimed at increasing efficiencies and reducing the administrative burden on recipients. The Treasury Board Secretariat actively led efforts to develop a new policy on transfer payments. It provided leadership and guidance to federal organizations to make the necessary changes, including coordinating activities across the government.

The other federal organizations we examined have also taken actions on most of their obligations under the new policy on transfer payments. They have consulted with applicant and recipient communities in redesigning their grant and contribution programs, and they have begun to establish service standards. They have also conducted risk assessments of their programs and their recipient communities and have assigned a risk rating to each recipient based on the assessments.

[Translation]

However, Mr. Chair, we also found that neither the Treasury Board Secretariat nor the other federal organizations we audited had assessed the impact of their actions on recipient organizations. Therefore, they were not able to determine the extent to which their actions had helped streamline administrative processes within federal organizations or reduce the administrative burden on recipients.

We also noted that the Treasury Board Secretariat had not provided organizations with adequate guidance to ensure that risk ratings are accurate and remain current, despite the importance of these ratings in determining the controls that should be applied in each case.

Therefore, we found that processes used by federal organizations we examined varied in rigour and depth.

[English]

We made two recommendations, both addressed to the Treasury Board Secretariat. The secretariat agreed with both of them. The public accounts committee may wish to ask the secretariat for an update on its efforts to assess the impact to date on the administrative burden of recipients of grant and contribution agreements.

Mr. Chair, this concludes my opening statement. We would be pleased to answer the committee's questions.

**The Chair:** Very good. Thank you, Mr. Ferguson.

I have a listing of the witnesses, and for no other reason than the fact that this is the list that's in front of me, we'll hear our witnesses in this order. Following the presentation we've just had, we'll hear from the Treasury Board Secretariat.

I would also ask each of the representatives to introduce their delegation.

So it will be the Treasury Board Secretariat, followed by the Public Health Agency, CIDA, Human Resources and Skills Development, and last, but still important, Western Economic Diversification.

Therefore, Treasury Board Secretariat, Assistant Comptroller General, you have the floor, sir.

**Mr. Tom Scrimger (Assistant Comptroller General, Financial Management and Analysis, Treasury Board Secretariat):** Thank you, Mr. Chair.

If you would permit a suggestion, we were going to make opening remarks on behalf of all departments, and I will do this in a few moments. I would be pleased to introduce the delegation of the departments, and perhaps that will save us a few moments. Then we can move from there.

Assisting me today, Mr. Chair, is Sue Stimpson, the chief financial officer of the Canadian International Development Agency. From Human Resources and Skills Development Canada is Ms. Nancy Gardiner, director general of program operations management and accountability. From the Public Health Agency of Canada is Carlo Beaudoin, acting chief financial officer. And from Western Economic Diversification Canada is Donald MacDonald, director general of operations.

• (1540)

[Translation]

Mr. Chair, thank you for the opportunity to speak about Chapter 2 of the fall 2012 report regarding the federal government's grant and contribution program reforms.

In addition to considering the role played by the Treasury Board Secretariat in the reforms, the Auditor General of Canada also examined selected activities undertaken by the five federal organizations I just mentioned. I would like to start by thanking the Auditor General for his work in this file.

As the report notes, the Auditor General last looked at how the federal government managed grant and contribution programs in 2006. At that time, concern was expressed about the heavy financial and administrative burden associated with applying for funding programs and with meeting the various requirements of these programs.

[English]

In June 2006, the President of the Treasury Board commissioned an independent blue ribbon panel on grant and contribution programs to recommend measures to make the delivery of grant and contribution programs more efficient while ensuring greater accountability.

In its report "From Red Tape to Clear Results", published in December 2006, the panel provided recommendations aimed at simplifying the administration of grants and contributions, while at the same time strengthening accountability and risk-based approaches for managing programs.

The Government of Canada's action plan to reform the administration of grant and contribution programs, announced by the President of the Treasury Board in 2008, outlined how the government would improve the management of grants and contributions as well as the expected results.

The plan consisted of three elements.

First, to build the right foundation, the new policy on transfer payments was introduced. This new policy and its supporting directive and guidelines have clarified accountabilities and simplified administration. The policy reform also established a new regime that is more sensitive to risks and is citizen and recipient focused.

Second, departments developed their individual plans to fundamentally improve their delivery of grants and contributions.

Third was sustained leadership to help guide reform across government. New approaches were developed, shared, and implemented throughout government, such as risk-based management and oversight, simplified approval and claims processing, service delivery standards for recipients, consolidated multi-year agreements, and coordinated recipient audit approaches.

[Translation]

The Auditor General's report has recognized the progress made in implementing the action plan. The Treasury Board Secretariat actively led the policy reform, supported the implementation of departmental action plans and fostered coordinated activities across federal organizations.

Federal organizations are increasingly using recipient monitoring and reporting requirements focused on risks. They are also consulting applicants and recipients on program changes and establishing service standards.

However, the report has also highlighted the need for additional work in two areas.

[English]

First we need to better assess the impact of efforts on departmental and recipients' administrative burden. In response, we are undertaking an assessment of the impact of our collective reform efforts, as measured against the expected results in this regard, which were outlined in the action plan.

In collaboration with federal organizations, an assessment will be completed by fall 2013, with a final report made publicly available thereafter. The timing of this assessment aligns with the five-year administrative review of the policy on transfer payments to commence in spring 2013. The results of the assessment will be used to inform this policy review and to identify opportunities to further strengthen the policy.

Secondly, we need to provide additional guidance to federal organizations to ensure that the risk ratings they apply in the ongoing management of their programs and agreements are appropriate and current. We are now working with departments to strengthen the policy guidance related to risk management. The new guidance will provide clearer direction on the need to review and validate risk assessments throughout the life cycle of grants and contributions. We are looking to implement this in spring 2013.

In closing, I would like to acknowledge the ongoing efforts of my colleagues in departments in implementing the action plan.

Mr. Chairman, we look forward to answering your questions, as well as those of the committee members.

**The Chair:** Very well. Thank you, Mr. Scrimger. We appreciate that.

Unless there are any interventions to the contrary, I'm ready to take the committee into our rotation.

Seeing and hearing none, I will move to Mr. Saxton, who is our first questioner to have the floor.

**Mr. Andrew Saxton (North Vancouver, CPC):** Thank you, Chair.

Thank you as well to our witnesses for being here today.

My questions will be directed to the Auditor General and to the Office of the Auditor General.

In chapter 2 of your report, you found that the government has adequately implemented the 2008 Government of Canada action plan to reform the administration of grant and contribution programs.

Can you comment on how you came to this conclusion?

• (1545)

**Mr. Michael Ferguson:** That was the focus of the audit, to look back at our 2006 audit and assess the recommendations we made then, and to assess the progress the government had made against those recommendations.

Our audit criteria were established based on the work we had done previously, to then determine whether the departments had adequately addressed those concerns.

**Mr. Andrew Saxton:** You found that the government had adequately addressed those concerns. Can you elaborate on how you came to that conclusion?

**Mr. Frank Barrett (Principal, Office of the Auditor General of Canada):** I can add to what the Auditor General has already provided.

In our report we do have a brief table, exhibit 2.1, that speaks to the three main chunks of the government action plan, if I can put it that way. The Treasury Board had to provide leadership, to enter into policy reform, and there had to be things happening in departments in terms of departmental action plans being implemented.

In conducting the audit, we looked to see what happened with respect to policy reform, what happened with respect to what the Treasury Board Secretariat did vis-à-vis providing leadership, and what we saw happening within departments. Did we see things actually changing?

While I believe we were clear in the report, there is still more work to do. I think that's acknowledged around the table. We did recognize that there had been significant progress since the 2006 report and that they were taking actions consistent with their government action plan.

**Mr. Andrew Saxton:** Are you satisfied that all of the agencies and departments you examined have taken important steps to implement the government's action plan?

**Mr. Michael Ferguson:** As you indicated, our overall conclusion, which would have included all of the organizations we looked at, was that the federal government had adequately implemented the 2008 action plan. Again, there were some areas where there's still room for improvement, but overall we determined that it had been adequately implemented by the organizations we looked at.

**Mr. Andrew Saxton:** Would you agree, then, that the agencies and departments adequately consulted with their applicant and recipient communities to better serve Canadians within the grants and contributions process?

**Mr. Michael Ferguson:** Certainly, one of the things we stated in the chapter was that that had happened, yes.

**Mr. Andrew Saxton:** Are there examples that you found particularly innovative or important in the ways proposed by the examined departments and agencies on their efforts to improve their grant and contribution program activities?

**Mr. Frank Barrett:** Mr. Chair, I'd be happy to address that question.

I think there were a few key things we saw that were very different from what had been observed in previous years. One of them was with respect to a very strong level of interdepartmental committees. At the deputy minister level, the assistant deputy minister level, and then again at the level of directors and directors general, you had departments come together. Why does that matter? When they're talking about their different programs, that gives them an opportunity to actually foster innovative change.

One of the points we make in the chapter is in paragraph 2.19, where we speak of pilot projects. In fact, they realized they had multiple departments—in this example we raise seven different departments—that all had high contribution agreements with the same organization. By putting all of their agreements together and saying, “Why don't we have one name and address, one common template?” and “Let's see how we can streamline this”, that was an example where they did manage to reduce the number of reports substantially. They went from 126 down to 26, and it's simply because there was now one agreement instead of seven different ones.

**Mr. Andrew Saxton:** With regard to the risk challenge function, what would you find acceptable for a risk challenge function? During your audit, did you find any examples of a risk challenge function that could be used as a model?

**Mr. Frank Barrett:** Yes. What we point out in the chapter is that not only is it important to establish criteria for determining the risks, and then having a risk-rating scale and doing it, but there has to be some form, as you say, of a challenge function.

Just to highlight that a little bit, if you had a good scale and maybe one individual in a department rating these different agreements, the risk is that if it gets rated on a Friday afternoon, it might not be as rigorous as if it were rated in the middle of the week. It's important within departments to have some form of challenge function to say, “Are we doing it well?”

We did see a variety of different scales. Some departments were certainly stronger than others. In fairness to the departments, though, it's important to note that there wasn't really a lot of guidance on what should be provided, in terms of a risk-rating scale. That's why we made the recommendation to the Treasury Board that this was an area where it should be providing guidance.

• (1550)

**The Chair:** Sorry, time has expired. Thank you very much.

We're moving over now to Mr. Allen.

**Mr. Malcolm Allen (Welland, NDP):** Thank you, Chair, and thank you, everyone, for being with us.

To Mr. Ferguson, if I could, you stated you looked at five programs. Are there other additional programs out there that you

didn't look at that would also fall under the category of having contribution and granting programs?

**Mr. Michael Ferguson:** Absolutely, there would be many other programs other than the ones we looked at.

**Mr. Malcolm Allen:** That leads me to the next question.

On page 7 of the English version of your report, at paragraph 2.13, the last two lines read:

We note that the process does not specify how the Secretariat plans to assess the impacts of the policy reforms.

The process you're talking about is actually based on the blue ribbon panel of 2008, which was actually in chapter 2, at 2.1, in the English version. That's the exhibit.

That's really in line with the blue ribbon panel and then the secretariat's action plan. If the secretariat came out with an action plan in response to your recommendation, which it did, in your view is this still correct in the sense that the action plan really won't assess the impacts of the policy reforms?

We're now looking at a piece and then looking at another piece, and we still don't really know the outcomes for the folks who are asking: What is it? Are you helping me or not helping me? Do we know?

**Mr. Frank Barrett:** Mr. Chair, I'd be pleased to answer the question.

There's actually a two-part answer to this. We have had a chance in the last couple of days to review the Treasury Board Secretariat's action plan in response to our recommendations. They specify in there, as I understand it, that they're going to be providing guidance to departments on how to go out and gather results-based information so they can roll it up. On the one hand, that speaks to—and perhaps the secretariat could elaborate on this—how they would then have a consistent process for assessing results-based information. The other side of the coin that needs to be appreciated is that once that guidance is provided, departments can start collecting. But up to this date, to my knowledge, in what we saw until last July when we completed the audit, there was no results-based information gathered and rolled up. In terms of a five-year review that provides an assessment, it's not evident to us what the five-year review will be able to say was accomplished from a results base. Obviously they can speak to many activities.

**Mr. Malcolm Allen:** Mr. Scrimger, did you want to comment on that? I see you're making some notes to yourself; no doubt you've got a comment.

**Mr. Tom Scrimger:** Yes. It wasn't the grocery list.

We agree that there was not, as is needed, a consistent way to build a pan-government view of the results of the work of the many departments and agencies. I believe the departments and agencies themselves can certainly tell many result stories and result outcomes of the work they have done, but we did not have a systematic, evidenced-based way of gathering that information. It is one of the things following the Auditor General's work that we have been working at feverishly.

In the upcoming weeks we will be implementing a performance reporting tool with the 28 departments and agencies that represent around 99% of the grants and contributions spending in the Government of Canada. They will be going through an information-gathering stage over the next few months and will bring this back into the centre in the fall, as I mentioned in my opening comments, which will do a number of things for us.

The first thing it will do is give us a benchmark in 2013. We are also asking departments in their work to contrast where they are today and where they were in 2006, 2007, and 2008, so we can get a sense of that movement. That may be difficult in some cases. It may be relatively straightforward in others. But with the work done, and in the extensive way it will be done, it gives us that baseline that on a going-forward basis we can manage.

● (1555)

**Mr. Malcolm Allen:** I appreciate that.

The obvious question is, why didn't you do it before we implemented the blue ribbon panel? Why would you try to hit a mark where you couldn't actually look at it and say, I needed to get 85%, but I don't know if I wrote the test because I never marked it, so I just don't know. Why would you come through that process without actually asking whether it's successful on the outside?

How did that not happen?

**Mr. Tom Scrimger:** I suspect that when the plan was being formed some six or seven years ago it just wasn't something that came across—having a consistent pan-government view of results. Most people were focused on the results that would be occurring in departments.

The observation from the Auditor General is an accurate one and one that we were aware of ahead of the observation, in the sense that it became quite obvious that we needed to have a better picture of results across government.

I don't have an answer about why it wasn't part of the action plan six years ago. Perhaps I can just put it down to it being one of the shortcomings in the action plan when it was first formed a number of years ago.

**The Chair:** Thank you very much.

Time has expired.

We'll move over now to Mr. Kramp. You have the floor, sir.

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC):** Thank you, Chair.

Welcome, witnesses, here again today.

I think as a committee we have felt it's extremely important that we continue to develop and share best practices. That seems to be an ongoing process of government. Obviously, we can learn from many, but of course we can share a lot of our best practices.

I speak with two hats here. On public accounts we like to hold the feet to the fire in order to identify best practices, and yet I also wear another hat as chair of GOPAC, the Global Organization of Parliamentarians Against Corruption. My responsibility is to share those best practices with either the developing countries that need

our assistance or perhaps other countries that we can even mentor with.

That short preamble leads to a question for the Auditor General. With that in mind, sir, can you please speak to positive steps or best practices that the secretariat has taken and continues to take with respect to providing leadership, ongoing support, and consistent implementation of new and more streamlined approaches to managing and administering all of these things—in other words, the best practices of doing their job? We need to be able to build upon that, sell that, and critique that.

I'd like your observations on that, please.

**Mr. Michael Ferguson:** I think the report overall is quite positive on the steps taken by the secretariat. We refer to things like coordinating activities among departments, encouraging departments to improve their practices, supporting interdepartmental committees, supporting pilot projects, and some other things the secretariat did that were steps forward in how grants and contributions were managed.

We saw lots of good activities happening at the organizational level as they were implementing this.

Overall, the one thing that we noted in particular was that there were lots of good activities, both at the secretariat and at the departmental level, but part of the original objective was to reduce the administrative burden on recipients. Up to the point when we did the audit, that part hadn't been done, and that's a very important part.

I guess when you speak of best practices, it's one thing to sort of put changes in place and make changes, but there has to be a way of making sure those changes are going to have the impact they were intended to have at the beginning.

● (1600)

**Mr. Daryl Kramp:** Fine. Thank you very much.

This is for the Assistant Comptroller General, Treasury Board Secretariat. Of course, in the Auditor General's report, Natural Resources, the Public Health Agency, and the Canadian International Development Agency are all expected to complete the development of their service standards. When will that be?

**Mr. Tom Scrimger:** I'll allow my colleagues to answer in their own case.

I can tell you that in 2011, with the management accountability framework exercise, 17 of the 21 departments that were to develop service standards had begun that work and had implemented some forms of service standards already. That is almost two years old. My expectation would be that when we review the status of things this summer and in the early fall, that number and the number of departments that have implemented or increased the number of service standards they're dealing with will also increase.

Earlier this year Treasury Board Secretariat itself introduced a tool kit dealing with the development of standards. Our chief information officer, who is responsible for service standards, has issued guidance in the last number of months to departments and agencies about the creation and the life cycle attached to those service standards. I think we're seeing the inculcation of this concept and this culture of service standards.

Moving forward, I will not sit here and say they're at the mature level that everyone would look for across town, but I would say that departments and agencies are consciously moving forward with implementation in their own domains.

**Mr. Daryl Kramp:** Fine.

I don't have the time, Chair, obviously, to go through each and every department here, unfortunately, but what I might do is just throw a question out to all of the respective departments here.

If any of the department officials feels they have a significant problem or challenge with not meeting reasonable timelines to move forward, I'd like them to declare that to this committee now. If we're looking at this issue a year or two years down the road and you still have not been able to complete the original "ask", then we have a problem. If you feel it's well under way and is under control and you're moving forward with the recommendations, and you feel a level of comfort with the grants and the risk assessments and all that, then so be it.

I'm just giving you an opportunity. I don't need a response, but if someone feels they have a real challenge ahead of them that might pose some unknown risks, please identify that now.

**The Chair:** I will afford that opportunity to our representatives. Does anyone want to take advantage of Mr. Kramp's offer?

Okay. Looks good, Mr. Kramp.

**Mr. Daryl Kramp:** Fine. I have one more quick question.

**The Chair:** No. Sorry, sir. Next time. Your time has expired, significantly, I might note.

We go over now to Madame Blanchette-Lamothe.

You have the floor, Ma'am.

[Translation]

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Thank you, Mr. Chair.

I want to thank our guests for joining us.

Mr. Scrimger, I congratulate you because, generally, the Auditor General's report indicates that the government action plan is well managed.

I would still like to come back to what my colleague was saying earlier about assessing that action plan's impact.

The fundamental objective was to make the administrative process less cumbersome for recipient organizations. However, no measures have been implemented to effectively assess the impact of that action plan. You said that you didn't know why no attempt has been made to assess the impact of the plan. Who could tell me why that has not been done? Were you there when the action plan was developed? If not, who do you think is responsible for that oversight?

[English]

**Mr. Tom Scrimger:** To answer your questions, no, I was not part of the process that developed the action plan back in 2006.

I don't believe the people who developed the action plan forgot about the need to have some sense of the impact of the reforms on recipients and applications. Indeed, in previous incarnations, I spent

some very uncomfortable moments in front of the official languages committee answering questions of just that nature in this House.

The issue really is that at that time we didn't identify the need to have an instrument that would allow us to consistently gather information across and aggregate it to provide that pan-government picture. I believe the initial focus was really on the departments and the work they were doing in their action plans. It's become clear that we need to have a better mechanism to gather evidence beyond anecdotes and stories to demonstrate the progress that's been made. That's what we're dealing with now.

• (1605)

[Translation]

**Ms. Lysane Blanchette-Lamothe:** I would like us to expand on what you just said, as it's very interesting.

You say that this was not an oversight, but that the need to assess the action plan's impact was not established. I find that a bit surprising. In addition, this is not the first time we hear about people thinking that assessing the impact is not really useful or necessary. I'm not sure if drawing this parallel is appropriate, but I am thinking of the action plan to stimulate the economy. We saw in the latest report that the plan was very well managed. However, we ultimately did not know what the real impacts of this plan were on the economy, as no measures were implemented to determine whether the plan had truly stimulated the economy, and in what way.

Mr. Ferguson and Mr. Scrimger, you could perhaps help me understand. Shouldn't effective impact assessment be an automatic action when money is invested and an important action plan is implemented, regardless of its nature?

[English]

**Mr. Tom Scrimger:** I believe the advantage of hindsight in this matter is tremendous. If in 2006 we had understood the scope of the effort required to achieve the change we were looking for, we would have been somewhat surprised.

I can only come back to the fact that the requirement to be able to demonstrate impact and success was not forgotten. The Auditor General has brought us up on the fact that we did not have a consistent way of presenting a pan-government picture. I suspect the departments and agencies can certainly provide a much richer viewpoint of what's happened inside their own organizations. But it is important that we can build that pan-government picture.

That is the same story that's coming to us—any number of enterprises. There's a greater interest as the Government of Canada in being able to talk about the entity and the impact of things on the entity. Moving forward, I cannot see the same oversight, if you wish, being made.

I can't speak to what happened seven years ago, but I would repeat there was a clear desire and interest on the part of the government to understand the impact. We may not have had the right tool in place to do so.

**The Chair:** Thank you.

Over now to Mr. Shipley. You, sir, now have the floor.



**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Thank you, Chair, and my thanks to the Auditor General and all the witnesses.

First of all, I just want to say thank you to the Treasury Board Secretariat. That office has taken the initiative. I find it interesting in your last remarks, Mr. Scrimger, that you didn't understand the full context of what it would take for the scope of this project.

I liken that, in my mind, to those who have had the opportunity to renovate an old house as compared with building a new house. There are always, in a renovation or with upgrades to modernize an old house, those unknowns—we see it here in these buildings—that never show up until you actually get into it. In building a new house, though, you have the plans, everything is laid out, and you start from scratch.

So we have to identify the need. I want to thank you for striking that independent blue ribbon panel in 2006. For those who may not have understood that, maybe you could help me. The independent panel, how many were on it and who was it? That may go to the Auditor General or to the Secretariat.

•(1610)

**Mr. Tom Scrimger:** My apologies, I don't think I have the names.

**Mr. Bev Shipley:** Did any issue ever come up, because it was an independent panel, that there was some sort of infiltration or that what they recommended was not the right way to go?

**Mr. Frank Barrett:** I can say that first of all it was an independent panel. It consisted primarily of former deputy ministers who understood government and governance very well. Certainly the recommendations they made rang true with what we had already understood. For example, in the first nations file, we had been hearing for quite a while, since our audit of 2003, that they were finding the reporting burden extremely difficult, especially the small communities. What the blue ribbon panel said was very consistent with that.

**Mr. Bev Shipley:** I think in 2006, fortunately, we did take that position, to unravel some of the complexities, what people call red tape and bureaucracy. I guess that's maybe not a good word, but unfortunately that's what it gets wrung out to be.

There is always a concern when we look for efficiencies and effectiveness that we may have limited the scope, and that what we're doing is shoving some stuff underneath just to make sure we can get through the process quicker. Mr. Auditor General, has there been any indication of that?

**Mr. Michael Ferguson:** No.

**Mr. Bev Shipley:** Okay.

In paragraph 9 of your notes, Mr. Auditor General, you talked about

...adequate guidance to ensure that risk ratings are accurate and remain current....  
... As such, we found that processes used by federal organizations we examined varied in rigor and depth.

To the Auditor General, is it that each department will use the same template?

Then to Mr. Scrimger, in your presentation, the second paragraph under "The Action Plan", you say that "departments developed their

individual plans to fundamentally improve their delivery of grants and contributions". I still don't understand how that's going to work between those two comments. You said this was going to be a template of each for depth and rigour, but as I think I understand it, each department is individual but all have now come together. You mentioned that in terms of their working together rather than in their own silos. Maybe you could help me understand that a little bit better.

**Mr. Tom Scrimger:** Perhaps I'll take a crack at trying to provide an answer to your question.

When it comes to risk rankings, I will speak to my experience at the time in a grants and contributions department. Most departments and agencies, at least at a beginning point, develop their own risk-ranking criteria. They were the individuals who were most familiar with the business lines they were dealing with. The guidance is, of course, meant to provide some consistency in approach and methodology without tying the hands of a department to a single risk-rating approach across town.

Experiences change over a seven-year or eight-year period. One of the areas we're entering into now in the management or administration of grants and contributions is the concept of standardized business processes, to increase efficiency in deliveries, and this can apply to a number of areas. Although I don't think we will ever have a single template for risk rating across town, there is probably an opportunity for ensuring greater consistency in the risk-rating methodologies that are used by departments to ensure their completeness and their utility.

With that, I hope I've answered part of your question, and the Auditor General can certainly chip in if I've got it wrong.

**Mr. Michael Ferguson:** Your question to me was whether all of the organizations were using the same template, and I think at the time we did the audit we found that there were inconsistencies in how different organizations were assessing risks. So I think the direct answer to the question, as I understood it, is that at the time we did the audit, not everybody was using exactly the same approach.

•(1615)

**The Chair:** The time has well expired. Thank you very much.

Over now to Mr. Byrne. You have the floor, sir.

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Thank you.

To Mr. Ferguson or to Mr. Barrett, to help us understand the scope of the context of this particular audit, as I understand it this was basically in response to the blue ribbon panel, the government's action plan on the blue ribbon panel, and that was more about the compliance requirements of recipients of grants and contributions post-award, as opposed to the processes of establishing the grant or contribution.

Would that be a correct statement?

**Mr. Michael Ferguson:** That's correct.

**Hon. Gerry Byrne:** To help us put this in context.... We know that you did not audit the border infrastructure fund, for example, but the whole process by which grants and contributions were made under the G-8/G-20 fund to town councils and to others where there was no application process, where there was no assessment by any department, where the applications were actually done through the minister's office, that was not part of this audit. Would that be clear?

**Mr. Frank Barrett:** Mr. Chair, I think that's a very fair statement. Whereas in the past we've done audits of grants and contributions, where we've actually been a compliance-focused audit on all the requirements, in terms of following a grants and contributions agreement and whether they were doing it—the different steps along the process—in this one the focus was much more on whether they were implementing what they said they would implement in a government action plan. We specifically state in our focus of the audit that we did not seek to see if compliance was being followed on every agreement.

**Hon. Gerry Byrne:** Thank you. I think that's very important. I hope we all take note of that for the production of our draft report, to put that in some context.

I now want to move to Mr. Scrimger. It was very important in this context for compliance for the client, to improve the efficiency of the client and the reporting requirements of the client here. A client had a risk of audit exposure based on the risk estimate that was established during the formation of the terms and conditions of the contribution agreement. Would that be correct?

I ask that because, of course audit is a heavy burden on a client. One of the things that was established here is that audit exposure will be somewhat based on the risk of the client itself.

**Mr. Tom Scrimger:** I think in most departments the determination of which clients, if you wish, to perform a recipient audit on would be based in some measure on the risk that is assessed around the capability of the client by the department.

**Hon. Gerry Byrne:** And risk, as I understand it, is a factor of familiarity of the client to the department. In other words, if a particular client has been a long-term recipient of a grant or a contribution arrangement with a particular department and the terms and conditions have been satisfactorily upheld, their risk of audit is much lower. Would that be fair to say?

**Mr. Tom Scrimger:** If we're speaking in those generalities, I would say yes.

**Hon. Gerry Byrne:** So familiarity lowers risk. And of course the audit function not only reduces the burden on the client, but it also reduces the burden on the contracting agency. For example, the Atlantic Canada Opportunities Agency has totally dismantled its internal audit function. One of the concerns I have is that an organization like ACOA or Western Economic Diversification would have an incentive to only want to or to preferentially want to contract grants and contributions, establish terms and conditions, with organizations that have been longstanding business partners with ACOA or Western Economic Diversification.

My concern, Mr. Scrimger, is that you've actually created a barrier to new organizations, new businesses, new clients, from participating in the grants and contributions process, and you've actually created an advantage to longstanding clients—because they have been longstanding clients, they are considered less risky and therefore won't draw down the resources of a particular department through the audit function and other monitoring functions.

Have you given consideration of that in your overall evaluation of this particular project?

• (1620)

**Mr. Tom Scrimger:** I don't know if I could agree that the very narrow perspective you've put in front of me, that those two factors, given all the other factors that come into a department and agency in deciding whether to provide a grant and contribution...I don't know if I can come to the same conclusion you have: that we have made it more difficult for new recipients to come into the process.

Depending on the nature of the grant and contribution program we're dealing with, clients that have established relationships with organizations may have a reduced risk of additional audit, but I don't think that guarantees them necessarily that they are the only ones going to receive funding. I think we're really entering into an area that involves understanding the eligibility and the assessment processes of departments.

**The Chair:** Sorry, Mr. Byrne, time has expired.

Moving now to Mr. Aspin. You have the floor, sir.

**Mr. Jay Aspin (Nipissing—Timiskaming, CPC):** Thank you, Chair.

And welcome to our guests.

My questions are directed to Mr. Ferguson and Mr. Barrett.

How do the Auditor General's recommendations in the five-year administrative review of the policy on transfer payments align? As well, perhaps you could outline if this creates an additional reporting burden to respond to both.

**Mr. Frank Barrett:** I'd be happy to address the member's question.

Whenever we've completed an audit report, we do make recommendations. In this case, there is a recommendation that specifically speaks to the need to be measuring progress, which is not too inconsistent with the notion in the government's action plan that they would have a five-year review.

Now, in essence, putting in place what we're saying is different from what's worded in the government's action plan. However—and I believe Mr. Scrimger would agree—what we're recommending would actually make it easier for them, as they move forward, to be assessing progress.

**Mr. Jay Aspin:** Thank you, Mr. Barrett.

Mr. Scrimger, I perhaps should have directed that question to you first.

**Mr. Tom Scrimger:** If the question is whether there is additional burden because of these processes, personally, I believe the answer is no. As you are entering into a policy review process, you are looking for sources of information and data and feedback. The Auditor General, in its work, becomes a valuable source for us as we're moving into a review stage, as do program evaluations, as do many of the pieces of work done in departments and agencies and our own consultation processes.

This does not add any burden to the recipients of grants and contributions. The work is with us, in both responding effectively to the Auditor General's recommendations and in our daily work of the policy review process attached to the transfer payment policy.

**Mr. Jay Aspin:** Thank you.

What aspect of the action plan, in your opinion, was the most necessary to reduce the costs and administrative burden on recipients?

**Mr. Tom Scrimger:** Again, Mr. Chair, I will express somewhat of a personal viewpoint in the sense that I believe it was the cultural shift from a world of risk aversion at any cost to a world of intelligent risk management. That allowed departments and agencies to look at their processes to see where they could lighten up the burden based on their own analysis, their own assessment, and bringing in other instruments and tools so that we were not trying to prevent or manage risk by placing the same burden on every single recipient in the department's universe. I would say certainly that was a key one.

The second one I would answer briefly would be—and I believe it's becoming increasingly important—that departments and agencies realize that their grant and contribution programs are not so unique that they can't benefit from common business processes and standard approaches toward things. Again, certainly early in my career we all felt our programs were so unique that they had to almost have their own system around them, and I think that viewpoint has changed quite dramatically over the last seven or eight years.

• (1625)

**Mr. Jay Aspin:** I wondered if you could, Mr. Scrimger, please speak to the results of the pilot projects for restructuring grant and contribution agreements that TBS supported.

**Mr. Tom Scrimger:** Very briefly, there are a number of projects, but there are three that we are focusing on now in one form or another. There is a great deal of work occurring between Aboriginal Affairs and Northern Development Canada and Health Canada in working on integrating processes for the delivery of contributions for first nations health. Quite frankly, from our viewpoint as administrators and bureaucrats, there are some very exciting things that are moving forward there.

We had a project at the time between DFAIT and CIDA to bring together and look at the economies that could be done on the international front. The most recent machinery decision has probably forced that one to a final conclusion, or will in a sense, with the merging of the two organizations.

Last, and not least, Transport Canada and Infrastructure Canada are working with the work that's focused on significant transfers to

provinces and territories to see if there is a more efficient way of structuring those agreements.

So those are three noteworthy pieces of work that are advancing at different paces and speeds, but that we hope will bring more efficiency into the overall process.

**The Chair:** Thank you. Time has expired. I appreciate that.

Now we go over to Monsieur Giguère. You have the floor.

[Translation]

**Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP):** Thank you, Mr. Chair.

I want to thank our guests for being here today.

My first question is for the Auditor General.

In paragraph 2.23, on page 9 of your report, you state the following:

We found that none of the organizations we audited had assessed the administrative impacts of reforms comprehensively [...]

That's a fairly straightforward remark.

Does that statement have to do with the fact that, very often, the main priority of those audited organizations was to cut their budget to ensure a sound administrative process? In other words, is it more important to respect the imposed fiscal frameworks or the administrative process?

[English]

**Mr. Michael Ferguson:** Certainly, our observation was as we stated. We found that none of the organizations had assessed the administrative impact of reforms comprehensively. We didn't try to determine the reason for that. We were simply looking to see whether the organizations were doing that assessment, and we found that none of them were doing it on a comprehensive basis.

[Translation]

**Mr. Alain Giguère:** Thank you very much.

Mr. Scrimger, you said earlier that there has been a shift from a world of risk aversion at any cost to a world of intelligent risk management. That's what you said.

Here is my first question. How can you say that a risk management model is intelligent when there are clearly shortcomings in the very existence of the risk model?

[English]

**Mr. Tom Scrimger:** I would suggest that there's no risk management model that is perfect. The Auditor General pointed out, and I think in his report acknowledged, that the risk-rating systems were being used by departments to manage those risks. I believe the more complete observation he made is that we weren't specific enough in our guidance; we weren't reinforcing in our guidance the requirement to review regularly the risk management model in departments and agencies. I believe that in the details the Auditor General recognized that many departments had done that without having specific guidance placed in the Treasury Board policy suite.

So I'd look at it not that there is a fundamental break in the risk-rating methodologies being used by departments, but that there is an element in our policy guidance that needs to be there to make it clear that you need to review the risk-rating models on a regular basis to ensure that they are still legitimate. I would open it up to the Auditor General to add to my comments.

• (1630)

**Mr. Frank Barrett:** I'll just add one point. On one hand, it's an interesting question. It refers to the need to make sure that the criteria we use and how we weight them is reviewed regularly.

I think the other point that needs to be appreciated, as we say in paragraph 2.44, is that there needs to be some form of review of the individual who was at one point perhaps rated as being low risk, let's say, to some years later or some time down the road reassess that organization: is it still low risk, or if it was high risk and being audited every year and having lots of controls around it, is it still high risk down the road? That form of reassessment becomes very important.

[Translation]

**Mr. Alain Giguère:** On page 11, we can read the response of the Treasury Board Secretariat. It is stated that, in 2012 and 2013, a new tool will be introduced for assessing the impacts of the administrative reforms on recipients.

Could you tell us when our committee could expect to receive a first report on the implementation of those administrative reforms? Could you promise to send us that document as soon as you have it?

[English]

**Mr. Tom Scrimger:** Mr. Chair, if I understand the question, I believe it refers to the new performance reporting tool that we are in the process of putting in place in the next several weeks. We expect that if things go according to plan, we would be gathering the information from departments and agencies over the summer and early fall and then would be collating the report in the fall. We've already made, I believe, the commitment in our response to the Auditor General to make that report public once it is complete. Obviously, we'd be pleased to provide it to the attention of the committee.

**The Chair:** Thank you. Yes, just make that one little detail to make sure that one does come to us and that it's available, and that puts it into our business work.

**Mr. Tom Scrimger:** Certainly.

**The Chair:** Time has expired. Merci.

We move on to Mr. Hayes. You have the floor, sir.

**Mr. Bryan Hayes (Sault Ste. Marie, CPC):** Thank you, Mr. Chair.

I just want to refer to number 9 in the Auditor General's statement, and this question is for the Auditor General. It says:

...that the Treasury Board Secretariat had not provided organizations with adequate guidance to ensure that risk ratings are accurate and remain current....  
As such, we found that processes used by federal organizations we examined varied in rigor and depth.

As a result of that, you made your recommendation 2.46.

My question to you, sir, is this. Do you have any advice that you can provide to government officials to ensure that risk ratings are accurate? I think I'm going somewhere with this. What I'm finding on this committee is that we get recommendations from the Auditor General.... When I was on city council we'd have audited financial statements, we'd get recommendations from the auditors, and then city staff would have to go and source out the resources to figure out how to actually implement the recommendation of the auditors.

You have a lot of professional staff at your disposal. I guess my question is, are we as a committee or a government getting the best value for your professional services? You have given us the recommendation, but I don't often see advice in terms of how to do it. I think you and your group of people are probably the most qualified people, to not only make the recommendation, but to also provide assistance in terms of implementing that recommendation.

I'm just interested in your general comments on what I'm saying.

**Mr. Michael Ferguson:** Thank you.

Actually, what you've raised is something that we try to do internally when we make recommendations, that is, to challenge ourselves by asking, if you were on the receiving end of this recommendation, how would it be implemented? That is something we try to think about when we are making recommendations.

We don't go much further than the recommendation in terms of saying that you could implement it this way or you could implement it that way, because really it's up to the departments or organizations to determine the best way to actually make the implementation. But certainly when we are making that recommendation we do try to put that lens on it, to make sure we are making a recommendation that is reasonable and can be implemented.

In this particular case, when we're dealing with something like risk, for example, I think we are looking at things like the question of updating the risk assessment. So if a risk assessment was made originally and there was one level of risk assessed, if it's a longer-term project, then maybe the risk needs to be assessed later on as well throughout that same project. It's making sure that type of thing is done.

I don't think here we are looking at major changes in the approaches to risk. We are looking at some improvements that can be made to augment the practices that were already in place.

•(1635)

**Mr. Bryan Hayes:** Mr. Scrimger, in terms of the recommendation in 2.46, and I'll read it to you:

The Treasury Board of Canada Secretariat should provide guidance to federal organizations on the need for a review and challenge function for initial risk assessments, as well as the need to periodically reassess the risk ratings of multi-year contribution agreements.

Where are you right now in your response to that recommendation, in terms of when you feel you will be in a position that you can clearly state that we have fulfilled our obligation to that recommendation?

**Mr. Tom Scrimger:** We are hopeful that in the upcoming weeks we will be able to begin our response to this recommendation through a revision to our guidelines on the directive of the transfer payment policy. We are looking at it in the sense that we have a risk-rating tool that is working in departments and agencies. The question is how frequently and when do you use it? We think as a first measure of simply bringing into the guidelines the requirement to re-rate risks and to look at the other aspect that Mr. Barrett brought up as well. We will also hold, obviously, the recommendation through our policy review process to determine if there is indeed further policy work required to respond effectively to the recommendation.

We would also look at whether any of the tools and instruments that have been developed over the last five years dealing with risk need to be updated in any way, to again reinforce where we want to go with this.

We think there are a number of ways we'll be able to respond effectively to the Auditor General's recommendation in this regard.

**Mr. Bryan Hayes:** Thank you.

Thank you, Mr. Chair.

**The Chair:** Your time has expired. We'll move now to Mr. Byrne.

**Hon. Gerry Byrne:** Thank you.

I'll follow up on my previous line of questioning, Mr. Scrimger. In answer to my question regarding whether or not funding agencies are somewhat captive to the usual suspects, as opposed to being open to new clients, you had indicated that one of the reasons why you can't draw that same conclusion at this point in time is because—and I'm now going to infer—it's not that the evidence doesn't necessarily exist in that regard, it's just that there has been no assessment of the evidence as to whether or not that actually may have been an unintended consequence of this reform. Would that be correct?

**Mr. Tom Scrimger:** Again, it's difficult for me to agree that an unintended consequence of the reform would be that it increased the difficulty of new clients, based on your assertion that the risk ranking or the risk rating and the familiarity is going to determine to such a dominant level who is going to receive funding.

I believe the answer is a lot more complex than that. I think there are so many other variables that come into the funding decision.

**Hon. Gerry Byrne:** Understood, Mr. Scrimger, but the reality is that the answer to the question ultimately is not to be held by you or I as a personal opinion. It's to be done through analytical assessment. The fact is that one of the concerns of the Auditor General is that there was no post-program assessment of the consequences to clients

from some of these reforms. Would that be fair to say? If there's a contradictory point of view to that, then I'll ask Mr. Ferguson to respond.

**Mr. Tom Scrimger:** I believe the Auditor General has indicated clearly that there was not a comprehensive instrument that allowed us to speak to the impact on recipients of the desired impact for improved administration and reduced burden. The question you're asking me is whether or not it impacted the funding decision itself, and I just don't feel capable of going there.

•(1640)

**Hon. Gerry Byrne:** Right. You don't because there has been no post-assessment.

I will now move to the whole issue of grants versus contributions. One of the easiest ways to ease the burden on financial assistance recipients is to simply move to a total grant system as opposed to a contribution system. There are no terms and conditions associated with a grant. However, contributions, by their very nature, have terms and conditions and they're accessible and auditable. Why didn't you move strictly to a grant system as opposed to maintaining a contribution system as well?

**Mr. Tom Scrimger:** I don't think the intention of the reform was to move all of the Government of Canada to one versus the other. I believe the designed decision around whether a grant or a contribution is the more appropriate instrument is one that's made by the departmental teams, in working with their minister and through the decision-making process that provides the authority for those at the end of the day.

**Hon. Gerry Byrne:** Mr. Scrimger, one of the concerns that was raised by the Office of the Auditor General in 2001 and 2006 was that the government was indeed moving more and more towards a granting system as opposed to the accountability of a contribution system. There was a criticism and a concern raised by the Office of the Auditor General at that time. In 2005, total votable grants and contributions totalled \$27 billion. Now total grants and contributions, votable grants and contributions authorized by Parliament, are \$37 billion per year. The Auditor General expressed the concern that the Government of Canada was moving more and more to the granting-based system as opposed to a contribution-based system. The concern was that grants do not have accountability built into them. Of the \$37 billion now in grants and contributions, how much of that is grants and how much of that is contributions? Have we actually moved to limit the use of grants and moved more towards contribution agreements?

**Mr. Tom Scrimger:** I'm afraid I don't have the number in front of me of the split between grants and contributions, but I would comment on your comment that there is no accountability with grants. I would suggest that between a grant and a contribution there are different accountabilities that departments have between the two instruments. Certainly there is a larger accountability regime attached to most contribution agreements, but there is also the accountability that's required in departments when they're dealing with grants that very much focuses on ensuring the eligibility of the individual or the organization receiving that grant having been confirmed or verified.

When it comes to your other question, I really don't have an ability there.

**Hon. Gerry Byrne:** Would you be able to provide it in a reasonable time period?

Mr. Chair, I'll leave that to you as to what the reasonable time period is, as based on our previous discussions.

But, Mr. Ferguson, would you...?

**The Chair:** Move quickly, because you're over time.

**Hon. Gerry Byrne:** Would you be able to comment on some of these aspects, or Mr. Barrett?

**The Chair:** Thank you. This will be the final question for this rotation.

**Mr. Michael Ferguson:** We don't have the breakdown, either, of the amount between grants and contributions. I don't think there's much more I can add.

**The Chair:** Thank you.

We'll move along to Mr. Williamson. You have the floor, sir.

**Mr. John Williamson (New Brunswick Southwest, CPC):** Thank you, Chair.

Thanks for coming today, everyone.

I'm hesitant to drill a little too deeply, just because of the vast sums we're dealing with. One concern I have with an approach that tries to access the risk is that over time they become dull, or people just assume all is well, when in fact based on past practices things could be changing. I'm curious to ask the departments how the risk assessment process has affected monitoring and reporting requirements. What is being done to stay on top of this reporting requirement, to not rest on our laurels and assume things are well going forward?

We can start at that end or this end.

Mr. Chair, you can decide where we start.

**The Chair:** Ms. Stimpson.

**Ms. Sue Stimpson (Chief Financial Officer, Canadian International Development Agency):** If I might seek a clarification, Mr. Chair, are we talking about reviewing the risk assessment itself or the reporting and audit of the recipient?

•(1645)

**Mr. John Williamson:** The auditing of the recipient, I think to ensure that the tax dollars are being spent as we believe they should be.

**Ms. Sue Stimpson:** I'll try to give that a start.

At CIDA we have a strong mix of processing tools in our risk management tool box. We assess risks at the program level, the country level, the recipient level, the individual assessment level. We have a risk framework that helps us determine the level of administration a recipient would be bound to provide—depending on the situation in the country, the amount of the contribution, whether it's a grant, whether there is local capacity, whether there are known quantities, and depending on their financial capacity.

That would drive whether and how we do a recipient audit—for example, whether we do that at the desktop by seeking information from the recipient on details of their payments and the cost they've

incurred, or whether we actually go and do an audit of the individual project.

We can't audit everyone around the world, but in terms of our audit plans, they are risk-based audit plans that are renewed every year.

**Mr. John Williamson:** Thank you.

Mr. MacDonald.

**Mr. Donald MacDonald (Director General, Operations, Western Economic Diversification Canada):** We actually do a risk assessment a minimum of twice on the life of an actual project. When the project and recipient proposal first comes in, the initial risk assessment is done. It's driven by a number of factors that are built into our systems to ensure consistency of risk assessment, project to project, and across all recipients. It will then determine whether or not there's low, medium, or high risk associated with the individual project, and then the level of intervention and working with the monitoring and reporting requirements that are then projected onto the recipient to act accordingly.

At a minimum, we also review it prior to the actual processing of any claims. So before any money actually flows, we reassess. Because our average project is approximately two and half to three years in life, that risk assessment needs to be revalidated before we actually flow any funds.

The risk assessment is re-evaluated at that time, using the exact same process, to see if anything new has happened in the interim over that time period that would then require additional either beefing up or easing of the actual reporting or monitoring burden that we would then put on the recipient. In addition, if any information became available to the department in the interim that obviously required a reassessment of the risk, or that we became aware of, that would also....

So it doesn't prevent us from also reassessing during the life cycle of the project, in addition to those two steps.

**Mr. John Williamson:** Do I have time for another response?

**The Chair:** You have another minute.

**Mr. John Williamson:** Ms. Gardiner, please.

**Ms. Nancy Gardiner (Director General, Program Operations Management and Accountability, Department of Human Resources and Skills Development):** I would say ours is very similar to Don's. At the HRSDC department we have a risk-based approach to three specific areas: financial reporting, payments, and monitoring. Similarly, we use a number of factors to determine the risk base for each of those components.

As well, as Don said, throughout the life cycle of a project, if a project is a three-year project, we can take the opportunity to look at that risk over the period of time. If anything comes up during the project that we would see as problematic, we have the opportunity to go in, review the project, and see if there's anything that needs to be monitored or changed based on those assessments.

**Mr. John Williamson:** Mr. Beaudoin.

**Mr. Carlo Beaudoin (Acting Chief Financial Officer, Public Health Agency of Canada):** At the health agency, very similar to my colleagues, we have developed criteria at the portfolio level with Health Canada and the CIHR. We've developed criteria to evaluate risk on a number of factors and then essentially rank the applicants and the recipients into high, medium, and low risk, based on that assessment.

From there, that determines, or helps us guide, the level of monitoring and documentation we will receive from our recipients during the year, including informing the audit and monitoring plans at the departmental level for those recipients.

**Mr. John Williamson:** Thank you all.

**The Chair:** Thank you. Time has expired.

Moving along, Mr. Allen now has the floor.

**Mr. Malcolm Allen:** Thank you, Chair.

I would like to go back to Mr. Ferguson and then perhaps Mr. Scrimger, and take us back to page 4 in the English version. In chapter 2, at exhibit 2.1, there's the 2006 report from the blue ribbon panel and then there's the "Government Action Plan—2008". It's a very lovely block flowchart, if you will, with Treasury Board at the top, TBS leadership and ongoing support at the bottom, and in the middle, it says "implement changes" across organizations. The arrows flow to that, and then they flow out to the recipients. Then, in the box, it says: "Reduced administrative burden".

Can you help me here? Shouldn't there be another arrow on this thing? It seems to me that I heard Mr. Scrimger say earlier to me something about getting something back from recipients that told the departments whether all of this did indeed help them. Did they do better? Did they save money? Did they feel the burden was reduced? Somehow we sent it out to them but we never bothered to have an arrow coming back in the other way that just simply said, "Tell us how you're making out."

Am I oversimplifying that or am I headed down a wrong path with this? I'm certainly not an auditor, by any stretch of the imagination, but is it not quite simple to have an arrow coming back the other way that says "let us know" or "report", whatever term you want?

• (1650)

**Mr. Michael Ferguson:** First of all, I need to explain that this exhibit is an exhibit that we prepared in the Office of the Auditor General, so this was not an exhibit of the government's overall process and accountability cycle. This was just us trying to explain the front end of what was happening: that there was the blue ribbon panel, and there was the action plan, and that the intention was to reduce the administrative burden on the recipient. We were just trying to explain sort of that context; this wasn't an attempt to try to describe the whole process and all of the accountability.

Again, this is our chart. This isn't a chart that belongs to the government or any department.

**Mr. Malcolm Allen:** That's fair enough, but maybe Mr. Scrimger would have liked the chart. If it had been theirs, we might have had an arrow going back the other way.

Since it's actually not your chart, Mr. Scrimger, there's no point in asking you to tell us, this unless you have a chart somewhere that's close to this and you want to send it to the chair.

I've been looking at your action plan that you provided, which was not in the report. I think it's dated April 13 of this year. It talks about performance reporting.

Recommendation 2.26 says that you intend to have that piece completed by late 2013. Can you give me an update as to where you think you are? Are you on track with that? Is it delayed slightly? Are you ahead of schedule? I'm not going to hold you to it, sir, if you say you think it will be November and it turns out to be December or September. I would just like a general sense of where you are.

**Mr. Tom Scrimger:** I think we are very close to actually releasing the guidance to departments in the next couple of weeks, which is the timeline we wanted. Then, barring something unforeseen occurring in the actual data-gathering stage, we are looking to be able to aggregate the information this fall. I don't think my crystal ball can go further than that. Things are looking positive.

**Mr. Malcolm Allen:** I appreciate that. I wouldn't hold you to the crystal ball. That's why I phrased it that way, sir. Crystal balls are wonderful things on a desktop with snow in them.

Again, to go to your last recommendation at point 2.46 of the Auditor General's report, it actually says that you believe the new guidance policy schedule should be issued this month. How are we making out with that one?

**Mr. Tom Scrimger:** Again, it's my expectation that the new guidance will be issued before the end of the month. It may slip into the first week of May, perhaps, but we believe we're at that stage.

**Mr. Malcolm Allen:** We look forward to seeing it, because I believe the intent is to release this publicly, not immediately, obviously. It does suggest a later date. Is there any sense of when that might become a public piece? The first recommendation clearly says that. There's a sense that we'll see something, no doubt on your website. I'm not suggesting that you're going to send us a report. Is it true that we'll see that fairly soon?

**Mr. Tom Scrimger:** This is also linked to our work plan around the review of the policy on transfer payments, which we are expecting to complete before the end of the current fiscal year. If I can use that as a very broad backstop, I would say that we would expect all of this, certainly the part of the survey, to be released before the end of the fiscal year. I don't have any other date—

**The Chair:** Your time has expired. Thank you.

Our last member to take the floor on our normal rotation is Mr. Dreeshen. You have the floor, sir.

**Mr. Earl Dreeshen (Red Deer, CPC):** Thank you very much, Mr. Chair, and thank you to all of our witnesses today.

One of the things we're talking about is risk assessment. We also have impact assessment and the administrative burden, so as we go through the report there are a couple of things...and some of the things that I've heard earlier... For example, Mr. Barrett, you indicated that sometimes these departments come together to foster innovative change. You also said sometimes...from seven agreements down to one agreement, from 126 reports down to 26 reports, yet there's no measurement. I submit that there's a measurement right there, as we take a look at what is happening.

One of the other statements in the report was on Western Economic Diversification Canada, its tracking of its costs in conducting recipient audits, the reduction from \$738,000 in 2008-09 to \$34,000 in 2011-12. Again, the rationale was the focus on the high-risk recipients.

I saw another file here, at paragraph 2.51. We're talking about Human Resources and Skills Development Canada having begun tracking service standards. They started that in 2010. As well, Western Economic Diversification has done its tracking of service standards since January 2007. What I'm suggesting here is that maybe no one said "Let's take a look at this and say that we are assessing the risk assessments and the opportunities for people not to worry so much about the dollars."

Actually, some amazing things happened when this money was being presented to the public. You were finding smaller organizations that needed help that were able to go to other larger municipalities and they would say "This is how you make out these kinds of application forms. These are the things you need to have in order to work within the system."

Especially here, when we have the four different departments and five different entities, I think we saw that people were looking at this as an opportunity to move forward, and they didn't get caught up in the burdens. I understand the rationale where you say you'd like to see the step-by-step and how it is you do it in the future. Fortunately, we've kind of got together, so now we have some opportunity to breathe a little bit and we're going to be able to put it down more for everyone else's discussion.

That's part of it, especially if there are very small organizations.

Volunteer week is coming up next week, and in a lot of cases you're asking people who are volunteers to get in there and try to come up with all of the grants they have to cover, whereas if you go to a municipality, they have departments that are lined up to make that occur. I'm just hoping that when we get into the assessment side of things we don't say, "Well, this is 'the plan' that we have to have, and it has to go this way", because I think it is important that we get those types of things put together.

The other thing I would like to comment on is the consultation process, because I believe this is another item...and again, Western Economic Diversification has gone through this. I read again in the report that there were something like 80 different consultations, meetings, that were held in all four of the provinces, where you were explaining the rationale for the revised focus and how future budget allocations would work.

So after going through all those different items, could I have, from the AG's office and perhaps from Western Diversification, just how

you see this working in the future, and how we can make sure that smaller entities are able to work their way into these kinds of projects without that extra burden?

• (1655)

**Mr. Michael Ferguson:** I think first of all, certainly, throughout this audit we acknowledged that many good things had occurred. There were pilot projects that were trying to streamline things and there was a lot of good progress made.

In paragraph 23 we specifically said, though, that the assessment of the administrative impact of the reforms hadn't been done comprehensively. We did acknowledge that there were specific areas where the streamlining of the activities were in fact measured.

The issue for us was that the overall impact hadn't been measured comprehensively. Again, there were many good things that we noted, and they are noted in the report.

To give an example, you could have a possibility where a program is changed. This isn't a real life example. This is just to try to understand some of this. You could have a situation where organizations are no longer required to submit as many reports, applications, and that type of thing, which on the surface would look like you have reduced the administrative impact on the organization. But in fact if the organization still has to prepare all of that information and keep it on hand in case they are audited, the only thing that is changed for them is whether they have to send it in or not. The actual impact on that organization in that case is that the reduction may in fact be very small.

So there were lots of good things, but it's still important to go back and make sure, because it was one of the intended objectives to try to reduce the administrative burden on recipients in order to assess the degree to which that happened.

• (1700)

**Mr. Earl Dreeshen:** Mr. MacDonald.

**The Chair:** Sorry, time has expired.

Mr. MacDonald, I'll give you a chance, if it's really brief, please.

**Mr. Donald MacDonald:** Thank you, Mr. Chair.

I think a number of the initiatives we have taken to really respect the fact that all not recipients are created equally... For instance, some of the latest initiatives under Budget 2012 and the economic action plan involve going from large municipalities to very small, not-for-profit organizations that may be relying on more volunteers.

We've taken a number of initiatives to streamline the application process to actually move toward the use of technology for online application processes to try to assist organizations to get the information in without increasing the administrative burden.

We also monitor our service standards and client consultations. When we're going out, for instance, with that initiative and talking at 80 different meetings to look at proposed changes to our programming, we're listening very much to some of the concerns that are coming back. By speaking to recipients we're familiar with, but also new recipients, we are seeing what their expectations are of our programming going forward.



It's very much a continuous improvement through the feedback we receive in administering and managing these programs.

**The Chair:** Thank you very much. Time has expired.

I don't know whether you're planning to place a motion or not based on what you just told me. We have now concluded the natural rotation of the committee. Unless there are interventions to the contrary, it would be my intent to wrap this up.

In terms of loose ends, earlier, Mr. Byrne, you had been having some discussion with witnesses about information. Were you satisfied that you got what you wanted, or is there an outstanding item you are still seeking?

**Hon. Gerry Byrne:** Mr. Chairman, I had asked our witness whether or not he could provide the committee with factual information about the total dollar value of grants and contributions voted by Parliament today, and what the amount was for grants, what the amount was for contributions, and also to put that in a comparative context with the Auditor General's report of 2006, in which there was some criticism that the Government of Canada was moving more and more to a granting-based system rather than a contribution-based system.

If either Mr. Ferguson or Mr. Scrimger could provide us with a discussion about that, it would be helpful, but at this point in time I'll just ask for that factual information. Alex and I have already had a discussion about getting that.

The only question that remains, Mr. Chair, is the timeframe for when that information will be provided.

**The Chair:** Hopefully, we can conclude this quickly. We understand what's being sought. Number one, will we get it? Number two, when?

Mr. Scrimger.

**Mr. Tom Scrimger:** Mr. Chair, if I can, we will be quite pleased to work with the clerk and give you a response to that as quickly as we can. Obviously, I want to check how quickly we can assemble the data and get back to you. We will make our best efforts to get it to you as quickly as we can, and we'll identify a timeframe to the clerk, so you can review it to ensure it meets your requirements.

**The Chair:** It does for now. I'll bring that back to the committee at the first meeting following receipt of that information and the committee can determine whether it's acceptable or not.

Mr. Kramp.

**Mr. Daryl Kramp:** Chair, I understand the request and the need for the request, and I have no challenge with that, and for the request of our witnesses. I would only be mindful: Is it spurious? Is it needed? I'm not offering comment on this, but understand that there's a cost to everything. If this is something that would be maybe \$4,000 or \$5,000 or \$10,000 worth of investigative work...but all of a sudden if we're into hundreds and hundreds of thousands of dollars' worth of calculations and tabulations, is it money well spent? I would ask this committee to bear that in mind whenever we ask for information. That's all.

●(1705)

**The Chair:** That's fair, and that's a standard approach to things. But I haven't heard anything at all from our witnesses that suggested this was going to be a problem. Your point is noted.

Mr. Byrne.

**Hon. Gerry Byrne:** Mr. Chair, just to provide some comfort to my colleague, this was a major piece that was reviewed by the Office of the Auditor General in 2001 and 2006. It was an issue the Auditor General had raised. Therefore, not only do I think this would be useful for us as a follow-up to be able to chart the circumstance, but also for our analyst, since it has been raised on the record, to put a context to the information vis-à-vis the previous Auditor General's reports, which were tabled with this committee and available to us as if they were evidence today.

**The Chair:** I don't think that's a problem. Alex has heard the request, so we'll not only get the answer, but we'll ask Alex to provide a little historical context for it. Okay?

**Mr. Gerry Byrne:** That's fine.

**The Chair:** If the committee is fine with that...

I'm not seeing anybody racing to get the floor, so I'm assuming that's fine.

I bring to the attention of members that this Thursday we will be report writing, and next Tuesday we have another public hearing, and that one is from the fall 2012 report of the Auditor General, "Chapter 3—Protecting Canadian Critical Infrastructure Against Cyber Threats". That will be next Tuesday at the same time as this hearing was held.

With that, I will thank our guests.

I'm seeing a hand. Mr. Saxton.

**Mr. Andrew Saxton:** Thank you, Chair.

One of our members, who's our resident accountant, does have a few more questions of the witnesses. It's not uncommon in this committee that, since our witnesses are assembled here, we would afford him that opportunity. Of course, if the opposition wishes to have a similar opportunity, they certainly would be able to as well.

I would ask that we allow one more question from the government side, and I'd offer that to the opposition as well, if they choose to have one.

**The Chair:** We can do that.

In terms of consistency, in the past this has been controversial as to whether or not we're going to go in camera to do other business, adjourn, or create a new rotation. We can do it. It just takes a majority of the committee.

But I do want to mention to the government that they're initiating this. Normally, when we do extensions, it's because there have been a lot of difficult, complex questions, the answers weren't able to come out in the five minutes we have, so people are anxious, and it's clear to the public that a lot more issues are there to be raised. It makes all the sense in the world. I'm just pointing out that this wasn't this kind of rotational discussion, and therefore the government is setting a bit of a precedent that the opposition will be entitled to in the future without necessarily having to make the case that there's justification, just a desire.

I say that as a precautionary note, but the motion is in order.

We have a motion that we do one more round, one from each caucus.

Is there any debate?

Mr. Allen.

**Mr. Malcolm Allen:** The only dilemma, Mr. Chair, would be if the bells ring, what do we intend to do?

**The Chair:** Follow standard procedure.

**Mr. Malcolm Allen:** That's fair enough.

I say that just as a precautionary tale. I'm looking at the clock. It says ten after. If the bells ring, and someone says the bells are ringing, we need to go, in which case.... I don't expect that to happen from my colleague across the way, because I think he's offered that, so—

**The Chair:** No, you're right, Mr. Allen, and we have procedures for votes. This is not something new.

I would mention to colleagues that I did say there was an important piece of business that at some point we need to be getting at. It will wait till Thursday, but it can't wait for long, and it really is important. But I'm not going to inject myself any further into this debate.

The floor is open on a motion to have one more rotational question from each of the caucuses.

Hearing no further debate, I will go to Mr. Shipley.

**Mr. Bev Shipley:** I have just a quick question.

You're talking about a precedent. The bells haven't gone yet, and we're not at 5:30 or 5:15. I'm wondering what the precedent is, because we've often gone another question in each one to get to the end of the meeting. I'm not sure what the precedent is.

• (1710)

**The Chair:** Oh, well, it's experience. I've been in this chair and on this committee long enough to know what's controversial and what's not, and oftentimes having further questions in rotation is controversial. Usually, the opposition has to make an argument that the government accepts that there is merit in going further. To do it in the absence of that, I'm just pointing out, does create a bit of a precedent that, in the future to make that motion, there's not a requirement on the opposition to be making a case as to why. It was just a matter of the lead of the government benches that said "I've got another member who would like to question", and that's all it takes.

In the future, you can expect that there will be comparable motions that come where we don't have that circumstance. That's all I'm pointing out. I just want it noted because of experience.

Is there any further discussion or further debate? I'm hearing none.

Mr. Saxton.

**Mr. Andrew Saxton:** Mr. Chair, I think we now have an issue with the time, because if you see the clock, it's 10 after—

**The Chair:** We can get close to it, though. If you want, we can shorten them to three minutes, and I think we can still get one each. They're half-hour bells, I suspect.

**Mr. Andrew Saxton:** Okay, let's shorten them.

**The Chair:** Okay, you want to shorten them.

Let's try this: a three-minute round, one from each caucus. Are you okay with that as the motion? Great. Let's just move to that. I think we've had enough debate, but I will respect anyone who wants the floor. Hearing none, then I'll call for the vote. All those in favour of the motion, please indicate.

(Motion agreed to)

**The Chair:** In rotation, who's first on the government side?

Mr. Hayes, you have the floor, sir.

**Mr. Bryan Hayes:** Thank you, Mr. Chair.

This question hasn't been answered yet, at least to my knowledge, unless I missed it. It's understood from the Auditor General that the government has not assessed the impact of our implementing the government action plan. That became very clear.

My colleague Mr. Williamson asked our recipients about the risk factors they put in place. But I want to ask each of our recipients: what is thus far the impact of the changes incorporated on you as a recipient? I don't believe anybody has asked that question, and that was one of the recommendations that came forward. I think it's a fair question that probably should have been asked earlier.

**The Chair:** Okay. Who wants to take a stab at that? Don't all rush at once.

**Mr. Tom Scrimger:** I'll have to turn it over to my colleagues in the departments, but any of you can start off.

**Mr. Carlo Beaudoin:** I'd like to clarify the question. What do you mean by the impact on us?

**Mr. Bryan Hayes:** Well, in 2008 there was the action plan. The government had a responsibility. This was put forward to you, and I want to understand what the impact of that action plan has been on you as a recipient.

**Mr. Carlo Beaudoin:** Okay. As a recipient department, I think the impact has been positive for us at the health agency. We've worked much more broadly with our partners within the health portfolio and also within the broader government to put together tools.

We're working actively on a system now with AANDC and Health Canada to give us better tools to manage these files. We're working on the web processes as well to give better access to our recipients.

So I would say it's positive. It's a change in how we manage things. It's a complete change in how we view our recipients and our relationship with the recipients.

**Mr. Bryan Hayes:** Thank you.

**Ms. Nancy Gardiner:** I would say that from our perspective it was an excellent opportunity. The department developed a departmental action plan to respond to the request, and it was the beginning, actually, of improving the relationships we have with our stakeholders and improving the processes we have in our department. We put in place service standards, standardized processes, and an engagement strategy with stakeholders.

We've continued that on and developed standardized processes for our recipients, in terms of application processes and standardized agreements. Our department is very large, and there were probably about 30 programs across the department that used different processes. So I think just putting that standardization in place in the department was a benefit for stakeholders as well as for ourselves.

Now we're moving into an online environment, so that's another bonus, and I think our stakeholders have said to us that that's something they're really looking forward to.

**Mr. Bryan Hayes:** Thank you.

**Mr. Donald MacDonald:** From the perspective of Western Economic Diversification, it's been very positive over the time period. As Mr. Scrimger referenced earlier, it's enabled us to concentrate on applying an intelligent risk management approach to fairly assess what is high, medium, and low risk, act accordingly, and tailor our interventions with those recipients accordingly. This would enable us to notice a difference between high and low risk, as evidenced in the report, where we've seen a drastic reduction in our recipient audit costs, and then obviously the administrative burden that then flows to those recipients in that time period. It would also allow the movement to the adoption of service standards and our review of those service standards and what they're telling us, to be able to look at continuous improvement of our administration of grants and contributions. Finally, the move to online applications and eventually the online claims process will ease the burden.

In addition, we've seen greater collaboration across all the regional development agencies with like organizations that are doing very similar delivery across Canada. We've been able to share best practices. Informally, we've set up that opportunity to share best practices and look at other things departments are doing that we can learn from as well, in addition to the work that's being led by the interdepartmental committees.

• (1715)

**The Chair:** Thank you, Mr. MacDonald.

Very quickly, Ms. Stimpson, please.

**Ms. Sue Stimpson:** Very quickly, it helps focus CIDA on the work that we knew we had to do anyway to consolidate, simplify, and streamline. Probably the single most important factor was risk-based administration and risk-based management of our grants and contributions. We are making those intelligent decisions and taking the administrative burden into account when we're making those decisions on the management.

**The Chair:** Great. Thank you.

**Mr. Bryan Hayes:** Thank you.

**The Chair:** You're welcome, Mr. Hayes.

We'll move over to Mr. Allen. You have the floor, sir.

**Mr. Malcolm Allen:** Mr. Ferguson, when you look at 2.47, 2.48, and 2.50 on program changes, it seems a few departments seemed to have a handle on getting ahead of the curve, if you will. In 2.49, you talked about HRSDC as a place that was out talking to stakeholders, and they were doing some stuff. They may not have been doing the exact measurements that were needed, but certainly they were out talking to folks.

Is that your sense, that at least it looked as if there was a forward-moving aspect to that as far as getting to that point?

**Mr. Frank Barrett:** Yes, we could say that.

In terms of consulting with the stakeholders and the recipients, they were effectively talking with them. There was communication on the loss of records on file.

**Mr. Malcolm Allen:** The obvious question then comes back to Mr. Scrimger.

Since that's one of the departments identified in the report, did you look to that department as a model or template and say we're the overarching ones at Treasury Board Secretariat? Since we're the overarching player in all of this, did you look at them and say they're doing a pretty good job, we should do this? Of course, the subsequent question is, if they were doing it, why weren't the rest?

**Mr. Tom Scrimger:** The Auditor General examined five departments, and some 28 are heavily involved in this business. I would suggest that if he had a broader scope, he would probably have found similar activities in the other departments and agencies as well.

To keep my answer brief, I think sharing best practices became one of the elements of the action plan. Through a number of different mechanisms, the Auditor General has acknowledged the good work that was done to do that. Certainly, a number of departments and agencies are now combining forces when they share joint recipients, to lessen the burden in that sense.

**The Chair:** If you're looking at me for time, it's a good opportunity for me to mention that the bells are now ringing. It's a half-hour bell. In my view, there's no reason why we can't conclude with Mr. Allen and Mr. Byrne and then adjourn and join our colleagues for the vote in the chamber.

Is that agreed?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

Mr. Allen, you still have the floor, sir.

**Mr. Malcolm Allen:** I am going to share my time with Mr. Giguère.

I'll give him the final question.

**The Chair:** Very well.

Mr. Giguère, you have the floor.

[*Translation*]

**Mr. Alain Giguère:** Thank you, Mr. Chair.

Massive budget cuts have been made, especially within CIDA.

Can you tell us what kind of cuts have been made in terms of your budget and staff?

**Ms. Sue Stimpson:** We will lose \$319 million by fiscal year 2014-2015.

**Mr. Alain Giguère:** What percentage of your staff will be affected over the course of those two or three years?

**Ms. Sue Stimpson:** We estimate that about 250 positions will be cut over the two or three years of budget 2012 implementation.

**Mr. Alain Giguère:** What percentage is that?

**Ms. Sue Stimpson:** Of our staff?

**Mr. Alain Giguère:** Yes.

**Ms. Sue Stimpson:** Our base level is about 2,000 individuals. So we are talking about 250 people out of 2,000.

[*English*]

**The Chair:** I'm sorry, Monsieur. I let you go over a little to get your stuff out, but—

• (1720)

**Mr. Alain Giguère:** Okay, yes, very rapidly—

**The Chair:** No, Monsieur, you're done. I'm sorry.

Over to Mr. Byrne. You have the floor for three minutes.

**Hon. Gerry Byrne:** Thank you, Mr. Chair.

One of the key planks or pillars to the blue ribbon panel's recommendations, and that which was accepted by the government, was a duty to consult with clients on any potential changes before such changes occurred.

May I ask you, Mr. Ferguson or Mr. Barrett, to verify what I just said, to indicate what you found in that regard, if indeed what I just said is accurate? Then maybe we'll have a follow-up from Mr. Scrimger.

**Mr. Frank Barrett:** Yes.

It's been a little while since we reviewed the blue ribbon panel report, but I believe there were 32 recommendations, and I'm quite certain that was one of the key aspects of it, the importance of consultation with the community that's going to be affected by the changes. That is also why that's one of the areas we looked at in our audit report: were they conducting consultations with the recipient community?

**Hon. Gerry Byrne:** What did you find?

**Mr. Frank Barrett:** In all five cases we did find there was some degree of consultation. So it wasn't a situation where they were just going ahead and making changes without any consultation. There always was.... And we pointed out a couple of cases, particularly with respect to HRSDC—as has already been mentioned—and Western Economic Diversification, where we saw there was actually very effective consultation.

**Hon. Gerry Byrne:** Okay. Thanks very much.

Mr. Scrimger, would you like to follow up on that?

**Mr. Tom Scrimger:** I really don't have much I can add. I believe consultation is now part of an inherent process in management of Gs and Cs in departments and agencies.

**Hon. Gerry Byrne:** Thanks very much.

Mr. Chair, one of the things I would like to explore with my few minutes is that the Auditor General said, in his opening comments:

...we also found that neither the Treasury Board Secretariat nor the other federal organizations we examined had assessed the impact of their actions on recipient organizations.

Mr. Scrimger, one of the things I wanted to focus in on wasn't necessarily recipient organizations; it was non-recipient organizations.

Would you consider, in terms of any follow-up review of the consequences of some of your decisions, an impact on whether or not there was a consequence on non-recipient organizations? In other words, those organizations may have actually experienced a barrier to accessing grants and contributions because of the changes, and in part for the reasons that I described as a potential? Would you consider that, and would you commit to doing so?

**Mr. Tom Scrimger:** I would suggest that the focus of our work will be on reducing the administrative burden to recipient organizations.

I think your second question could potentially be an element that we might examine as part of a policy review, but I certainly can't commit to any specific action at this time.

**The Chair:** Okay. I'm sorry, your time has expired, Mr. Byrne. Thank you.

Thank you for your answers.

With that, I want to....

Oui?

[*Translation*]

**Mr. Alain Giguère:** Mr. Chair, I would like CIDA to submit a document with some information.

Can I make that request?

[*English*]

**The Chair:** Let's hear it really quickly.

[*Translation*]

**Mr. Alain Giguère:** CIDA said that it was undergoing massive staff cuts. As paragraph 2.31 states that risk level is now being monitored by deputy heads, I would like us to be provided with the staff management plan, so that we can ensure that CIDA still has the expertise and human resources it needs to assess risk. I would like that document to be submitted to the committee.

Thank you.

[*English*]

**The Chair:** Ms. Stimpson.

**Ms. Sue Stimpson:** If it's a request, we can provide a document.

**The Chair:** Very well. Thank you.  
I'm not hearing any problems there.  
I will again try to conclude this.

I thank our guests: Auditor General, Assistant Comptroller General, and all of our agency and department representatives. Thank you very much for being here today.  
Colleagues, we now stand adjourned until Thursday.

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