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Chair

Mr. Joe Preston

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•(1100)

[English]

The Chair (Mr. Joe Preston (Elgin—Middlesex—London, CPC)): Let's call the meeting to order.

To the members, we are in public today. We even have some television cameras with us. We have two different hours of meeting today. Mr. Ferguson, the Auditor General, is here to join us in the first hour.

Sir, if you have an opening statement, we'll let you go ahead with that, and then we'll ask you as hard questions as we possibly can.

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

[Translation]

Mr. Chair, thank you for inviting me to participate in your examination of the administrative oversight systems, policies, and practices of the House of Commons, including the role of the Board of Internal Economy. With me today is Clyde MacLellan, Assistant Auditor General.

[English]

I'm pleased that the House of Commons and this committee wish to explore the practices of provincial and territorial legislatures and other Westminster-style parliaments with respect to administrative oversight; to consider modifications to the roles of institutions, such as the Office of the Auditor General in that oversight; and to propose any other necessary modifications to the administrative policies and practices of the House of Commons.

[Translation]

I would like to start by mentioning a few broad principles that I think the committee could consider during its deliberations. Before this meeting, I provided the clerk of the committee with a short paper that elaborates on these principles. I would also refer the committee to our June 2012 Report on the Administration of the House of Commons of Canada. In this June 2012 audit report, we mentioned that demands have been increasing for political and government representatives to be held accountable for their use of public funds.

[English]

In particular, we noted that members of Parliament hold positions of trust and have responsibilities to their specific constituents and to Canadians in general that are considerable. In my opinion there are three fundamental elements that contribute to the fulfilment of these responsibilities. They are transparency, accountability, and good governance.

I believe that providing detailed public disclosure of members' expenses, and having clear policies and processes for those expenses, establishes an environment of transparency, and transparency is the foundation of accountability.

In my opinion, governance can be strengthened by having an independent body that would either advise the Board of Internal Economy or be given the responsibility for all matters related to members' expenses and entitlements. Regardless of the role of such a body, it is important that Canadians are confident that its membership is independent and that the members have been chosen in a non-partisan manner.

[Translation]

I also believe that independent comprehensive audits, including financial statement audits, compliance audits, and performance audits, would not only strengthen members' accountability but would also enhance the public's confidence in the governance mechanisms of the House of Commons.

The committee may therefore wish to consider whether the mandate of the Office of the Auditor General should be amended to include this role. The right to conduct such audits, at the discretion of the Auditor General, should be clearly described in statute. Because we regularly conduct all of these types of audits, the Office of the Auditor General has a unique ability to contribute, and we are ready and willing to take on this role.

•(1105)

[English]

Canadians expect members of Parliament to spend the moneys they receive for the functions of their office in an ethical and prudent manner and for approved purposes. Members are accountable to one another in the House of Commons and to the public for their actions. It is their responsibility to carry out their assigned mandate in light of these expectations. I therefore believe that the changes the committee will decide to make, while respecting the many unique aspects of the institutions, need to be significant enough that a reasonable person with a healthy degree of skepticism would be satisfied that the rules are being consistently applied and sufficiently monitored.

In conclusion, members of Parliament must be properly supported in order to carry out their duties effectively. Refining the mechanisms that promote transparency, accountability, and good governance will enable members to fulfill their roles and responsibilities and meet the expectations of Canadians.

[*Translation*]

Mr. Chair, this concludes my opening statement. We would be pleased to answer any questions that the committee may have.

[*English*]

The Chair: Thank you very much.

We will start with our rounds of questions. We hope to be able to do one full round in this hour.

Mr. Lukiwski, you're up for seven minutes.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Thank you very much.

Thank you, Mr. Ferguson, for being here today.

I guess I want to start off with, if we can, a comparison between the oversight provisions imposed upon the House of Commons versus those of the Senate. Obviously, most Canadians over the last several months have heard, read about, and probably been concerned about some of the controversy that we've seen in the Senate with some of the expenses being claimed by senators, which, at least on the surface, appear to be claims that should not have been made and certainly should not have been paid.

I wonder if you would, for the benefit of this committee and perhaps anyone else who may be listening, contrast the oversight provisions upon members of the House of Commons versus the oversight provisions for members of the Senate, specifically for travel and hospitality. In other words, what documentation is required for travel and hospitality claims made by members of Parliament versus the documentation required with claims for travel and hospitality by senators?

Mr. Michael Ferguson: Thank you, Mr. Chair.

Before I turn it over to Mr. MacLellan, I think our comments in this vein would mostly be in the context of the two audits that we completed recently on the administration of the House and the administration of the Senate. For example, in the administration of the House of Commons in terms of expenses, while we noted that for the most part they were being processed properly, there were still some situations where documentation was missing and improvements needed to be made.

I'll also turn it over to Mr. MacLellan just to see if he has anything that he would like to add.

Mr. Clyde MacLellan (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Auditor General.

Just as the Auditor General indicated, in order to try to answer this question I have to relate back to the audits we did in 2012 on both institutions, keeping in mind that those were audits of the administration and not necessarily the governance regime of both chambers. It's very clear in those audits that we didn't audit the Board of Internal Economy in the case of the House, or the Standing Committee on Internal Economy in the case of the Senate.

That said, we did have an opportunity to interact with how the administration plays its role in the oversight of expenditures, and what other types of bodies are present. That may be able to help in that regard.

My perception on that would be that there are a lot of similarities, perhaps more than there are differences. In thinking about that type of question earlier this morning, one of the big issues I recall from those two particular audits was the nature of documentation that was present in the case of the Senate with respect to our being able to determine whether or not the expenses were incurred for the purposes intended.

If you go back to the two different reports, we provided tables in those documents about the percentage of compliance with regard to our ability to determine whether or not those expenses met their intended purposes. That's largely for purposes of the role of members, in the case of this chamber, and in the case of senators in the case of the red chamber.

The difference is that when we did that audit, in about 98.5% of the transactions we looked at we were able to conclude that they met that condition. In the case of the Senate, it dropped down to about 94.8%. That had a lot to do with the way in which documentation was kept vis-à-vis the role of the administration and individual senators, an issue that we didn't really encounter here.

As it relates to policies and procedures, at a very macro level there were quite a bit of similarities and what you would expect to see in terms of proper authorization, proper documentation being required, proper approvals being necessary, and reviews by the administration. In both cases I think we got lots of comments that many members and many senators felt they were under a lot of scrutiny by the administration on how the expenses were being incurred. Yet we still found instances where the documentation was not sufficient in both cases, but we had a bigger struggle with that in the case of the Senate administration, which is why we made very specific recommendations in that report about that subject.

Both groups have a committee. Here, the Board of Internal Economy, and there it's the Standing Committee on Internal Economy. At a macro level there are a lot of similarities in terms of the expectations, roles, and responsibilities of both of those organizations from a governance perspective. We looked at the roles of internal audit as being important in providing some kind of oversight to assist the particular boards, and we made recommendations in both cases.

I hope that helps a little bit in giving you some clarity on those. But I would say that at a macro level they're very similar in the details, and a little bit of a difference that was sufficient for the nature of the recommendations we made.

● (1110)

Mr. Tom Lukiwski: It is helpful, and thank you for that.

As a follow-up, you mentioned—and please correct me if I'm mischaracterizing what you said—that in the House of Commons there was 98.5% compliance.

Mr. Clyde MacLellan: My comment was specifically to one attribute we were looking at, which was whether or not we were able to determine they were incurred for the purposes intended.

Mr. Tom Lukiwski: All right.

Mr. Clyde MacLellan: The overall percentage for the House of Commons was very high in terms of other categories as well, so your generalization is not unreasonable.

The Chair: You have one minute.

Mr. Tom Lukiwski: Thank you.

What I'm trying to get at is that if we're looking at 98.5% "compliance", to use that term, where all expense claims were justified—in other words, submitted properly, with supporting documentation, and the claims were determined to have actually been for their intended purpose, and thus accepted—are you still suggesting, sir, that there is a lot of room for improvement?

Mr. Michael Ferguson: Certainly it indicates that there is still room for improvement.

When you look at the number of claims that go through and you apply a 98% success rate to it, it still indicates that there are a certain number of claims that need to have more scrutiny. I think that's important. So 98% sounds like a good success rate, but when you're dealing with this type of situation there is still room for improvement.

The Chair: Thank you.

Mr. Julian, seven minutes for you today.

[*Translation*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thank you very much, Mr. Chair.

I thank you, Mr. Ferguson and Mr. MacLellan. Your comments are very important for our report.

[*English*]

We have just come back from a constituency break week. I've been in my riding, which I think is similar to other ridings across the country. Canadians are very concerned about the Senate spending scandals and are concerned about what they have seen from both Conservative and Liberal senators and how they have acted. There is some real concern out in the public mind right across the country that enough is enough. We really need to put in place a really transparent regime.

So the NDP brought forward their motion in June, and happily we were able to get the support of other parties to move towards ending the self-policing regime that exists, the Board of Internal Economy, which you made reference to.

I noticed in your presentation that you referenced very clearly the point that governance could be strengthened by either having an independent body that would advise the board, or that this independent body could be given the responsibility for all matters related to members' expenses and entitlements.

My question to you is very simple. I think in the public's mind they want an end to self-policing. They want an end to this perception that the MPs are policing themselves. What they would like to see is an independent body they can have confidence in.

You provide two doors. Is your preference that this independent governance, this independent body, be given the responsibility for all matters related to members' expenses and entitlements? Do you not feel that is an important way of re-establishing the public trust that I think has been shattered with the Senate spending scandals?

●(1115)

Mr. Michael Ferguson: Certainly, what we have done, Mr. Chair, is to indicate that we believe that some sort of independent oversight is important. We have indicated it could be advisory or it could be authoritative. Certainly, my preference would always be that it have some sort of authority, but that's not my decision to make. That's a decision for the committee to recommend.

Again, I think, in general—and I tried to make the comment in the opening statement—at the end of the day what's important is that whatever change is put in place is going to be a change that a reasonable, independent person harbouring a certain level of skepticism will believe has been sufficient, so they can be confident that the rules and expenses are being appropriately monitored.

I think the other thing that is important to remember is probably that the ground of this type of situation always shifts so that what people believe to be perhaps acceptable right now may not be what people perceive to be acceptable sometime in the future. So I think it's also important there be some mechanism to make sure that's all being monitored. And on that mechanism, again there should be some component that is independent or coming from the outside. My preference would be that it have a certain level of authority, but it could be advisory as well.

Mr. Peter Julian: Thank you. I think that's a clear recommendation, and we certainly appreciate your reinforcing what I think Parliament directed this committee to do, which is to put into place an independent authority around MPs' expenses.

You also referenced in your presentation an independent, comprehensive audit process, and we're certainly supportive of that. You're saying you are ready and willing to take on this role. I understand that's with existing resources, that the only thing needed to be put into operation to make that real would be changing the mandate, or adding that to the mandate.

Mr. Michael Ferguson: Certainly, an important component to that would be having a clear mandate so that we understand what our responsibilities and authorities are. Obviously, taking on this type of a mandate, if we did it within existing resources, would have an opportunity cost. But every audit we do has an opportunity cost, right? So for every audit we decide to do there are other audits we can't do because of that.

However, we believe this would certainly be an important role, and if we were looking at priority areas of audit, this would be one that would come high on our list. So I think regardless of whether there were additional resources that came along with the mandate or not, we would consider conducting these types of audits important enough that we would be willing to take them on.

Mr. Peter Julian: Mr. Ferguson, those comments disturb me a little bit, because we have seen fairly substantial cutbacks in support by the current government for the Auditor General's office.

What you're telling us is that if we were to add an independent comprehensive audit of MPs' expenses, it would take away from important work in other areas. We've certainly seen with the F-35s and a whole range of other areas that we need oversight, particularly of this current federal government, of a whole range of expenditures.

I gather that additional resources would be needed for you to continue the work you're doing while adding this function of providing an independent comprehensive audit of MPs' expenses. Is that not true? You would need additional resources so that you wouldn't have to cut back in other areas that are equally important.

• (1120)

Mr. Michael Ferguson: Certainly, having the additional resources would allow us to take the mandate on and add it to everything else we're doing.

If we don't have the additional resources, we will have to either reduce some of the other audits or see if there are any places to free up the time to do it. I don't think we could absorb the mandate entirely, though, without resources and without it affecting the other work we do.

Mr. Peter Julian: That's an important point you've made. We've objected to the cutbacks the Conservative government has imposed on your office.

I have a final question.

The Chair: Make sure it's under 30 seconds.

Mr. Peter Julian: There has been some push for having political parties put forward partial selective audits. Each party would provide a different framework and some additional information on MPs' expenses. But it wouldn't be a complete approach where every MP's expenses were subject to the same criteria. Do you agree that MPs have to do it together?

The Chair: Thank you.

Mr. Lamoureux.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Thank you, Mr. Chair.

Our New Democratic friend was starting to play a childish game. Maybe the NDP should just take the initiative and do what the Liberals and the Conservatives are saying, which is to move forward and say that we're prepared to provide proactive disclosure.

Anyway, it is about public trust. Politicians can only dream about having the type of public trust, Mr. Ferguson, that Canadians have in the Auditor General's office.

What I have found is that quite often when we find ourselves in trouble, because of the way affairs have been managed, one of the offices we always turn to is the Auditor General's office. Once again, in the last number of months, we find ourselves in a situation where we're turning to the Auditor General's office to get some assistance, some direction.

With respect to the idea that we need to undertake performance audits for the House of Commons administration, do you have any short thoughts you could share with us on performance audits, or the benefits of such audits?

Mr. Michael Ferguson: Thank you, Mr. Chair.

In my opening statement, I identified three types of audits: financial audits, performance audits, and compliance audits. The first message is that not all audits are the same. That's important for everybody to understand.

As to a performance audit of the administration, that's what we did in 2012. We did an audit of the administration of the House and an audit of the administration of the Senate.

The purpose of these audits is to look at whether the administration is performing its function in an economical and efficient manner, looking at whether all of the support functions are operating the way they should.

Mr. Kevin Lamoureux: To the best of your knowledge, has that been the case? Has there been follow-through on that?

Mr. Clyde MacLellan: In relation to that question, we completed the audit. Typically, we allow a bit of time to pass before we do any type of follow-up. The unique relationships between the House and the Senate have operated on the basis of being invited back to take a look at particular issues. So in answer to your question, we have not followed up on those recommendations.

Mr. Kevin Lamoureux: That's right. So there's a need for us to invite you back.

Performing more detailed audits of parliamentary spending seems to be what Canadians are wanting to see. Do you feel this is something the Auditor General's office would be able to provide—looking at ways we could perform more detailed reporting of our expenditures? Do you believe this would help out in furthering accountability and transparency, Mr. Ferguson?

Mr. Michael Ferguson: In terms of expenses themselves, I think there are a couple of different types of audits that could be undertaken. One would be a compliance audit, which would be the standard: did the claims comply with the rules and were they processed properly?

In terms of the question you're asking, that would be standing back and trying to do a broader audit of disclosure practices, making recommendations around those practices. It's certainly something that we could put an objective around and do an audit of. Usually in our performance audits we have to stay away from commenting directly on policy. We just look at how policy was implemented. In this instance, we would very much have to be given the mandate. If we were going to do that type of audit, it would have to include a mandate to be able to comment on policy. I'd have to make sure that we would be able to do that under our legislation, but that would be the thing we would need to consider.

• (1125)

Mr. Kevin Lamoureux: It is about trying to say to Canadians that we want to reform the system. One of the things that seems to come up is this whole idea of in camera meetings, to the degree that the leader of my party wants to see legislation that would in essence make it a law that we could not have in camera meetings of the Board of Internal Economy, with the odd exception, such as when dealing with security or personnel matters.

Are you able to comment on in camera meetings?

Mr. Michael Ferguson: I'm not trying to insert myself into any political debate here, but with any type of committee or organization that needs to meet on these things, there probably needs to be some ability to meet publicly, meet privately, and meet in camera. All three of those tools have to be available. When I say "meet privately", I mean not with the cameras on, but not under the rules of in camera. There would be minutes.

Those three types of avenues would need to be available to any type of committee that had this responsibility: public, private, and in camera meetings.

The Chair: You have one minute, Kevin.

Mr. Kevin Lamoureux: Currently there is proactive disclosure by ministers on such things as flights and hospitality. Have you ever had the opportunity to audit those things? If so, can you comment?

Mr. Clyde MacLellan: The only work we do that's related to those types of expenditures is via the public accounts. I used the vernacular for that. In our office, that's the audit of the government's financial statements as a whole. As a part of that financial audit and all financial audits, we randomly select certain travel/hospitality expenditures for examination. We have never specifically targeted that group writ large for examination. But it's possible that some of those expenses, since they would be paid through a department, could have been a subject we looked at as a small sample in doing that particular work.

The Chair: You have 10 seconds.

Mr. Kevin Lamoureux: Thank you for coming. It's great to see you.

Voices: Oh, oh!

The Chair: That's very good. I like the efficiency.

We move to four-minute rounds.

Mr. MacKenzie, you start it.

Mr. Dave MacKenzie (Oxford, CPC): Thank you, Chair.

Have either of you conducted corporate audits?

Mr. Michael Ferguson: I did long ago.

Mr. Clyde MacLellan: Yes, for the first eight years of my career I worked for what is now Deloitte. I audited corporations, mostly private companies, in the Atlantic provinces. Since joining the Office of the Auditor General in 1991, I have audited almost every crown corporation that we do.

Mr. Dave MacKenzie: Thank you very much.

I think you indicated there was 98.5% compliance, which would seem a pretty good number. Have you even done an audit that was 100%?

Mr. Michael Ferguson: It's difficult to say. Certainly we've looked at lots of samples where we have not found any errors, when we're selecting samples in different audits.

Mr. Clyde MacLellan: The short answer to that question is I don't think I can ever relate to 100% compliance, which I think is the point of your question.

Mr. Dave MacKenzie: Yes.

Mr. Clyde MacLellan: But on the issue of focusing on this 98%, we concluded in the report in 2012 that we found that the systems and practices were sufficient to meet the objective that we'd established. Keep in mind that as part of that audit we didn't look at the issues around transparency in terms of disclosure that you're debating today, or the issues around governance and oversight of the various aspects that you're looking at today.

As the Auditor General mentioned in his response, even though the percentages are very good, the issue is that we had some concerns about documentation, even with respect to the House.

● (1130)

Mr. Dave MacKenzie: And I would agree with you that we should shoot for 100%.

Mr. Clyde MacLellan: Yes.

Mr. Dave MacKenzie: I know that in the corporate world, 100% is a pretty scarce thing to find in an audit. That's why you have an audit, to find shortcomings and to correct things.

With ours, I don't hear a great deal from the corporate world demanding more transparency. Where I hear the complaints come from is inside the House and from the press. The corporate world seems to have an understanding that we're fairly limited in our budgets to start with. Each member's budget is something of the same nature, and you have to take into account the salaries and the rent from your constituencies. There's very little in there that is available for a member. There are some areas, but most of it is covered pretty well. Certainly, my experience with the administration is that they're very tight on mileage. You have to produce the information for them on travel.

I hate the thought that we have a partisan game going on trying to depict this whole area as being one that's kept under wraps. For instance, the Clerk of the House testified that if the board meetings were held in public, the real discussions regarding expenses would then be forced underground, creating a new problem.

I think what she was trying to tell us is that if you do them in public there's going to be political grandstanding, so the real negotiations would happen outside in the halls. Would you concur with that?

Mr. Michael Ferguson: Again, all I can say is we certainly understand that for those types of meetings it's important that the committee have all three avenues open, to have meetings in public, private, or in camera, depending on the nature of the discussion.

Mr. Dave MacKenzie: Thank you.

The Chair: Thank you, Mr. MacKenzie.

Thank you all for staying on time today.

Madam Turmel, keep our record going.

[Translation]

Ms. Nycole Turmel (Hull—Aylmer, NDP): Thank you, Mr. Chair.

With some restrictions, we feel it is very clear that committees should be open to everyone in order to demonstrate transparency.

Thank you for your presentation. You raised several questions. I would like to go back to a point which concerns the procedure that affects the 98%. You talked about guidelines and criteria. Do the documents provided respect those criteria, or should our guidelines be reviewed so as to demonstrate that the activities we take part in really correspond with receipts? I am referring to what is going on in the Senate currently. Senators provide receipts, but are they really related to their mandate?

Mr. Clyde MacLellan: I will answer briefly.

In my observations in the 2012 report, when I talked about compliance, this referred to examining documents, including receipts tabled by parliamentarians for a certain activity, in order to ensure that rules were being respected. That is exactly the matter we examined. We gave a 94% compliance rating for the Senate. We found that the expenses related to activities were justified and in compliance with the rules. However, in certain cases, it was difficult to come to a conclusion, either because the documents were not provided, or because some information was not in the receipts, such as the description of the purpose of a meeting, or because a reply was recorded, etc.

• (1135)

[English]

Ms. Nycole Turmel: I have a minute and a half left.

[Translation]

I will try to be brief.

In your document, in point 9, you discuss the role of the Auditor General. If there were an independent committee, should it play the same role, or, rather, have a different mandate in that regard?

[English]

Mr. Michael Ferguson: In terms of the role of the Auditor General, that would be the role of an independent committee, which would be advisory or would assess certain situations and make decisions. That would be a very different role from the audit role. The audit role would be to come in after the fact to see if everything had been processed properly.

If you sort of drew a line, the independent committee would be on one side of the line and the auditors would be on the other side of the line, so the roles would be very different.

The Chair: You have 30 seconds.

Ms. Nycole Turmel: I have 30 seconds.

[Translation]

To your knowledge, are there any models, in the provinces or elsewhere, of what you submit as being the role of the Auditor General?

[English]

Mr. Michael Ferguson: In the paper we presented, we identified a number of different jurisdictions that have undergone these types of changes. Some of them have put in place boards. Some of them have given authority to their auditor general. There are a lot of

different models, and in the paper, we tried to identify the significant ones that should be considered.

The Chair: Thank you very much.

Mr. Lukiwski, you have four more minutes.

Mr. Tom Lukiwski: Thank you very much, Chair.

The real reason the committee is undertaking this study, frankly, is to see whether the current system works, whether it can be improved, or whether it should just be replaced.

Based on what you saw during your audit in 2012, were there any of what we and the general public would consider to be egregious examples of misspending by members of Parliament? We all know what happened in the U.K. with their expenses scandals there, with some members claiming money to build a moat around their castle. We've seen examples, in the U.K. and in Atlantic Canada, where members were using expense money, taxpayers' dollars, to furnish their own homes with electronics or television sets or computers, that type of thing.

In your audit, with the 1.5% non-compliance, did you find any example that you would consider to be as egregious as the examples I've just given you, or would they have been of a more minor nature? By that I mean, would they be mistakes made either inadvertently or administratively that could be corrected?

Were there any specific examples you could point to that would demonstrate that members of Parliament are misusing or abusing their expense money?

Mr. Michael Ferguson: The direct answer to your question is no, we didn't see anything egregious.

Remember, though, what we did was select a sample, and within that sample, even though it was a low percentage, we did find a certain percentage where the documentation was not sufficient to support a particular expenditure item.

Mr. Tom Lukiwski: Had the documentation been sufficient, would you have had any problem with the claims that were made?

Mr. Michael Ferguson: It would have depended on what the documentation said, what the documentation was. That is why we indicated we had a concern with that. In a situation where we don't have all the documentation, it is difficult for us to say whether the rules were entirely complied with.

Clyde, do you have a comment?

Mr. Clyde MacLellan: I think you are asking if there were any seriously egregious types of situations, for which you used examples from other jurisdictions. As the Auditor General indicated, we didn't find any of those. If we had, we would have reported them.

If documentation is sufficient to support a claim when we performed the work, we would be satisfied generally that it constitutes a valid expense, subject to it being reasonable, of course. If something were put forward that isn't for the purpose intended, we would not accept that type of transaction regardless of the kind of documentation behind it.

• (1140)

Mr. Tom Lukiwski: Thank you for that.

You've done "random" audits. I guess that would be the best term, if I'm following you. In other words, you have not done a forensic audit at any time, whether of members' expenses or in the Senate.

Are you recommending that if your audit capabilities were enhanced, you would like to see forensic audits of both the members' and Senators' expenses?

Mr. Michael Ferguson: The normal audit practice would be to do financial audits, compliance audits, performance audits, those types of audits. If those audits indicate there is a particular problem, then you have to look at whether a forensic audit is required, but a forensic audit wouldn't be the first type of audit you would go to. You would go to performance audits, financial audits, and compliance audits.

The Chair: Thank you.

Mr. Bellavance, you have four minutes.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Thank you, Mr. Chair.

Auditor General, your suggestions and observations are very relevant. Not that long ago, MPs and political parties wanted to make all decisions regarding the administration of their expenses behind closed door. Indeed, in 2010, when your predecessor, Ms. Fraser, asked to do an audit, the Bloc Québécois was the only party that accepted right away to divulge all of its expenses and be as transparent as possible. We can see that things evolved because I think that the population, as you said so well, no longer accepts that expenses be kept secret, since we are talking about taxpayers' money, their money. We are headed in the right direction.

However, I have questions on how the transparent governance you allude to would function. Is it really necessary to create another organization? We are already sending of all our invoices and supporting documents to the controller's office. Would it be possible to be totally transparent and divulge as much of this information as possible, while allowing the Office of the Auditor General to have the legal right to perform audits, either once a year or twice a year, with the necessary means? I am wondering about this hybrid system to provide greater transparency. Currently, we are divulging information by work station and this is on the Internet. That is already an improvement compared to what used to be done, but it seems to me that we can still improve this by providing more details and by allowing you to perform audits. A statutory report would really allow for recommendations and modifications, if need be, on certain practices that may still need to be improved.

[*English*]

Mr. Michael Ferguson: Thank you, Mr. Chair.

The model we are suggesting incorporates two aspects on the governance side. One is the aspect of independent audit. The other is the aspect of having some sort of independent body as well to help oversee the process.

I would say that model is very much the same type you would see in a large crown corporation or in any other large corporation where, for example, you would have an audit committee. That would be a committee that we as auditors could interact with to make sure we're

sending messages and they understand the messages, and they could help whatever board is responsible to figure out how to manage these types of expenses.

The role of the independent body would be to help make sure that when we came in, our audit wouldn't find anything. That's where you want to be. You don't want to be in a situation where things are being processed and then you are relying on the audit to find things. You want to be in a position where the audit is really confirming that things are operating properly. That's why we think the system would be better if there were an independent advisory body on the side, processing things before the audit happened. So the two would be integral parts of improving governance.

The Chair: You have twenty seconds.

[*Translation*]

Mr. André Bellavance: I am going to use them, Mr. Chair.

According to you, this independent organization should be made up of representatives from the public, people who, of course, would have particular expertise. It is clear to all of us that in the current situation, with the Board of Internal Economy, it is difficult for parliamentarians to remove their partisan hats when they are discussing things together.

• (1145)

[*English*]

Mr. Michael Ferguson: We have indicated that we believe they need to be independent and they need to be appointed independently. I think you will find a couple other provinces where they have independent members sitting on a board. I believe in a couple of provinces the Chief Justice of the province appoints those people. So there should be a way to have independent people appointed.

The Chair: Thank you very much.

Mr. Scott, go ahead for four minutes, please.

Mr. Craig Scott (Toronto—Danforth, NDP): Thank you, Mr. Chair.

Thank you, Mr. Ferguson, for coming and also for your brief. Along with your remarks the brief is very helpful. It's essentially in accord with the NDP's motion to replace the Board of Internal Economy with some form of independent body, but also to draw from comparative experience on the whole transparency front and address the question of how we go about providing adequate disclosure of MPs' expenses.

The Scottish and the Alberta models are mentioned specifically in your brief, and they're both of great interest to us. As I understand them, they go much further than the much vaunted, proactive efforts of one of the parties around this table, well beyond hospitality and travel, and they include supporting documentation. Have you had a chance to look at the Alberta system, which you don't directly recommend but you suggest we look at closely? Would you recommend that as a system that would work here?

Mr. Michael Ferguson: We haven't gone into either one of them in any detail. What we did as part of preparation for this meeting was look to see what's going on in other areas. We identified those two as areas that we think would be of interest to the committee to look at further, but I can't give you enough detail on it to really go any further.

Mr. Craig Scott: What I would note is that it does include full supporting documentation, if I'm correct. That's something we would want to look at, which slides me quickly into the second question.

I'm very concerned that whatever system is put in place and is applicable to all MPs have adequate support. You've emphasized that as well. My question is simply this: would the Auditor General's office be in a position to assist in figuring out what the adequate levels would be compared to what we have now by way of House support? It would have to be much greater than what we have at the moment, I would assume.

Mr. Michael Ferguson: Mr. Chair, in that type of situation, we always have to balance off being in a situation where we come in to audit a process that we have recommended be put in place. We certainly would be willing to answer some questions and provide some things that we think need to be considered, but anything that we do would have to be within the way that we do our normal work.

For example, we wouldn't be able to come in as a consultant and say, okay, here's the actual process that needs to be put in place, and then have to come along later to do an audit of whether or not the process is adequate. We'd have to make sure that we can maintain that independence.

Mr. Craig Scott: Do we have a minute? Mr. Christopherson will ask a question.

The Chair: Great.

Mr. Christopherson.

Mr. David Christopherson (Hamilton Centre, NDP): One minute? Thank you, Chair.

Mr. Ferguson, it's good to be with you in a different circumstance.

I have two quick things, Chair.

One is that I think it's pretty clear, at least from the Auditor General—please correct me if I'm misrepresenting your comments—that his comments very much underscore the idea of an independent body, that we need to keep going in that direction. I'm not seeing anything or hearing from anybody who is saying that we don't need to or that it's a bad idea. To hear that from our Auditor General I think is the greatest endorsement you could have.

The last thing I want to mention, Chair, in my own right as chair of the public accounts committee, which is responsible for all of the audits, working with the Auditor General on the audits that are done, is that these audits are things for the Canadian people. This has nothing to do, really, with internal government per se, and therefore in no way should we nickel or dime the Auditor General's budget. Whatever work we're asking his office to do beyond what he's currently doing, given the importance of the work he does and this, there should clearly be a top-up—separate money—for that.

We're probably talking, I don't know.... I won't throw out a number, but it will be a lot smaller than most items we deal with. But given its importance, I urge this committee not to consider asking the AG to do more with less. If we want them to do more, let's make sure they have the money to do it.

Thanks, Chair.

• (1150)

The Chair: Thank you, Mr. Christopherson. You will get more time in just a couple of rounds.

Mr. Richards, please, for four minutes.

Mr. Blake Richards (Wild Rose, CPC): Thanks, Mr. Chair.

This is an important topic we're discussing today, no question. Obviously transparency and accountability are very important topics. That's why we as a Conservative government have chosen to voluntarily disclose some of our expenses. Give credit to the Liberal Party for that as well. It's unfortunate that not all parties have followed that lead, but certainly it is important that we do look at this.

Having said that, I have some information here from when we heard from the clerk, Audrey O'Brien, about the current system. I just want to just go through that.

You talked about the 98.5% compliance that you saw. I know you've had a number of questions about this already, and have certainly indicated that it seems to compare quite favourably with other corporate audits or those kind of things that you've been a part of.

Having said that, Ms. O'Brien indicated to us that 21 staff are involved now in adjudicating members' expense claims, which seems to be a significant amount of resources put towards that to ensure it's done right and done thoroughly. She indicated that there were about 70,000 member payments on average in the fiscal year, and that in an average year, they also received about 20,000 calls or e-mails from members' offices. It obviously indicates there is a concerted effort on the part of members, or I'm sure at least the vast majority of members, to ensure that they're complying and that they're being thorough and doing a good job of reporting the expenses as they should be reported.

She also indicated that 4,365 regret letters were sent on average in a year to members advising about some modification that was made to an amount claimed, which obviously indicates they're doing a pretty thorough job of examining those claims.

I'll use myself as an example. Certainly we are very diligent. I have a great staff member who has a lot experience on the Hill who's very helpful in making sure my claims are done right. Of course, I'm also accused by my staff of being a bit of a micro-manager. I always ensure that I've combed through them thoroughly myself as well.

One thing I will admit is that my signature is fairly erratic, and it doesn't often look the same from one day to the next. A number of times they've come back and questioned the signature to verify that it was in fact mine. Clearly that tells me they are looking quite thoroughly at these documents, and that's a really good thing to know. It gives me comfort, certainly, to know that the job is being done as thoroughly as it is.

Let me use one other example from my own experience. I recall that one time an item that had cost \$20 or \$25—I can't remember the exact amount—had been purchased as a gift for an official visit I was making to a first nation. I guess the receipt that accompanied it didn't give sufficient detail from the store it was purchased from on what exactly it was, so that was brought back to me.

Now, I'm assuming that probably in many instances, among the 4,365 letters, it would be something of that nature. I'm wondering, from your look at things.... You mentioned the 98.5%. So in that 1.5%, would it have generally been that kind of thing? You indicated insufficient documentation and that kind of thing. I'm assuming you wouldn't have discovered anything that would be of the magnitude of some of the things we've seen in the Senate.

I guess the first question is—

The Chair: Thank you, Mr. Richards. You've taken your four minutes with your story.

Voices: Oh, oh!

Mr. Peter Julian: It was a good story.

The Chair: We're all going to sit on pins and needles, hoping we can get that answer back.

Mr. Lukiwski, maybe you want to help Mr. Richards and see if you can get an answer to his question.

Mr. Tom Lukiwski: As I've said a number of times on this committee, I would have been able to follow up except that I wasn't listening. No, I'm just kidding.

With all due respect to Blake, I have a different series of questions, or a different view, anyway.

Going back once again to my last line of questioning, the purpose of this is to try to find out whether or not we need to replace the BOIE, and that's really why we're here.

The NDP is taking the view that we do need to. You've certainly made recommendations that we need at least some other independent body, whether it is to advise the BOIE or to replace the BOIE, that there needs to be an independent function. I can only surmise that you are saying that in your view, the BOIE, for whatever reasons, does not fulfill the functions of either transparency—and probably that's the priority you're talking about—or accountability in good governance. Otherwise, why would you think the BOIE, as we now know it, should be replaced?

We've certainly heard examples. Mr. Richards was talking about how some of his claims were rejected because the administration couldn't determine whether or not it was actually his signature. I—and I think every MP at this table—could give examples where I've made claims that have come back to for further information or clarification, which again, as Mr. Richards points out, gives me

confidence that the people who are examining our expense claims are doing their job and they're doing it well. Yet you're saying that in your view, the BOIE should be either replaced or strengthened.

I'd just like to get comments from you as to, in an overarching view, why you think that's important. Is it that you just don't have enough confidence in the BOIE, or is it just not transparent enough for your purposes?

• (1155)

Mr. Michael Ferguson: Thank you, Mr. Chair.

We certainly have not done an audit of the functioning of the board, and we haven't said that the board needs to be replaced. We have indicated that we think there would be a role for an independent organization to augment the process as it is right now, and that independent board could either have some authority or it could be advisory.

We don't dispute that there are very diligent people working in the administration of the House of Commons, processing claims. We agree with that. We understand they're dedicated people and they're working very hard at the jobs they do.

But again, for us this issue.... What we're doing is looking at governance structures in other places, and we're asking whether there are some good practices out there that should be considered by the committee. Whether you look at other government jurisdictions or at the private sector, we think that having a role for some sort of an audit committee, and a committee that has some independence, would be a way to help strengthen Canadians' confidence in the way members' expenses are being processed. That's really what we think the committee should be considering, whether there are ways to really enhance that confidence.

Mr. Tom Lukiwski: Just to be clear—

The Chair: If you can be clear in 10 seconds, do it.

Mr. Tom Lukiwski: —you're not advocating a replacement of the BOIE, just a strengthening of the system around it.

Mr. Michael Ferguson: We haven't said one way or another to replace the board or not replace it. Certainly, the functions of the board have to be done by somebody. How the board would interact with this independent committee is something that would have to be considered.

We think some form of independence would be the important thing that needs to be added to the process.

The Chair: Thank you.

Mr. Christopherson, you will finish us off with just slightly less than four minutes.

Mr. David Christopherson: Thank you very much, Chair. I appreciate that.

Thank you again, Mr. Ferguson, for your answers.

Just to pick up on the discussion that you were having, I think it's still fair to say that all the examples you've given in here—unless I've misread them—are actually examples of arm's-length independent agencies. I saw nothing in here that was a kind of beefed-up BOIE, but more what you've referenced. By that I mean—we've talked about Alberta, although you don't reference it here—the United Kingdom, New Zealand, and Australia, which each have independent mandates, different from the BOIE, so that it's not MPs telling the country, “Okay, every MP's expenses are okay.” It's other people, arm's length from us, saying, “Yes, they're okay. These are the rules.”

I would just ask you to comment on that.

Mr. Michael Ferguson: Certainly in the paper we provided the committee there are examples of those independent bodies. There are other examples as well, perhaps Nova Scotia and Newfoundland, where a couple of independent members have been added within the existing system. So there are both models out there.

• (1200)

Mr. David Christopherson: You're really okay with both? You think they're both the same?

Mr. Michael Ferguson: Again, I think what we're saying is that there needs to be independence, both from the audit perspective and from the internal audit committee type of perspective. Whether that is advisory or it's authoritative, again, really, we can't make that decision, obviously. But what we feel is important, again for this committee, is that it's really about what people outside of this room think. As I've said, it's not just the reasonable person per se, but whether the reasonable person looking at it with skepticism thinks that any changes you put in place have gone far enough. That's what we're bringing forward.

Mr. David Christopherson: Fair enough.

I would just say that in responding to the rightful demand of the public to have more confidence, it's not going to come from our just painting up the existing system—and it's my opinion and I'm not looking for you to comment. But it really does need to be that independent body.

Take a look at Great Britain. That's the best example of scandals that exist. They had a bigger problem than we do or did, and look where they went to solve it. I'm perplexed why we would think about going to anything less than, and I think it's going to leave Canadians perplexed. At the end of this process, if Canadians still don't think there's a process that holds us adequately to account, we have failed. It seems to me that we ought not be tinkering but go with the idea that we need a new, separate structure, find out which model works best or whether we should have a “Made in Canada” hybrid model that suits our particular needs.

But I have to tell you, folks, this notion of doing anything that leaves the BOIE intact vis-à-vis MPs' expenses and our accountability is not going to fly. I hope that's not where the government's thinking of going with its majority, to drive us into that. That train's left the station and people expect us to be setting the same standard of accountability for ourselves that we set at the public accounts committee through the Auditor General for everybody else in government.

Now will there still be some things that could remain in the BOIE's purview? That could very well be. I used to sit on the BOIE at Queen's Park and not everything is related to members' expenses. There are other matters that go there. There may still be a BOIE performing some functions. But the notion that they in any way, shape, or form would do the auditing and accountability function of what we're talking about here to me is going to leave Canadians saying, “You're still not doing what we need, and you're still not transparent enough”, in which case we will have blown all of this time.

The Chair: Thank you, Mr. Christopherson.

I thank our witnesses, and I thank the committee for staying on time in the first hour.

We will suspend just for a moment so that Mr. Christopherson can have his wish to speak to London, England, and see what things they put in place.

Thank you witnesses for coming today.

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_____ (Pause) _____

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• (1205)

The Chair: We have Mr. Sills.

Mr. Sills, you have an opening statement. Would you please go ahead and give it to us? Then the members around the table will ask you a few questions.

Mr. John Sills (Director of Policy and Communications, Independent Parliamentary Standards Authority): Chairman, I'm very pleased to be asked to appear before the Standing Committee on Procedure and House Affairs today. At IPSA we're very proud of what we've achieved over the past four years and I'm glad to have the opportunity to share some of our experiences with you.

As you know, IPSA was created by the Parliamentary Standards Act in 2009 in response to the MPs' expenses scandal in 2008. Parliament decided that the scandal was so serious that the only way to restore public confidence was to take both regulation and the payment of MPs' costs and expenses out of Parliament's hands, to create an independent regulator.

The Constitutional Reform and Governance Act in 2010 refined IPSA's role, giving it the power to determine MPs' pay and pensions as well, and creating the role of the compliance officer, which I'm happy to discuss further during questions. That independence is what defines IPSA. It allows us to take decisions about the rules we set, about the administrative services we provide, that we believe are in the public interest. We frequently consult, we always listen to all sides of an argument, especially when they are backed by evidence, but ultimately the decisions are ours.

A second crucial characteristic of how IPSA operates is transparency. The House of Commons in the U.K. had begun to publish receipts before the last general election in 2010, but that was after resisting their publication in the courts and then, unavoidably, after the full details had been leaked to the media.

For IPSA, publication of information about MPs' claims for business costs and expenses has been a priority from the start. We first published claims in November 2010, and have been doing so on a two-monthly cycle ever since. We also publish aggregate data for the preceding financial year, ending in March, every September. This transparency, as well as complying with the aims of the U.K.'s Freedom of Information Act, allows the public to see what their MPs are spending and to decide for themselves what they think of it. It means that there's strong accountability and better understanding of the financial support an MP needs to undertake his or her parliamentary duties.

A third important element is how we provide support to MPs in carrying out their parliamentary duties. Quite unusually, we provide the payroll services, model contracts, and pay ranges for MPs' staff and, of course, we pay their costs and expenses. So we both regulate and provide those services.

Our system is based on reimbursement on the provision of evidence. But we also pay some suppliers, like landlords, pooled research services, and stationery suppliers directly. This means the MP doesn't have to pay the money out of his or her account first. MPs also have access to an online rail ticket service and have a payment card that can be used for a range of transactions. What this means is that it's possible for an MP to now pay for up to 70% of claims by value through direct payment.

We didn't have all of this from the start. IPSA moved from a blank sheet of paper on the chief executive's desk in October of 2009 to a fully functioning organization with an office, with an online claims system and a new scheme of rules, in time for the new Parliament on May 6, 2010, a really quick process.

The Office of Government Commerce in the U.K., reviewing our implementation program, said we had achieved the impossible. There were certainly challenges operationally in the early days, not least because of the registration requirements before claims could be made, and the time needed by some MPs to get used to claiming online. Some MPs also experienced cashflow problems, and we addressed those in the short term through the swift introduction of an interest-free loan of up to £4,000.

It was a learning process for both MPs and for IPSA. There were tensions. But over time most of these problems have subsided, and we have a system that works well. Most MPs and their staff are familiar with the rules and the IT system. Claims are generally paid within seven to nine working days of receipt. As I noted earlier, many of the high-value transactions can be paid directly by IPSA. Salaries are paid promptly and accurately, and every two months we publish the details of over 30,000 claims.

• (1210)

In policy terms we keep an eye on how the rules are working, and we review them and consult every year. We're about to open a new consultation next week. But our focus has shifted in the last year or so to MPs' pay and pensions, where IPSA's powers were brought into force in 2011. We have run two consultations, the first an open exploration of the issues; the second a focused consultation on a proposed remuneration package that features a pay increase of about 9% to begin after the 2015 general election in the U.K., and a reform of MPs' pensions to bring them more into line with the rest of the

public sector. Our board will be taking decisions independently later this year.

So, to end, what are our priorities right now? First, it's to complete the work on pay and pensions. Second, it's to continue our preparations for the 2015 general election. We'll be doing that in cooperation with the House of Commons and with MPs themselves. And thirdly, we continue to look at ways of streamlining our processes to make sure we are maximizing value for money and delivering our services as efficiently as possible.

I hope that gives you something to get the ball rolling. I welcome questions, Chairman, from you and from your committee.

The Chair: You're about to get some.

Mr. Lukiwski, would you like to go first, please. A seven-minute round.

Mr. Tom Lukiwski: Thank you.

Thank you very much, Mr. Sills, for being with us. I hope you can hear me clearly.

Mr. John Sills: I can, yes.

Mr. Tom Lukiwski: I have a few questions. First, let's talk about the composition of your organization. How were the members of IPSA selected? Was it the governing party who selected all of the members? Did the opposition parties have a chance to nominate some members? Did you go through a selection process? Quite simply, how were you and others on IPSA selected and what kind of a vetting process was there?

Mr. John Sills: Well, we have a board, which is enshrined in legislation, with five members. The chairman is Sir Ian Kennedy. We have an ex-High Court judge—this is required by statute—Sir Neil Butterfield; an auditor, Anne Whitaker. An ex-MP, Tony Wright, a well-known MP, was the ex-chair of the public administration committee, amongst other things. And then we have one other board member who doesn't have to have a particular role, who is Liz Padmore, who chairs a National Health Service trust in the U.K.

Now, those have all been selected by open competition. Sir Ian was selected as chairman in 2010, and was appointed by the Speaker of the House of Commons. This is not a government appointment and it's not an opposition party appointment, but the Speaker was heading up that process. So Ian was selected then, and a number of other board members.

They will have three-year terms and all decided not to apply again. So we have a new board, apart from Sir Ian, from the beginning of this year, the people I've just described. Again, they were all selected through open competition by a panel that was again chaired by the Speaker, John Bercow, and included our chairman and a number of other public figures with expertise in senior appointments.

As for the other members of the team, initially, IPSA was, as I said, created extremely quickly, and our chief executive, Andrew McDonald, was a civil servant connected with the Ministry of Justice, which then had the policy responsibility for constitutional matters. So Andrew was appointed as interim chairman. The senior members of the team, including me, came by a number of routes. I personally was seconded from the Ministry of Justice. I've been there for three and a half years. Other directors since then have been appointed through open competition.

Mr. Tom Lukiwski: Thank you very much for that.

Is your organization audited on a yearly basis?

Mr. John Sills: It is, yes. It's audited by the National Audit Office and we are also often scrutinized by parliamentary committees. Our budget has to be agreed by a special committee, which is the Speaker's Committee for IPSA, again chaired by the Speaker, obviously, and that comprises MPs from various parties and some lay members as well.

So they're not in the business of telling us exactly what to do, obviously, because we're independent, but they do agree to our budget. As I say, we're audited by the National Audit Office. We have been scrutinized by the public accounts committee, and we've had a number of other parliamentary committees looking at us over the last three years.

• (1215)

Mr. Tom Lukiwski: Thank you.

I would assume that, as in any new organization—as you say, you started with a blank sheet of paper—there were growing pains. What were the audit findings with respect to the administration of your organization? Did they have any specific suggestions on how you could improve your function? Were there any problems that they determined needed to be corrected?

Mr. John Sills: In our first year, quite quickly, we had the value-for-money review by the National Audit Office. Now, this is most unusual for an organization of our size in its first year, but obviously given the political sensitivities of what we do, there was a lot of interest in that.

The National Audit Office, if I recall—I'm afraid I don't recall all the detail now—gave us a pretty good report, and we were very pleased with that. But it did make a number of suggestions. An example was how we validate claims. When we started—and you may not be surprised, given why we were created—those individual claims were checked two or three times to make sure we got it right. Over time we've streamlined that, and one of the things that the NAO has been very keen to see us doing is to use a much more risk-based approach to the validation of claims. So with the fairly bog standard claims with a low risk, you don't need to spend too much time on those, but what you can do is audit them later. And we're doing a lot more of that now, where our audit team takes a look at patterns and

outliers and things like that, and that picks up some of the more unusual claims. But yes, we've been pretty heavily scrutinized.

Mr. Tom Lukiwski: I'm curious. You may not have enough time to answer this fully, but if not, hopefully we can get back to it a little later.

From the transparency standpoint, you mentioned that you publish the findings you have on MP expense claims. What do you publish and how to you publish them? At what level of detail do you publish all of the claims that are submitted to your organization?

Mr. John Sills: Apart from highly sensitive security-related claims and claims having to do with disability, where we just provide an aggregate figure once a year for all MPs, we basically publish everything. The way we do it is that we extract the relevant information from those claims and report that. What we don't do at the moment is actually publish the receipts themselves. We thought long and hard about that at the beginning and took the view that, firstly, it was an unnecessary and very expensive process because you have to redact a lot of information, because of personal information and that kind of thing, and that costs a lot of money.

But also we were concerned because redaction is, to be honest, a mind-numbing process for the people who have to do it. There's always a risk that personal information could be missed. The way we do it cuts out that risk. We publish the information itself.

The Chair: Thank you, Mr. Sills.

We're going to move to another questioner and hopefully more of that answer can come out under other questions.

Mr. Julian, you have seven minutes.

Mr. Peter Julian: Thank you, Mr. Chair.

Thank you, Mr. Sills, for being here with us today. We're looking at an independent oversight of MPs' expenses, and we just had our very respected Auditor General of Canada come before this committee, and he said he very much would like to see independent oversight of MPs' expenses. So obviously we're looking at the types of models we could put into place for that independent oversight to bring an end to self-policing of MPs' expenses.

I want to know this, just to start off. With the transition to IPSA, was there real resistance to having independent oversight of members of Parliament, and where did that resistance come from, if there was, and what was the character of that resistance?

Mr. John Sills: I think it's fair to say there was resistance at the beginning. It's a very different relationship, when you've got an independent regulator, from when it's done in-house. And although Parliament obviously did vote for our creation, I think there were a good number of MPs who weren't really that happy that we existed. The resistance, I guess, took a number of forms. One was that quite a lot of MPs didn't really want to have to submit their claims online. They were used to doing them in a paper-based system, and since this required more time and effort, we did have some difficulties with that at first.

As I said earlier, we were heavily, heavily scrutinized for an organization of our size, and that takes up a lot of time for a small organization. And there was a certain amount of hostility, it's fair to say. One of the things we did early on was have a lot of seminars with MPs from different parties, and it's fair to say we didn't get a warm welcome.

● (1220)

Mr. Peter Julian: Fair enough.

I'd like to talk more specifically now about how IPSA functions. Mr. Lukiwski just asked about the findings on claims, which is important. I understand that the minutes of IPSA meetings are made public. Are the meetings held in public? If some meetings are held in camera and some are public, what are the criteria for going in camera?

Mr. John Sills: We don't hold meetings in public. Our board meetings are private, but we do publish the minutes of those meetings. We don't routinely publish board papers, but under our freedom of information act people can ask to see them and then we will make a judgment about whether it's in the public interest to release those papers. We have released a fair number in the past.

Mr. Peter Julian: You are subject to your freedom of information act. Is there an appeal process if IPSA chooses for whatever reason not to release that information?

Mr. John Sills: Yes, there is. It is quite a complex process. It works in a number of stages. First, if we say we won't publish information, for whatever reason, the requester can ask for an internal review that has to be carried out by a senior member of IPSA who wasn't involved in the original request.

If after that review we are still saying no, then the requester can take the issue to the information commissioner, which is the body that oversees freedom of information and data protection in the UK.

If they are still not getting the answer they want, they can take it to a tribunal. Then it can work its way up the justice system. So there are a number of steps. People often ask for internal reviews. It is quite a frequent occurrence.

Mr. Peter Julian: May I ask if you have had situations where it has gone to the information commissioner and then to a tribunal? How long did that process take to get access to the information?

Mr. John Sills: There haven't been many, but there's one in process at the moment. In fact, it's a very interesting one. It relates to one of my previous answers, which had to do with somebody requesting to see some receipts. We said no. The internal review agreed not to show them. So the requester went to the information commissioner, who said yes. We are now appealing that decision.

We have been to a lower-tier tribunal and we're about to go to an upper-tier tribunal. That hearing is going to be taking place later this year. So it could be an interesting outcome.

Mr. Peter Julian: How long has that process taken?

Mr. John Sills: I think it's taken at least a year and a half.

Mr. Peter Julian: My final question has to do with how the board makes its decisions. We have a Board of Internal Economy, which has in the past functioned by consensus. Unfortunately, it seems to be moving to a majority model now. Where there is some difference of opinion, does your board rule by consensus or is it a majority vote that decides?

Mr. John Sills: I think the current board in particular is very keen to do things by consensus. It's been in place for nearly a year now and as the director I go to all the board meetings. It doesn't come down to a vote if there's a good argument. Directors coming from quite different backgrounds can have different views on matters. Having been advised by policy officials like myself, they work very hard to find consensus. If they had to vote they would, but we work through consensus if we can.

● (1225)

Mr. Peter Julian: So you are not aware of any time when there's been a vote that has taken place?

Mr. John Sills: I'm trying to think, but not a real "hands up because we can't decide this". People work hard to find consensus. We've had votes in the past but not this time around.

The Chair: Thank you.

Thank you, Mr. Julian.

Mr. Sills, we work in both official languages of Canada here, both French and English. If you are asked a question in French you will get the translation. If you get a delay, that is what is happening.

Mr. Lamoureux, you are next.

Mr. Kevin Lamoureux: Welcome, Mr. Sills.

I have a few questions that I would like to get on the record. One of them is dealing with the process when members of Parliament say they want to be able to move in a certain direction and incur another expense. For example, with advertising, we don't think we should have a party logo on it. There would be a discussion and a decision would be made by the Board of Internal Economy, and then it's passed on.

What role does IPSA play in regard to guidelines for what a member of Parliament can or cannot spend money on? Or is that brought to IPSA?

Mr. John Sills: We have a set of rules that govern all MP's expense claims, and we consult on those rules. When they started we had extensive consultation, and we review them every year. As an independent body we then set them, and that's it, basically: they are the rules.

Mr. Kevin Lamoureux: Are you approached by the House or any of the committees who say they would like you to consider extending that sort of a benefit of expenditure, or to change something?

Mr. John Sills: We have regular discussions with all the parties, and other political figures. When we consult we always make the effort to discuss matters with them and seek their views.

We also have a parliamentary group called the IPSA-MP liaison group with a number of senior MPs, which meets from time to time to discuss issues. There are plenty of ways of having those discussions.

Mr. Kevin Lamoureux: So the board would take it upon itself to meet with different caucuses, and independents, to get a sense of their feelings and thoughts.

Mr. John Sills: Yes.

Mr. Kevin Lamoureux: What sort of an appeal mechanism do you have in place? For example, what happens when an MP puts in a claim, he or she gets a response, and they are not happy with the response? Who do they appeal to?

Mr. John Sills: In the first instance, they could ask for IPSA itself to review it. We have an audit team that would review the decision.

If they are not satisfied with that, they can go to the compliance officer, who is independent of IPSA. He is appointed by the IPSA board but he operates independently. If an MP isn't happy that something hasn't been paid, then he or she can take it to the compliance officer. It's relatively rare, but it has happened.

Mr. Kevin Lamoureux: How often does IPSA meet?

Mr. John Sills: The board?

Mr. Kevin Lamoureux: Yes.

Mr. John Sills: It's meant to meet once a month, but it quite often meets more than that. It has one formal board meeting a month, but we have been holding a lot of workshops because of a huge range of issues that we're dealing with at the moment. The board has in recent times been meeting two or three times a month, but that is unusual. It is generally one meeting.

Mr. Kevin Lamoureux: Do you publish the minutes on the Internet? How does one gain access?

Mr. John Sills: Yes, we do. They are published on our website.

Mr. Kevin Lamoureux: As a committee, you don't meet publicly. Is there any sense that there could be a need or a justification to allow it to be open? Can someone come in and participate, or watch?

What would the rationale be for not having it open to the public?

Mr. John Sills: It's interesting. At the beginning there was talk of having cameras and so on, but we decided that we didn't think that was going to work. So what we do is to publish those minutes.

For example, when we consult we'll always report back on the views of the public and the reasons for our decisions and so on. At this point in time, I don't think there's much appetite for actually holding public meetings.

• (1230)

Mr. Kevin Lamoureux: One of the issues that has come up in the province of Manitoba—and I really believe in this—is that they have actually appointed a commissioner who sets the salaries and pensions of MPs. It's non-debatable, and it takes effect after the following provincial election.

How precisely do you establish a member of Parliament's salary and pension benefits, and when does it take effect?

Mr. John Sills: Well, we have the power to do that now. We've been consulting about that. We've already determined MP's salaries. These are backbench MPs, by the way, not government ministers' salaries. We said for the current year and the next year that they should get a 1% pay increase, which is the same as the rest of the public sector.

The decision on what happens after the next election is what we're consulting on, and we will set the exact salary and the pension contributions, benefits, and so on. We are working on that at the moment. We have consulted very widely, but it will be IPSA's decision alone.

Mr. Kevin Lamoureux: You have consulted. Do you have some sort of public meeting, or public input? How do you come to the conclusion?

Mr. John Sills: We've consulted in all sorts of ways. We do it in the traditional way, with a consultation paper inviting responses; we have an online survey; we've done quite a lot of opinion polling. Last year we conducted a number of citizens' juries, which I know is something that has happened in Canada quite often, whereby you can really get to understand what the public are thinking, if you're with them for three to four hours getting more information. That was extremely helpful. Obviously we consult MPs.

For something such as the pensions, we've worked a lot with the trustees of the MPs' pension fund. In fact, I personally am one of the trustees—IPSA has a member on the MPs' pension fund.

We basically look for as many ways to consult as we can.

Mr. Kevin Lamoureux: Through the committee and the establishment of the committee itself of IPSA, there are some mandatory positions, I believe. You said, for example, there's the High Court judge; I think you mentioned the auditor. Then it is left, is it, for the other three spots to be appointed by a hiring committee of the Speaker, which the Speaker would chair?

Mr. John Sills: They're all appointed by open competition, but what the legislation requires is that we should have a High Court Judge, an auditor, and an ex-MP. It is not specified what the chairman's background should be, and it's not specified what the background of the other board members should be. But those three are there in statute.

The Chair: Thank you, Mr. Lamoureux.

Mr. MacKenzie, you have four minutes, please.

Mr. Dave MacKenzie: Thank you. I'd just like to clear the record. I think somebody suggested that our Board of Internal Economy is moving to a voting system. That's not true. The Clerk of the House said that there has been one vote in eight years. It deals by consensus.

Sir, I wonder whether you could explain to us a bit about what discretionary spending is available to the independent backbench MPs.

Mr. John Sills: What discretionary spending is available? Well, we set budgets in a number of areas—staffing, office budget, accommodation, residential accommodation—and within those budgets' limits, as long as it's for parliamentary purposes, it's up to the MP what they claim. In that sense, they have a good degree of discretion about how they use their budgets.

As far as individual claims are concerned, we obviously determine them.

Mr. Dave MacKenzie: Okay. Now would those claims that we are talking about be claims for travel within their ridings?

Mr. John Sills: Yes, travel is another one of the budgets. That's not capped, because obviously an MP from Scotland—the other side of the country—and an MP from near to London are going to have very different travel expenses. They are done on the basis of an uncapped budget.

Mr. Dave MacKenzie: Then my question would be, if you had an MP who lived in the countryside and were to travel around in his riding—to various smaller communities, maybe—would you report his travel on an individual basis?

• (1235)

Mr. John Sills: We do, yes. They can claim that, and the claims are published on the website.

Mr. Dave MacKenzie: Do they show to which community he travelled?

Mr. John Sills: Yes. Each journey is listed. It's quite detailed.

Mr. Dave MacKenzie: Okay. And is the purpose of the journey listed?

Mr. John Sills: I'm trying to remember. I don't think we do that for every individual journey. We just say where it was to.

Mr. Dave MacKenzie: Do you publish that?

Mr. John Sills: Yes.

Mr. Dave MacKenzie: I thought I heard you say that you don't publish receipts.

Mr. John Sills: We don't publish receipts, but on what we call constituency travel, the MP makes the claim. Basically, they have a mileage rate, and so they just say how many miles they've travelled, where from, and where to.

Mr. Dave MacKenzie: Thank you.

And would you have a sense of the cost of setting up IPSA, or what it costs per year to run the program?

Mr. John Sills: IPSA costs every year about £6 million. We're both the regulator and the provider of payroll and expenses. And of course, as an independent organization, you have to have all the normal overheads—HR, IT, and so on.

So the total is £6 million. We dispense around £160 million of funding, so this is a relatively small proportion of the overall total.

The Chair: You have 30 seconds.

Mr. Dave MacKenzie: Would you know whether, in what we call a member's office budget, each MP has a capped amount to spend?

Mr. John Sills: Yes, they do.

Mr. Dave MacKenzie: Would you know what that is?

Mr. John Sills: It's around £20,000 to £25,000. It depends whether the office is in London or outside London. It's slightly more for London. London is about £24,000, and others are about £21,000.

The Chair: Thank you.

Mr. Christopherson, you have four minutes, please.

Mr. David Christopherson: Thank you, Mr. Sills, for your time today. It's been very helpful and very informative.

In the creation of IPSA, was the vote unanimous in the House of Commons?

Mr. John Sills: That's a good question. I'm not sure I can quite remember that. I think it may have been, or with very few in opposition, because I think all MPs recognized at the time, given what had happened, that it was important to create IPSA. Also, it went through extremely quickly. I think it was a couple of months at most for the whole process.

Mr. David Christopherson: It's impressive.

Another big question is, are the British people satisfied? Do they feel that their parliament has turned the corner and is rising to the level of accountability they expect?

Mr. John Sills: That's a very good question.

We do survey the public. Support has gotten better; it's just under 40%. The last time we surveyed the public, 40% of them thought things had gotten better. But of course, the stories are over. You may have seen, only yesterday, that an ex-MP pleaded guilty over expenses. That has nothing to do with the current Parliament, but an ordinary member of the public won't necessarily make a distinction.

So I think it's fair to say that most members of the public will probably say things seem okay but that we're still not that trusting. There's a long way to go, I think.

Mr. David Christopherson: Were there any further measures proposed that you didn't take that would have gone even further? You mentioned receipts as an example and said that you had decided not to go there. Was there anywhere else that you could have gone, that was looked at, and that you chose not to go to but may go to in the future to bring the rest of the Brits onside?

Mr. John Sills: One thing that is asked frequently is, why we don't just have an allowance for something such as accommodation in particular, to make it nice and simple but less transparent. We have considered this in the past but think the time is certainly not right for it at the moment. You'd lose the transparency, and that's the absolute key for us at the moment.

We have refined our rules. Some of the rules on things such as accommodation for family members, for example, have been relaxed over the years. We're always open to change.

Mr. David Christopherson: Thank you very much.

You mentioned that the budget is about £6 million. I have two questions, and you may not be able to answer.

Do you have any idea how that £6 million compares with what was being spent before, when doing somewhat comparable work, but in house?

My other question would be, is there any level of pay, and if so, what is it, for the members of IPSA, in terms of wheels within wheels within wheels?

Mr. John Sills: On the first one, the overall cost including expenses is still slightly below what the House of Commons used to cost. It's very hard for us to make a meaningful comparison between ourselves and the House of Commons administration, because of course they were part of a bigger organization, and so a lot of their overheads wouldn't have been as clear, because they would be in the wider organization. It's pretty difficult to say precisely what the difference is.

In terms of the amounts we pay our board members, I'm afraid I can't remember them right now. They're on our website, and I'd be very happy to provide the information to your researchers.

Mr. David Christopherson: That's fine; our researchers can find it very quickly.

I'd like to follow up on a question Mr. Lamoureux asked, which I thought was really good, because it ties into the notion I had put forward earlier that there—

• (1240)

The Chair: The phone line's gone dead—because your time ran out.

Mr. David Christopherson: As soon as the Liberals and the NDP get together in any way, they just shut everything down.

An hon. member: I was starting to bond with you.

Mr. David Christopherson: I know—for a big moment.

The Chair: David, now you have extra time. Go ahead and ask more questions.

Mr. David Christopherson: Thanks, Joe, old buddy, old pal.

Some hon. members: Oh, oh!

The Chair: We lost the line. We'll get it back and we'll carry on from where we were.

Your time had run out anyway. I'm not punishing you.

Mr. Reid, you will be up when we return with our guests.

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): While we're waiting, were you asking about the cost of administration now versus before, or were you asking about total MPs' expenses?

Mr. David Christopherson: No, I was talking about the admin. In other words, how does £6 million to do this now compare to the

cost of doing similar work prior? He said actually it's probably a little less, but it was difficult to do apples to apples.

Mr. Scott Reid: I wasn't sure if he was answering a different question from the one you asked.

Mr. David Christopherson: I don't think so. I thought his answer made sense.

The Chair: We'll suspend for a moment.

• _____ (Pause) _____

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The Chair: We're back.

We're sorry about the technical difficulties, and we'll go right back to questions.

Mr. Reid.

Mr. Scott Reid: Thank you, Mr. Sills. It's Scott Reid here.

I just wanted to inquire about your description of your processes for meeting, which sound like they are somewhere between what we would refer to as in camera and open meetings. You say that you publish minutes of the IPSA meetings. I gather that you do not publish verbatim transcripts. Is that correct?

Mr. John Sills: That's correct. We just publish a summarized minute.

Mr. Scott Reid: You said that under your open access law, or sunshine law, people can make a request to see further information, and at that point papers are released. When you say "papers", do you mean reports that have been prepared for you, or do you mean that at that point the verbatim discussions are released?

• (1245)

Mr. John Sills: It's reports, advice, and things like that; we don't publish verbatim transcripts.

Mr. Scott Reid: In circumstances, including in response to requests from the public...?

Mr. John Sills: Yes, that's right. For example, if we're advising the board on changing the rules on something or other, if there's a paper on that and somebody asks to see it—because they've seen it referred to in the minutes—then we'll consider what we can and can't show them.

Our assumption is to try to, if we can, actually provide the information. We just have to ask ourselves whether there is personal information in it, what impact it would have on what is defined as the effective conduct of public affairs, which is a key part of the Freedom of Information Act. But we don't publish transcripts; we don't have a transcript.

Mr. Scott Reid: One of the things that has concerned me with our own Ethics Commissioner, who I think is a very good person and does her best with the rules that we've given her, is that when she makes her rulings and decisions, they are frequently in the form of confidential advice to members, which means that it's difficult to establish a body of precedents. That, I think, is inherently a problem that exists in any decision-making process that is at least partly private. Is that a problem that you feel exists, or do you feel you have found a way around that?

Mr. John Sills: I think it's quite important to distinguish between two things. I referred to the compliance officer, and he looks at claims and whether they should have been paid or whether they should have been made in the first place. He doesn't look at the conduct of MPs. That is handled by the parliamentary commissioner for standards, who is part of Parliament. I think some of what you were referring to is probably closer to that.

On the compliance officer, though, what he does is that if a complaint is made against an MP's claims or he's looking at the appeal I referred to earlier, he'll first assess the issue, and that will be done privately. But if he decides to investigate it, then that will be made public. That's published on his website, that he is making an investigation into an MP's claims, and he'll publish the outcome as well.

Mr. Scott Reid: Thank you very much.

The Chair: Great.

Mr. Bellavance, four minutes, please.

[*Translation*]

Mr. André Bellavance: Thank you, Mr. Chair.

Mr. Sills, a first question comes to my mind. I am convinced that the population is asking itself the same question, and that when this happened, people in your country as well wondered how a system could have allowed such inappropriate expenses as home renovations, the purchase of electronic devices, etc.? How did MPs, ministers and even House personnel manage to fall through the cracks?

[*English*]

Mr. John Sills: There are two answers to that question.

First, if you really wanted to know, in terms of the people who set the rules and so on, you'd need to ask people from the House of Commons rather than me. But I think the general answer is lack of transparency. It was a closed system for most of the time, and like any closed system, things happen, ways of doing things develop, so when they come out and are revealed to the public, the public recoils against them. That's essentially what happened. When the public saw some of the claims that were being made, they weren't happy about it. Transparency, though, is the key.

[*Translation*]

Mr. André Bellavance: This type of expense had become acceptable for the office that did the audits, and I imagine that this had been going on for years.

[*English*]

Mr. John Sills: I think so, yes. Some things were, but it's easy with hindsight. The vast majority of MPs would say, and I think we'd have to respect this, that it was allowed, that it was in the rules. For example, we could take the furniture claimed for accommodation. We don't allow that, as a response to the scandal. There were examples of MPs buying big flat-screen televisions and so on, but they were allowed, so if something is allowed and it's not published, then it's much easier to think it is okay and one is not doing anything wrong. But when it's exposed there's a different view.

[*Technical difficulty—Editor*]

• (1250)

The Chair: I'll suspend.

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_____ (Pause) _____

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The Chair: We're back, Mr. Sills. It's good to have you back again. We missed you while you were gone.

Mr. John Sills: Hello. Thank you. Fingers crossed...

The Chair: Monsieur Bellavance, carry on.

Mr. John Sills: Okay, I think I finished my answer.

[*Translation*]

Mr. André Bellavance: Mr. Sills, since IPSA took over the audits, do you receive a lot of claims that seem inappropriate to you? Have you had to refuse many expense claims from MPs or ministers, or have past practices been completely eradicated?

[*English*]

Mr. John Sills: I can't remember the exact percentage of the number of claims I turned down. It's a tiny, tiny amount. Again, you can see them on our website individually. We call them "not paid" and they are very few and far between. So yes, I think it's fair to say that the vast majority of MPs are complying very happily with the rules and are claiming things they need for their parliamentary business.

[*Translation*]

Mr. André Bellavance: May I continue, Mr. Chair?

[*English*]

The Chair: I'm going to call you there. How's that?

Mr. Scott, you have four minutes, please.

Mr. Craig Scott: Thank you, Mr. Chair.

And thank you, Mr. Sills, for being with us.

Could I just go back to the discussion of the tribunal processes? Apparently there's one case that's still instream where you went to a lower tribunal. Did the lower tribunal affirm or reverse the information commissioner?

Mr. John Sills: It confirmed the information commissioner, and we are appealing to a higher tribunal, essentially on points of law.

Mr. Craig Scott: That's what I wanted to come to next.

As a matter of law, or policy mixed with law, what is the basis on which you're resisting the disclosure of receipts? Is it the fact that the whole system is designed around not uploading receipts and that this, therefore, would be an end run around it? What's the reason?

Mr. John Sills: I think there are two principal reasons.

One is that we believe very strongly that all the relevant information has already been published, and the way we do it helps to deal with that risk, as I said earlier, of accidentally giving away personal information. The information commissioner disagreed with us and it was almost for things like, what's the colour of the heading, or did the MP scribble something on it? It's that kind of thing. It becomes quite an arcane argument about what constitutes information. I won't bore you with that now but that is the sort of legal issue.

The other issue, which in many ways is just as important, is that this will be an incredibly costly exercise. It would cost at least a million pounds a year to have the redaction team that is necessary to take out all the personal information. We also have a backlog. We've got about 600,000 to 700,000 receipts now, and if we have to publish all of those, that would cost us, again, almost a million pounds. It would be a massive undertaking with very little public value.

Mr. Craig Scott: Thank you for that. That's extremely helpful.

Could I go back to when you were set up? There obviously had to be a downscaling of the existing in-house administration and an upscaling of your new organization. Were the employees transferred over? In terms of the operational level, do you have the same set of employees? Were they moved over, and if so, was it on the same terms as their previous work?

•(1255)

Mr. John Sills: Yes, that's exactly right. Under employment law, people can transfer, and on their same terms and conditions. I forget the exact number, but initially probably around 20 to 30 operational staff from the House of Commons did transfer over. Obviously, some of those have moved on now, but quite a lot of them are still with us. The senior team on the whole didn't transfer. Most of the senior team is new, and in fact, to make one other point, I think the vast majority of those ex-House of Commons staff have now transferred over to exit terms and conditions.

Mr. Craig Scott: And those terms and conditions are comparable to those before? Are they somehow different from the rest of the civil service?

Mr. John Sills: Yes, they are comparable, if not better.

Mr. Craig Scott: Okay, that's great.

The Chair: You have less than 30 seconds.

Mr. Craig Scott: I have a very quick question.

In terms of news coverage, now that you're four years in or whatever, apart from old scandals, and the MP who was just convicted, has there been any noticeable effect on the news coverage of this issue?

Mr. John Sills: Yes, we are still regularly in the news.

It's often attached to a particular announcement we're making—pay and pensions, for example. When we proposed a pay increase, as you can well imagine there was a strong public reaction and media reaction to that. When we published the annual data on MPs' expenditures in September, that created a lot of interest this year.

The interesting thing is that what we've found is the regular publication of expenses at a national level attracts very little interest now. But it does still attract interest at the local level. MPs find that

their local newspapers do pick up on their expenses and often use that against them. That is quite painful for them.

The Chair: Thank you, Mr. Scott.

Mr. Lukiwski, four minutes from you, please, and we'll finish there.

Mr. Tom Lukiwski: Thank you very much.

Mr. Sills, I want to get back to a question or an example that my colleague Monsieur Bellavance raised before. It's with regard to the egregious examples in the U.K. of incorrect expenses for anything from flat screen televisions to the dredging of a moat, those types of things. You mentioned that it's because the rules and the policies of the in-house operation allowed that to happen. In Canada, in our Parliament, the rules and policies we have governing expenses for members of Parliament would never allow those types of expenses to be approved in the first place. Similarly, the in-house administration set-up that we have, the operation called the Board of Internal Economy, seems on many levels to be remarkably similar to your operation, inasmuch as they work by consensus, they do not publish verbatim transcripts of the meetings, and most of the meetings are not held in public.

My question to you would be, if there were an in-house administration in the U.K. that operated in precisely the same manner that IPSA does, do you believe there would be a need for an independent outside operation, like IPSA, under any circumstance? Or do you believe that simply because you're independent, from a transparency standpoint, it is required to have an outside operation rather than in-house?

Mr. John Sills: The question for you is always going to be what the problem is that you're trying to solve.

In the U.K., parliamentarians felt the scandal was so big that we needed a wholly external independent operation. The question then is whether you can be truly independent if you're in-house. That's always the exam question, isn't it?

Mr. Tom Lukiwski: Yes, and it's a very good observation.

We've heard from our Auditor General that 98.5% of all expense claims made by members of Parliament are in compliance with the rules. Based on that, that's something our committee has to examine, whether there's a need for an outside operation, an outside audit, or I shouldn't say audit, but an outside independent operation to deal with members' expenses.

That's just an observation.

Mr. John Sills: Yes, that's exactly right. As I say, it's quite a turbulent process. Getting the legislation through, setting up a new body, establishing it, the transitional processes. So you do have to ask yourself if your problem is big enough to make that kind of change.

I can't answer that for you, obviously. That's what you're doing in your review at the moment. All I can say is that I think our system now works extremely well, but it was created for a purpose, which was that we had a very big expenses scandal in 2008.

•(1300)

Mr. Tom Lukiwski: Luckily, so far at least, there hasn't been that similar type of activity in the Canadian Parliament. But your point is very well taken. It's our job to determine whether or not there's a need to go to the kind of system that you have created there. And let me say, based on what I've heard today, congratulations. It sounds as if you and your fellow board members are doing a job and you have solved a problem that had been occurring. Hopefully the job that you and your colleagues are doing will continue to represent the taxpayers well.

The Chair: Thank you, Mr. Lukiwski.

Mr. John Sills: Thank you very much.

The Chair: Thank you, Mr. Sills, for being our guest today. It's been very informative. We're happy that you shared your experience with us.

Mr. John Sills: Thank you very much.

The Chair: Thank you for coming and doing that today.

Mr. John Sills: Thanks a lot. It was a pleasure. I enjoyed it, actually.

If you have any further questions in the future, I'll be very happy to help.

The Chair: Thank you very much.

We are adjourned.

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