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Chair

Mr. Pat Martin

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• (1530)

[*English*]

The Vice-Chair (Mr. Mike Wallace (Burlington, CPC)): Here we go. Welcome, everyone, to meeting 45 of the Standing Committee on Government Operations and Estimates. This is a televised meeting.

Under the orders of the day today, we are going to start with Standing Order 108(3)(c)(vii), the study of the process for considering the estimates and supply.

I want to welcome back our guests. We had to chase them away at the last meeting because of votes, unfortunately, but I hear we won't have that interruption today.

From the Treasury Board, we have Bill Matthews, Sally Thornton, and Kenneth Wheat. From the Department of Finance, we have Douglas Nevison.

We'll start with the Treasury Board presentation, if that's okay. Then we'll go to Finance, and then to questions.

The floor is yours, Bill.

[*Translation*]

Mr. Bill Matthews (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Thank you, Mr. Chair.

We are pleased to be here today. As you mentioned, I have some colleagues with me.

[*English*]

We have been following this study with great interest. The witnesses you have lined up have been quite impressive in terms of their backgrounds. You will have noted, I'm sure, that you have quite a variety of opinions in terms of how you should proceed. That likely confirms what you already knew when you started this study, which is that this is complex material. It's no great surprise that you're getting a range of views.

My read of the testimony so far is that the only issue you have not had conflicting testimony on is the issue of whether or not there should be studies of tax expenditures. Not all witnesses have weighed in on that front.

Our intent today is to take you through a fairly quick presentation that highlights some of the themes you have been hearing about so far with great regularity. I don't feel it's our place to advise you on what to do as parliamentarians. I do feel it's important that you understand the consequences of some of the choices you have and

what they would mean in terms of the supply process. That's my intent.

I'll take you through some of the themes we would like to comment on today. The first is the alignment of budget and estimates. The second is the cash and accrual issue, which has been around for quite some time. The third issue is around what Parliament should vote on—program activity or the current structure of capital, operating, and Gs and Cs. I'll make a couple of quick comments on the deeming rule, and then I'll turn to my colleague, Sally Thornton, to speak to maybe some small things we could do to improve how the information is actually reported.

In our deck, Mr. Chair, we have a distinction between the budget and the estimates. The issue here is not whether they should be linked. It's clear the budget and the estimates have a relationship to each other. I think what may not be well understood about the relationship is that they both feed each other.

The estimates from the previous year are certainly used by my colleagues in the Department of Finance in formulating their next budget. That budget will then influence the main estimates for the following year. It is very much a circular relationship. You will never have complete alignment between the two. I think what we're talking about is whether there is a way to strengthen the links between the two documents. You will never see a complete alignment.

I know that some members or some witnesses have expressed views that they should be totally aligned. I think that's a little simplistic. The reason I say it's simplistic is that you do have the basis of accounting to consider—is it cash, is it accrual—but you also have to understand that to get into the estimates document, an expenditure item needs to be approved by Treasury Board.

So to get perfect alignment, you need time for items to get through the Treasury Board process and to make sure the due diligence and challenge function is done. If you respect that process, you will see things in the budget that do not make it into the estimates document for potentially several years. That's an important point to consider.

The budget document is a policy document. It does set out a broad plan. Estimates are all about expenditures for the current year. They are—I know you've heard me say this before—an “up to” amount, the basis to establish a ceiling for what departments can spend.

There's also a view that supplementary estimates are a bad thing. We will never get rid of supplementary estimates. Things will happen during the year that require expenditure authority. We've had three the last few years. Is the right number two or three? That's debatable. We will never have a system where we're going to Treasury Board for approval where we don't need supplementary estimates. So I just thought I'd make those points.

What can be done to strengthen the relationship? Certainly the greater the amount of time between the budget and the estimates, the stronger the link you'll have. Some years the budget is tabled before the main estimates, and some years the budget is tabled after.

I'll give you a sense of the process behind the two documents. Expenditure authorities and documentation for expenditure approvals are largely cut off around December to make the main estimates that are tabled in March. If you were looking for alignment between the budget and the main estimates, just remember that in terms of cut-off for expenditure items from our internal executive approvals, we're looking at December.

If you were to establish a greater amount of time between the budget and the main estimates, that would allow for greater alignment, but it also might delay some of the things that actually have to get parliamentary approval. I'll speak to that later on.

You could have a process where main estimates are presented in the fall. That would give you greater alignment between the mains and the budget, absolutely. It would also mean that departments are operating on interim supply for six or seven months. I don't think parliamentarians would enjoy a system where it was six or seven months into the year before they were dealing with main estimates, so do understand that distinction. But the greater the amount of time between the two documents, the greater the potential for alignment. There are certainly some things we can do to maybe strengthen the links between the two.

I've already touched on changing the actual timing. It would allow for some additional items to be reflected, but not all, as I mentioned.

• (1535)

If you think about events like H1N1 or the earthquake in Haiti, where there are actually urgencies where we have expenditure approvals required, you're always going to see the need for supplementary estimates. Do remember that the budget is an accrual document and the main estimates and the estimates documents are cash basis, so you will always see a difference between the two numbers. What might be helpful is a way to do a crosswalk between those two numbers so people at least understand the differences.

I'll just touch on cash and accrual for a few minutes. It is overly simplistic to say we have a purely cash system. Our appropriations are modified cash basis, but you do need to understand the context and the other documents that are used in our system. The budget is full accrual. The financial statements of the Government of Canada, which link back to the budget, are full accrual. Estimates and appropriations we have on a modified cash basis, and there is reporting in the public accounts, volume two, on the same basis of accounting.

I'm not aware of any system in the private sector or in the public sector that doesn't need both types of information. The question for

us today really is what is the right basis for appropriations? No one here is saying accrual accounting is a bad idea. I think it's actually critical for the budget. Independent accounting standard setters have said accrual accounting is absolutely critical for financial statements. There is no such pronouncement on appropriations. So I think we have some flexibility there.

Understand that if we were to change the basis of appropriations from cash to accrual, it would represent a significant change. It would be a change in legislation. It would be a change in systems. It would be a major change in how departments work. Two points impact there. Such a change would require several years to implement. This is not a change that could be made overnight. And there would also be a cost to this. Do understand that the systems and our controls are currently built around ensuring that departments do not exceed their cash appropriations. If we were to redo the system to make the control on a different basis, there would be time required and there would also be some dollars required.

I would like to highlight for you the experiences of some other countries. Some of this I've spoken on before, but some is new. The Australian government, as you know, were the leaders to go to accrual appropriations, and they have since switched back to go to a net cash basis. You have heard information on this in the past.

It's the Netherlands' experience that I would like to highlight for you. In the Netherlands' experience, they did a study of other countries, but they are the only country I know of that took a focus around what appropriations mean for parliamentarians. It's a bit of a unique decision or assessment they put on things.

There are a couple of things—complexity and transparency. Their conclusions are from a parliamentary perspective. Cash results in more transparency and less complexity, and the two of those are clearly linked. From an accountability perspective, when they looked at other countries there was definitely acknowledgement that cash works in terms of monitoring expenditures. If you are dealing with something more complex than that, which would encompass the assets of the government and its liabilities, clearly accrual is a more appropriate model. That's why we have accrual accounting for both the budget and the government's financial statements. I just thought I would highlight the work of the Netherlands in that case, because they did look at the experience of other countries, but very much with the view of parliamentarians.

We should spend a few minutes on the basis for appropriations. This really comes down to how Parliament controls votes. When you see the word “vote”, that means a department needs Parliament's authority to actually move money between votes. If you think about the current structure we have, most departments have operating and maintenance votes, they have a capital vote, and they have a G and C vote—grants and contributions. Some of our smaller departments have a program vote, which is all of those things rolled into one vote.

Currently we have 135 organizations that get appropriations. There are 191 votes for those 135 organizations. If you think about how you might change that structure, the number of votes is important. The more votes you have, the more cumbersome the system becomes in terms of letting departments actually manage. So there's a balance in there somewhere.

There has been some discussion at this committee about changing to a program basis for votes. I'd just like to maybe spend a few minutes on what that might mean.

All departments have programs and activities. Those are rolled up into a high level called strategic outcomes. If we were to go to a strategic outcome basis for votes, you would be dealing with just under 300 votes. We currently have 298 strategic outcomes. That's an increase in the number of votes—again, more complexity. That's an option. One thing you could do to sort of lessen that number is, again, take your smaller organizations and move them to one vote as a way to reduce it.

If you went to program activities as the basis for voting, it's 593. So you're dealing with a substantial change in the number of votes, which would actually become quite cumbersome.

• (1540)

I've heard some witnesses say, “Move to programs”. Over 2,000 programs—so if you can imagine combing through 2,000 different votes, it becomes, I would say, overly burdensome. So do keep in mind that if you're contemplating a change to a program structure vote, the number of votes becomes important, because it does become cumbersome to manage if you go over those.

Of those 135 organizations, just to give you a sense of their size, only four of them have voted expenditures over \$5 billion. If you go between the \$1 billion and \$5 billion mark, you have 21 organizations, then eight between \$500 million and \$1 billion, and then 102 of less than \$500 million. So if you were to actually conceive of a structure where the smaller organizations only had one vote, that is a possible way of actually implementing a program-based vote without creating so many votes that it becomes cumbersome. Do keep that in mind.

I do want to mention that there is significant information already available on program activity. The main estimates currently are based on votes. Operating and maintenance, G and C, and capital are your vote structure. That is supported by information around expenditures by program activity and type of expenditure.

So there is a way to provide information to parliamentarians about which programs the money relates to without actually changing the vote structure. That is also an option: to strengthen the information around programs.

Part III of the estimates—our RPPs and departmental performance reports—have additional information as well. So one thing the committee might want to consider is whether there is a way to strengthen the provision of program-based information underneath the current structure.

What I will say about the current structure of having votes that are operating, capital, and G and C is that it's easy to actually understand them. Everyone has the same vote structure. If you move to program-based votes, you have to understand the programs of each department to actually understand the votes. One benefit of the current system is the comparability between departments. You can look at National Defence and understand why they have a bigger capital vote than, maybe, HRSDC. So that is one thing to consider: programs are very much unique by department.

On program activity, I think I've already touched on most of these, Chair, but the level of detail in the vote is something that's important for this committee to consider. There are resource implications. Again, it's the same as if you went through a change from cash to accrual. If you move from the current structure to a program activity basis, it is complex and would take some time—that's not to say it's not doable—and there are some policy issues that we would have to get our mind around.

Specifically, the one I will highlight today is that if you went to a program-based vote, there would be expenditures that would have to be allocated across different programs. You're likely dealing with some sort of formula there. It's not a bad thing, but it just means that it wouldn't have the exact nature, whereas in the current structure you have capital and operating, and people know the difference. You're into a case with a program-based structure where certain people may work part time on one program and part time on another, and we would have to allocate their time.

I don't plan on saying much on deeming, except that I do want to mention that the nice thing about the deeming rule is that it forces a study to come to an end—or no study at all, but it forces an end to the process. The longer that process goes on, the implication is that the longer departments have to operate on interim supply. So just be aware of that constraint.

Currently, departments operate on interim supply for April, May, and June. For most departments, that's three-twelfths. If you were to extend beyond that, you're into the summer, when parliamentarians are typically not here, so you could be extending into the fall. So do understand that if you are considering changing the deeming rule, there is a direct link to how long departments would operate under interim supply if that gets changed.

I think I will now turn to my colleague, Sally Thornton, who will talk briefly about what improvements we might make on the reporting of information to parliamentarians.

• (1545)

Ms. Sally Thornton (Executive Director, Expenditure Operations and Estimates, Expenditure Management Sector, Treasury Board Secretariat): Thank you.

One of the common themes that has come up in the various meetings has been that of increasing parliamentarians' understanding, but also better connecting the dots. I'd like to talk about some smaller things that could be done that might help you in that area.

First of all, in terms of increasing understanding, we have had in camera sessions with parliamentarians before your consideration of estimates, just to walk you through documents and understanding.... We are happy to continue. That might be something you'd like to take up on a regular basis.

I'd really like to stress that if you really want to follow the dollar, give questions in advance to departments. It helps a great deal to know what the question is and to have the opportunity to respond before sitting here.

Connecting the dots, though, is a frequent issue, and there is a lot that is out there. Mr. Matthews talked about a number of the pieces of information out there. It is possible, with direction, to have it brought together, whether it's us or another organization. There are some very specific ones, though, that I'd like to talk to you about, and some very modest changes, which could be either in material or online—we can take advantage of some of the open data capabilities as well.

First of all, within the document, within a main estimate or within a supplementary estimate, it's quite straightforward to do a high-level analysis of changes. It wouldn't tell you what the issues are, but it could focus your attention very quickly on those areas where you might wish to delve further. Specifically, you'll notice that in the past we have recently introduced major changes. You'll see that in our supplementary estimates. We have a section that highlights the big changes in each supplementary estimate.

We also have a section on horizontal items, where we talk about items that have implications for more than one organization. Also, as of last year, we've actually started tracking those horizontal items throughout a full year, so you see them in supplementary estimates (A), (B), and (C).

Another area that we could do, and that in fact you'll see in supplementary estimates (A), is our top 10 changes to votes—so basically just the 10 biggest vote changes in supplementary estimates (A). They don't answer the question as to why the change, but they quickly focus your attention as to “there is a change here and it's somewhat significant”, and then delve or not....

Among other things we can do, though, is improving the searchability of the document. One of the issues is about who the witness is that you call when you want to talk about something in particular. Also a common issue is this one: where on earth do I find this organization? Something as simple as going to alphabetical

order for organizations would help that. I appreciate that we would have to provide a portfolio map so that you could also understand the ministerial accountabilities, but that's fairly straightforward, it's easily adapted by systems, and it's something that we would probably like to promote anyway.

Then there are things we can do between documents. So far I've been talking about what we can do within a supplementary estimate or a main estimate or between the estimates in one cycle. But there are also crosswalks between documents. You've talked a lot about actuals in public accounts; that could be presented. If you're in year X, we don't have X-minus-one actuals yet, but we have X-minus-two actuals, and to the extent that sort of thing is useful, that can be presented. We could also go forward a few years and do X-plus-one and X-plus-two, so you could actually see a five-year profile of actuals...and forward looking.

Mr. Matthews talked about the possibility of a crosswalk of some sort between the budget and the estimates. Obviously the documents are different, and you don't have a full reconciliation, but there could be a better understanding of the linkage.

The third area that we could work on is perhaps an area where we tighten up the linkages between main estimates and the RPPs and departmental performance reports.

Those are some very simple things that could be done to help connect the dots and improve the information within the current structure.

Mr. Bill Matthews: To conclude, I think there are a couple of points I'd like to highlight.

I've already mentioned this, but I will again. Some of these changes that are being contemplated are of significance, so do keep that in mind when you're forming your recommendations.

The other one I would like to touch on is the reporting burden. When I speak to departmental chief financial officers and their staff, one of the things that frequently gets raised is the reporting burden they face in terms of producing information. If they are producing or we are having them produce information that is not useful to this committee, please tell us, as part of your reports. We are happy to look at stopping some reporting as well.

The one I would highlight in particular is that departments have been producing future-oriented financial statements or forecasted financial statements on an accrual basis for about two years now. They do one for the statement of revenues and expenses, and they also do one for the balance sheets.

I have yet to see a question asked on any of those documents. They are produced online. They are an awful lot of work for departments. It does improve the link between accrual and cash.

I would highlight in particular the balance sheet. In my opinion, it is of no utility whatsoever to forecast a balance sheet on an accrual basis.

So if, as part of your study, there are things that you do come across that you're finding are not useful, please let us know. If it's only being produced for Parliament, we'll look at stopping that production.

With that, we're happy to take your questions.

Thank you, Chair.

• (1550)

The Vice-Chair (Mr. Mike Wallace): Is there any overview from the finance department?

Mr. Douglas Nevison (General Director, Economic and Fiscal Policy Branch, Department of Finance): Thank you, Mr. Chair.

I think Bill basically covered the main points that we would raise.

The Vice-Chair (Mr. Mike Wallace): Thank you. We'll go to questioners now.

Just before we get started, we're going to have a discussion this Wednesday coming about what we want in the report. I know you prefaced at the beginning that you don't want to tell us what to do, but if you do have suggestions based on the report that you get, including which reports you're not sure are useful... Because to be frank with you, Bill, I haven't even looked at one of those reports in two years, and I'm one of the ones who tends to look at that kind of stuff. So it would be interesting to see.

Our first questioner is from the NDP, Monsieur Blanchette.

[*Translation*]

Mr. Denis Blanchette (Louis-Hébert, NDP): Thank you, Mr. Chair.

My thanks to our guests for joining us today.

As I listened to you, I got the impression that we are going to run into difficulty. The picture you paint seems difficult to change. The problem is that we need to change it. The material produced at the moment does not meet our needs, by which I mean that members of Parliament find it increasingly difficult to follow what is going on. But that is one of the things that the documents are supposed to do.

How is it that the estimates and the budget are so difficult to match in a short time, but it would be easier to do with more time? Is it because corners are cut? Why is it not possible to produce both in a reasonably short time?

[*English*]

Mr. Bill Matthews: Thank you.

There are a couple of things. The one I would highlight is the role of the Treasury Board itself, which actually has responsibility for expenditure approvals. If you think about a new initiative that gets included in the budget, that's done at a certain level. Before that spending can actually be achieved by a department, it needs to

actually go to a cabinet committee, Treasury Board, and get approved with details on the expenditure plan.

That kind of work would include setting forth—if you're thinking about a new program—the performance metrics, the evaluation plan, and some detail on how they might spend the money. There is a challenge function there.

If it's a brand new program it can often be a year or two from the time it's in the budget before it's actually ready for money to be spent. What you actually see is a timing difference between the budget and the estimates.

[*Translation*]

Mr. Denis Blanchette: I understand that some programs are designed very quickly, on the back of an envelope, as it were, that officials are not ready and that, after an announcement, they have to hustle to make up for lost time. I understand that. But for most routine expenses, the vast majority of government expenses, how is it that the two cannot be reconciled quickly? Everything is known; only the amounts may change, depending on what the government of the day wants to do.

[*English*]

Mr. Bill Matthews: No, I would say that's an area where there could be some improvements made in terms of building a crosswalk between the main estimates and the budget, because there is clearly a link between the numbers. There is no such crosswalk at the moment to actually show that the numbers in the budget are reconcilable with what's in the main estimates.

If that's something that the committee feels would be helpful, we would be happy to do it. The key thing for your consideration today is that the budget is a full accrual-based set of numbers; the main estimates are cash-based. So you will never see a complete match between the two, but you can build a crosswalk to show the links, absolutely.

[*Translation*]

Mr. Denis Blanchette: At the beginning, you said that you wanted to warn us about the consequences of the choices we might make. If we did manage to bridge the gap between the two and to produce the estimates and the budget sequentially and in short order, what would those consequences be?

• (1555)

[*English*]

Mr. Bill Matthews: “Considerations” is probably a better word than “consequences”, but I did say “consequences”.

The consequences are around the time—number one—and the cost attached to making some of these changes. Just to make sure, if you were to move to a new vote structure, for instance, there would be time and effort and cost required to make that change. As long as that's understood, that's okay. But I just don't want to leave the impression that changing a vote structure is something that can be done overnight. So that was really the intent there.

I would make the same comment on cash versus accrual. I think you've heard a lot of evidence about one versus the other. Generally speaking, cash is viewed as being more transparent for parliamentarians, and more easily understood. Accrual is definitely viewed as being the better way to build a budget and do the financial statements.

I'm quite comfortable having them on a different basis of accounting, but I do take the point that the two documents should be reconcilable.

[Translation]

Mr. Denis Blanchette: What would be the cost of building that crosswalk so that we could compare the budget estimates from year to year, so that we know where we are going and so that parliamentarians are given figures that they can understand? That is where the problem lies. Members of Parliament are finding it increasingly difficult to understand the figures they are being given.

[English]

Mr. Bill Matthews: There the considerations are more around the time between the two documents. The main estimates need to be tabled by a certain date. There is flexibility in terms of when the budget can be produced. It can be any time. As long as there is flexibility on when and where this crosswalk could be tabled—it could be part of the estimates document or it could be part of a budget document—I don't think there's that much effort involved to actually do that.

That's something we should, if it's the will of the committee, take under consideration.

I'm not sure if Finance wants to add to that.

Mr. Douglas Nevison: No, I think that's the key point.

In terms of the sequencing of the two documents, really what it comes to is that, when both have been published, then it's a matter of putting out some sort of reconciliation table. As Bill said, that could be in whichever document came last, or it could be a separate publication on the Department of Finance's website, for example, or on TBS's website.

Mr. Denis Blanchette: *Merci.*

The Vice-Chair (Mr. Mike Wallace): Our next questioner, from the Conservative Party, is Monsieur Gourde.

[Translation]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chair.

My thanks to our witnesses for being here. Your presentation was excellent.

Mr. Matthews, on page 13 of your presentation, the concluding remarks page, you list the considerations for any changes. I find your three points very interesting. Will it enable Parliament to better fulfill its role? What are the implementation issues? What is the reporting burden and the usefulness of current information? It is suggested to us at the committee that we should bear in mind, when we present our report, that, if we ask for things that are too detailed or that are used by too few people, it will involve too many big changes. Can

you explain what kinds of implementation issues could arise? Would it be too daunting a task for the Treasury Board Secretariat?

[English]

Mr. Bill Matthews: In terms of making documents more accessible that are online, if you're looking for a website that actually links together the documents, that is something we should be striving to improve. Open data will certainly help that.

If you think about the various documents that are included in the cycle, you have the budget, the estimates, the departmental reports on plans and priorities, and the departmental performance reports. There should be a way to better link that information. Sally was referring to connecting the dots. That's one of the things we should be thinking about—how to bring that all together. Right now it is very difficult to find.

So it should be doable.

[Translation]

Mr. Jacques Gourde: Do people other than members of Parliament ask you questions about the budget? Do questions about the budget come from the public at times?

[English]

Mr. Douglas Nevison: Yes, we give a number of presentations to the public that try to explain the budget cycle itself and how that links up with the estimates process. It's not just parliamentarians who have questions about how to reconcile the two.

[Translation]

Mr. Jacques Gourde: It is certainly more complicated inasmuch as it is difficult to get the figures. The envelope for some programs extends over five years. When a program is implemented in the first of those years, the funds are not necessarily spent in exact proportions: 20%, 40%, 60%, 80%, 100% over the five years. You may start looking for exact amounts. They may also be distributed over several departments, as is the case for official languages with the roadmap. Is there a way to simplify that? Could we just allocate the funds to a single program or do we have to distribute them over several departments and then try to find out where they have gone, like we do at the moment?

• (1600)

[English]

Mr. Bill Matthews: No, if you're thinking about the content of the reports on plans and priorities and departmental performance reports, there is guidance given to departments in terms of what to include in there. As Sally mentioned, we've added horizontal items into the estimates document. If you do see a large horizontal theme, we have tried to include it in the estimates so it's easier to follow.

At the end of the day, departments are free to put into their RPPs and DPRs what they feel is relevant. There is guidance issued by the Treasury Board Secretariat, though, in terms of content.

Mr. Douglas Nevison: If I may add to that, Mr. Chair, in terms of the budget document and new budget measures, at the back of every theme or chapter, there will be a table that provides the funding profile over the first two years. But that's only for new measures that have received a source of funds in the budget itself. For new policy measures, that's one source of information in terms of the profile of a particular policy.

[Translation]

Mr. Jacques Gourde: On page 8, you deal with the appropriations and the basis for votes. There is a list, showing 2,064 programs and 593 program activities. A number of witnesses have suggested studying them program by program. When you look at those numbers and those statistics, you see how huge and tedious a task that would be. I figure that you could get all the committees of Parliament together to study all those programs and we would run out of year before we finished. The next year would be starting. Is there a way of grouping things together? Is what we are doing at the moment the most logical thing that can be done?

[English]

Mr. Bill Matthews: One of the things that can be done when you look at strategic outcomes.... As we've said, there are 300 or 298 there and there are over 2,000 programs. When you look at the departmental documentation, the report on plans and priorities, you'll see the dollar value attached to these. Not all of them are the same size.

So I think the committee could make great progress by studying the larger strategic outcomes. By studying a strategic outcome, you can then study the programs that are underneath it. I would tend to agree that studying each and every program would be a rather significant undertaking, but there is a way, based on the dollar spent, to actually look and maybe select.

The Vice-Chair (Mr. Mike Wallace): Thank you.

Mr. Larose.

[Translation]

Mr. Jean-François Larose (Repentigny, NDP): Thank you, Mr. Chair. My thanks to our guests for joining us today.

I find this interesting. I have just started looking at all the material and I have to confess that assimilating all this very complex information is more and more of a problem. Really, it should not be this complicated.

When I do my budget at home, it contains everyday expenses. For a country, there are always things to be paid, whatever the date on which the budget is presented.

I cannot get my head around some of the problems and, honestly, that bothers me a lot. How come we are deciding whether a budget has been effective a year and a half after the fact?

The study that was done is interesting, I find. Some countries have asked themselves whether they could find better solutions, and they have implemented them. All I hear now is that it would cost a lot, it would be complicated and it would slow the process down. But why don't we do it properly once and for all, so that we do not have to keep asking the same questions? We have been constantly

wondering how to be more efficient for 30, 40, 50, or 100 years. Unfortunately, concrete steps are hardly ever taken.

If the government and everyone involved took some action, if they decided to make major changes, there would be costs. But, given the increased efficiency and the reduced annual costs, would the impact be positive? That is the question. If other countries in the world have done it and it gives them excellent annual budgeting, I do not see why it would be a problem for us. What resources would we need? Has any in-depth study on the matter really been done? Is it always kind of brought forward and then set aside because people see how complex it would be and they do not want to take any chances?

• (1605)

[English]

Mr. Bill Matthews: In terms of the resources required, it really would depend on what changes are being contemplated. We've mentioned a few here—to actually do a better job of connecting the various documents and simplifying the documents, not much at all; to build a crosswalk, not much at all. If you were thinking about changing a vote structure, that's more of a time requirement, and yes, there would be some resources involved.

The point I was trying to make on this was don't expect that this is something we can turn around overnight. It doesn't mean it can't be done. The accrual appropriation versus cash has been looked at many times, and people have shied away from it because it's big and accrual is typically viewed as being more confusing.

The questions around the vote structure—capital, operating, maintenance versus some sort of program structure—this is the first time I recall that someone has really started to look at this seriously. It's worth a good discussion. I'm not saying don't do it. Just understand that if this is what you want, it will take us some time.

You've heard a lot of witnesses actually say that moving to a program-based vote structure would be more relevant because parliamentarians think of departments in terms of programs. If that is what is desired, absolutely, it's doable. We're not saying don't.

Cash accrual has been around for a long time and people are scared of it because there's a fear that it will make things even more confusing. But the change in the vote structure—yes, it's significant, and yes, it's worth considering.

[Translation]

Mr. Jean-François Larose: Thank you.

It is precisely because we have just come out of a crisis that we are realizing something in our society more and more. That is that the money we are managing here is not ours; it belongs to the taxpayers. Every cent must be accounted for. Perhaps it is fanciful on my part, but I think that every cent invested should give more than a cent's worth of performance. Unfortunately, that is not the case.

You mentioned the long term. In your view, given the things that have to be done and the ways we have to do them, how long could those changes take? Are we talking about a 10-year project, a project that would take generations, 5 years, 20 years, 25 years? Clearly, it would vary depending on how complex the changes are. We are talking about changes that we can achieve.

[English]

Mr. Bill Matthews: Again, Chair, it depends on the nature of the changes how long it would take to make some of these more minor changes. We make changes and improvements, we hope, from one set of supplementary estimates to the next. For the horizontal items that's easily done. If you are thinking about a change from cash to accrual appropriations, you're probably looking at close to seven years. If you're thinking about a change on the vote structure, it's probably three to five years. So it's not 20, but I just wanted to give a sense of the significance of the changes.

Mr. Jean-François Larose: Okay, thank you.

The Vice-Chair (Mr. Mike Wallace): Next up is Mr. Armstrong.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Thank you, Mr. Chair, and I thank our guests for being here today.

I'm going to focus first on the issue of timing, because I think we've had a lot of discussion from many intervenors on the issue of timing.

First of all, would you agree that moving the start of the fiscal year probably is pretty much a non-starter, since doing so would be so invasive for the economy and for our relationships with the provinces and when the provinces needed to get their transfer payments? Am I accurate in saying that's probably not the direction we should go in?

Mr. Bill Matthews: From my perspective, Chair, changing the fiscal year does absolutely no good whatsoever, and it may actually cause other people some stress. But the issue here is the link between the budget and the estimates, and in my opinion that is not impacted by the fiscal year. So that's the issue we have.

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

Mr. Douglas Nevison: If you go way back in history, the fiscal year started at the end of June, June-July, and it was changed to April-May. There are cycles to these things. But, again, when it comes to the question of timing between budget and estimates, I don't think it makes a material difference.

Mr. Scott Armstrong: Right. Taking that at face value, if we were trying to release the main estimates at the beginning of the fiscal year, and we wanted them to reflect what was in the budget—because we've had several people make several suggestions of when the budget would have to come down in order to accomplish that, and perhaps Finance would have the answer to this question—how much time would you need to bring down the budget in order for the estimates to be produced and released at the start of the fiscal year?

Mr. Douglas Nevison: Well, I think, as Bill said, even if you had perfect sequencing, there's no guarantee that a spending decision on a budget will show up in the estimates. Some take a couple of years to get through because of the due diligence process that needs to be considered before it's approved.

Some of the witnesses have recommended that a fall budget would be appropriate, but as Bill mentioned, given that the cut-off date really remains in December, that wouldn't necessarily give you much extra time either. You really would be looking at a budget very early in the fiscal year. That would be doable, but you would lose a lot of precision in terms of your economic and fiscal forecast.

As Bill mentioned, one of the key aspects of the budget is that it's the government's five-year economic plan, so economic and fiscal forecasts are very important and getting the first year—the “in” year—correct is key to your forecast. So if we have a budget towards the end of a fiscal year so it informs the next fiscal year, we'll have more fiscal information that comes through our fiscal monitor, for example. We'll also get to have more recent economic data, to provide a very good snapshot of where we are economically and fiscally, to present that plan going forward.

● (1610)

Mr. Scott Armstrong: So in order to have the estimates reflect what's in the budget, I think Mr. Matthews said on a couple of different occasions, the more time you have between the two, the more reflective it's going to be. But the problem is that if you push it back farther, the actual information that's in the budget doesn't do what we really need the budget to do. There's a balance we have to find there. So the timing issue is something that this committee, when we're making our recommendations, is going to have to really spend some time on. We're going to have to really consider what we suggest on that, because it could have a huge impact both on your departments and on the Canadian economy.

I'm going to move on to the issue of statutory and discretionary spending. One of the problems we have is that when we do receive information, it's kind of all rolled into one, and we get these huge, thick documents. Do you think it would be at all possible to eliminate statutory spending, unless there were changes in the statutory spending because of the budget, and to produce documents in which we could actually see more of the discretionary spending, and focus on that? Would that be something we could do, as parliamentarians, to be more effective?

Mr. Bill Matthews: If you're speaking about it from an estimates perspective—

Mr. Scott Armstrong: Right.

Mr. Bill Matthews: —there's no need to include statutory information in the estimates documentation. The reason for doing so is that statutory spending is roughly two-thirds of the government's total spending, give or take, in a given year. Some people like to see that perspective.

The other perspective, of course, is that it just adds a bunch of material to the document that is not really relevant for the study. If we were to exclude statutory, we would certainly shrink the documents. We do typically use supplementary estimates.... Where we have an update from finance on a forecasted statutory expenditure, we take that occasion to update the forecasted spending for the year.

As you say, there's no reason for... It's not voted on by parliamentarians. Whether it's useful to parliamentarians, that's up to you folks.

Mr. Scott Armstrong: How much time do I have left?

The Vice-Chair (Mr. Mike Wallace): You have 12 seconds.

Mr. Scott Armstrong: Okay. Thank you very much for your time today.

The Vice-Chair (Mr. Mike Wallace): Next, from the Liberal Party, Mr. McCallum.

Hon. John McCallum (Markham—Unionville, Lib.): Thank you.

Thanks to all of you for being here.

I think, as you're hearing, one of our major preoccupations is the timing—aligning the timing of the budget and the estimates.

Now, one of the issues related to this is that the president of the Treasury Board is now saying that he can't release information about the expenditure reductions in the last budget because it is against the rules of the House of Commons.

Can you explain what rules it is against? Because I have not been able to figure that out.

Mr. Bill Matthews: I think the comments made were around the process for notifying employees, which is governed by our collective agreements with employees. The process that was articulated in the budget was that there would be discussion, with the unions notified first, then employees, and then you would actually see some—

Hon. John McCallum: No, but we had, for example in budget 2005, each program and each department highlighted in the budget for expenditure reductions, and certainly there was no information there that revealed which individual employees might lose their jobs. So I don't understand that.

Mr. Bill Matthews: I think the other comment made was around the link between RPPs—reports on plans and priorities—and main estimates. RPPs by convention support the main estimates, and as this committee knows, the main estimates do not reflect decisions from the budget.

That's also the other consideration on—

Hon. John McCallum: But I've read that particular parliamentary rule, and it doesn't preclude information being released in any other way. It doesn't have to come through RPPs.

So what rule would that be breaking?

Mr. Bill Matthews: I'm not sure on the rule front. The other thing I would point out, though, is that since the 2005 budget, the additional reporting is now done by departments. The biggest

addition is around the quarterly financial reports, which didn't exist back then.

My own suggestion is that if departments can take advantage of existing reporting mechanisms once they've gone through the process of notifying unions, employees, etc., to share information.... From my perspective, it's better to use existing tools than to do ad hoc reports. It's just easier to manage.

Hon. John McCallum: I must say I'm feeling a little bit frustrated, because some of our witnesses have said that Canada is a bit of an outlier. Most OECD countries have managed to align their budgets with their estimates in a way that isn't super-complicated and doesn't take years and years to bring about.

I accept your point about accrual versus cash accounting, but when you say that sometimes it would take several years to go through Treasury Board, meaning that even if the budget were well in advance of the estimates....

If you had, say, two or three months, to what degree would you be able to align the estimates with the budget?

• (1615)

Mr. Bill Matthews: It depends, Chair, upon the nature of the items. If you have a new program in a budget, because of budget secrecy and other things, you may not see work started on a new program design in earnest until the budget is actually tabled. We do have examples of cases where it's two and three years after a budget before money is actually ready to be spent.

So that is a consideration. It's not the norm, but two to three years is not uncommon.

Hon. John McCallum: Why can all these other countries do it and we can't?

Mr. Bill Matthews: Part of it is that some of the other countries have cash in both documents. And not every country has a Treasury Board, which actually requires a rather detailed expenditure plan before you can actually go through the estimates.

You have to understand the control that Parliament is exercising over the spending. In our case, Treasury Board is the authority for expenditure approvals, and before you get into the estimates you have to make that step. In other countries, the nature of the estimates document is not the same.

Hon. John McCallum: Okay.

Another thing you said was that to change a vote structure from where it is today to a program basis might take three to five years. I would have thought that the departments would already be doing their accounting on the basis of their program spending. You wouldn't need to reinvent the world to do this. Wouldn't much of that data already exist?

Mr. Bill Matthews: We have, Chair, data by program. Departments certainly plan by program. I'm thinking more along the lines of how you actually control spending, and I'm talking here about financial systems and controls.

The current controls are built around capital, operating, and Gs and Cs. So you're actually looking at changing systems to make sure that the controls are put in place, and that's the key challenge there.

Hon. John McCallum: So that would take three to five years to change?

Mr. Bill Matthews: Well, if you think about the process we go through in preparing the mains, it's a long process. I acknowledge that. So I'm conservative because I'd be the one stuck with the responsibility for implementing this, but three to five years is not unreasonable, no.

The Vice-Chair (Mr. Mike Wallace): That was a small "c" conservative.

Hon. John McCallum: Okay. How much time?

The Vice-Chair (Mr. Mike Wallace): You have 30 seconds.

Hon. John McCallum: I'll leave it at that. Thank you very much.

The Vice-Chair (Mr. Mike Wallace): Thank you very much. Our next questioner, from the Conservative party, is Ms. Adams.

Ms. Eve Adams (Mississauga—Brampton South, CPC): So if you were to move to a program-based review, which is how every minister is actually already implementing every program that they are undertaking, you think in order to create sufficient oversight it would take you three to five years?

Mr. Bill Matthews: You need to understand that the information is largely out there now, but it's provided for information purposes. So we would actually be asking departments to change their control structures and their financial systems to effectively respect the new set of rules. That's not something you would do overnight. It's also—

Ms. Eve Adams: Politically though, the minister would already have that level of oversight, one would imagine.

Mr. Bill Matthews: They may have the political oversight, but from a controls perspective, blowing your vote is a significant event and it's not one anyone takes lightly. So you do want to make sure the control structure is actually built into departments to respect whatever it is that Parliament is controlling on.

Ms. Eve Adams: Of course.

Going back to the question of statutory and quasi-statutory and discretionary, is there a way, perhaps, of pulling out that information in supps? We certainly have quite a challenge when parliamentarians do not understand the nature of quasi-statutory programs.

They reviewed their supps in one of our committees, over at VAC, and they were very alarmed to see a reduction in program spending, not understanding what quasi-statutory meant. Try as we might to explain or provide some education as to what quasi-statutory meant, they were convinced—absolutely convinced—that there would be a program reduction, no matter how much we explained to them that it was quasi-statutory and that means that if there are people who need this program, the money will be spent. We simply go back and we update our forecast. These are the numbers that our best folks in our department are projecting. This is the number of folks we think will actually need to use this type of service, and so that's why we've come up with this forecast. If at any point that number is incorrect and we need to go and request a top-up, that will be requested.

Is there a way of highlighting that so that people can feel reassured? So we still have the parliamentary scrutiny of expenditures, but we're not having these inane debates where people just simply don't understand what's being presented to them?

• (1620)

Mr. Bill Matthews: Thanks. That's an interesting question.

The quasi-stats present a challenge and we can probably do a better job of describing programs. Because from a parliamentarian's perspective, there's statutory, which means no vote necessary, and there's voted. A quasi-stat is a voted where there's little discretion involved. If someone qualifies for a benefit, he gets it, but the department still has to go through the step of going to Department of Finance and Treasury Board authorities and getting their estimates topped up.

So we can likely do a better job, in the descriptions of the programs, of highlighting what is considered a quasi-stat and what is not.

Ms. Eve Adams: I'm all for the debate, and I'm all for the parliamentary oversight. It's just an enormous waste of time, though, to be arguing that the sky, in fact, is blue when we can all clearly see it's blue.

Now moving forward, how would you guide us and what would offer as your best counsel on where we could be reducing red tape? You mentioned one area. Are there other areas?

Mr. Bill Matthews: The reporting burden that I mentioned was... There are significant amounts of documentation in the RPPs and DPRs, as well as online, that support those documents. If members are not finding them useful in terms of helping out—

Ms. Eve Adams: You mentioned the forecast. Was there anything else?

Mr. Bill Matthews: That's the biggest one I would point to. The quarterly financials are a relatively new invention as well, but they seem to be getting some attention. People seem to be using them.

I'm going to turn to Sally and see if there's anything that jumps out at her.

Ms. Sally Thornton: From my perspective, it's a lot of the ancillary materials in the main estimates and the supplementary estimates. At a minimum, what you really need is the proposed bill. Pretty much everything else is optional, and it is there to help you in your study of the proposed bill.

So going through systematically, do you need the introduction, do you like the horizontals, do you like the top 10—which you'll see—do you appreciate the major items, do you need all these summary tables, do you need the different historical pieces? It's just every piece there. If there was an opportunity to sit down with a couple of you who are interested and just... Even a quick vote—"I've used it; it's great." or "Never used it." You don't even have to say it's not useful, just never used it.

We can do things differently, but we can't do more. We're actually maxed out in terms of capacity and getting information out. We can get different or better or more useful information, but we also have to stop doing things.

Ms. Eve Adams: How large a team do you have? How many man-hours is this consuming?

Ms. Sally Thornton: My team for producing a blue book probably has about 25 people. Some are in production. Whether or not we go electronic, we still structure it that way.

The others do outreach to all 135 organizations. Each of those organizations has a team that works on this. I don't have a good sense of their number. Basically, I have about 25 people who are dedicated to this full time through the year, and that is paralleled in each of the 135 organizations, to a greater or lesser extent.

Ms. Eve Adams: Thank you.

The Vice-Chair (Mr. Mike Wallace): Mr. Ravnignat.

[Translation]

Mr. Mathieu Ravnignat (Pontiac, NDP): Thank you. I am happy to be back on this committee.

[English]

When I was in the committee, I thought this was a complex system. Now that I've left it, I still think it's a complex system.

My main concern, which was my main concern when I was sitting on this committee, is the point at which this very obscure process concentrates power in the hands of both cabinet and the PMO.

I'd like to quote something to you that was published today.

Say you want know how budget cuts are hitting Agriculture and Agri-food Canada. Basic stuff, right?

Not so fast. The March 29 federal budget says the department will spend \$169-million less this year. Less than what? The answer isn't in the 498-page budget.

For that, you have to consult the "main estimates," released every year on March 1. According [to] the estimates, Agriculture and Agri-food will spend \$2.4-billion in 2012-2013.

But that is pre-budget.

Hold on a second.

And if you want to know what the department spent last year, that's in another document – the annual financial statements.

Last week, Mr. Clement's office released its annual "reports on plans and priorities," which converts the estimates into detailed spending plans for all 97 federal departments and agencies. Typically, these also reflect changes in the budget.

Not this year. Mr. Clement...specifically directed departments to exclude the budget cuts, even though they have been known for more than a month.

This latest report puts Agriculture and Agri-food's spending at \$3-billion this year, not \$2.4-billion. The numbers should be the same, but they're not.

This quotation goes to the very issue that concerns me. In the estimates process—and this is my question to you—do you routinely get directions from the minister's office to keep information out of your estimates?

● (1625)

Mr. Bill Matthews: Thank you for the question.

You said estimates.

Mr. Mathieu Ravnignat: That's right. We're studying estimates.

Mr. Bill Matthews: What goes into estimates is basically everything that has been through Treasury Board and approved and that is ready for spending. This comes in from departments and is then used to make up the appropriation bill. That process is very much done based on what Treasury Board has approved in terms of spending items.

There is also in your question a link to RPPs. Reports on plans and priorities are there to support the main estimates. The link between the two is that RPPs are tabled in time to help committees study the main estimates. I appreciate that it has caused some challenges this year because of the timing of the budget. What I think this committee is studying is whether there are ways to fix that. RPPs, by convention, were invented to help support the study of the main estimates.

Mr. Mathieu Ravnignat: All this information depends on one principle, and that's transparency. All the information we need, the financial information, should be included both in the estimates and the RPPs.

Mr. Bill Matthews: When you're looking at estimates, the Appropriation Act is an "up to" amount. It sort of sets the ceiling.

Sally referred earlier to whether there is a way we can better connect the dots. One of the ways mentioned was by publishing previous years' actuals to give a sense of what the spending has been in the past against the current year's forecast or the current year's RPPs. That's a great idea. It is easy to do.

[Translation]

Mr. Mathieu Ravnignat: According to the Treasury Board Secretariat's 2010-2011 Departmental Performance Report, the secretariat "(must launch) the Open Government initiative to increase access to public information and make it easier for Canadians to provide their views on government activities."

In terms of the vote structure, what are you going to do to make government more open? Is a plan in place? Are you aware of one?

[English]

Mr. Bill Matthews: Yes, I'm aware of the initiative. When I look at the estimates documentation—and I would make the same comment about the actuals in public accounts—the most frequent complaint we hear is that you can't manipulate the data. You can't bring data together, pop it into a spreadsheet, and do some analysis on it.

We have some fairly sophisticated users who are trying to look for trends in spending and plans. If there's one thing we could do to actually improve people's use of the data, it would be to put it in a format where they can actually pull data together and then drop it into a spreadsheet to let them do some real analysis. That would be the easiest thing to do.

[Translation]

Mr. Mathieu Ravignat: Is that something you are going to do?

[English]

Mr. Bill Matthews: We are going through all the data we produce right now to assess what can be made open.

[Translation]

Mr. Mathieu Ravignat: Okay.

Do I have any more time?

[English]

The Vice-Chair (Mr. Mike Wallace): I'll give you 30 seconds.

Mr. Mathieu Ravignat: I can't—

The Vice-Chair (Mr. Mike Wallace): Okay, well maybe you can get it in later. Thank you.

I'm going to take a slot now, since it's an area of the study that I'm interested in.

Bottom line, when a minister comes to defend the estimates in front of us, is it the department, is it you guys...? The Treasury Board president is here. Is it you guys who get them ready for that? Who gets them ready for that meeting in terms of understanding what's in their estimates and so on?

Mr. Bill Matthews: When the estimates documents are produced, as I said, they are based on Treasury Board approvals but it's departmental content. If our own minister was coming, we would help prepare him, but if a minister from a line department was coming we wouldn't do that.

The Vice-Chair (Mr. Mike Wallace): It's the financial people in their own departments that get them ready.

• (1630)

Mr. Bill Matthews: Correct.

The Vice-Chair (Mr. Mike Wallace): Okay. I've been here for six years looking at estimates, and when the ministers come in front of us, it's often that the opposition are political about it. I'm assuming that if we were on the other side of the table it would be exactly the same. We ask more questions on the estimates, or there are other questions for the minister that the minister may know the answer to.

My view after looking at this is that we would be better off having the minister here, not for estimates, not for the actual blue books, but for the plans and priorities document and maybe the performance

documents at the end. Very few members of Parliament look at those documents, in my estimation. Obviously I can't speak for all of them, but I don't recall a minister ever getting a question from a report on plans and priorities, other than maybe from me.

If we left the estimates alone—we may change the system a bit—when we talk about programs, are we not better off as members of Parliament to be questioning the minister and the staff on the RPPs and the performance reports, without having to reinvent the wheel? Because programs are more highlighted in those documents that already exist.

How do you feel about that?

Mr. Bill Matthews: There is information in the main estimates on programs, but you are absolutely correct. In the report on plans and priorities and the follow-up departmental performance report, there is more time given to program plans and achievements. If you wanted a good discussion about the future of certain programs or the past performance, they are fantastic documents to use for that discussion.

The estimates are all about the upper ceiling for spending in this fiscal year. The main estimates set the initial bar and then you add to it through supplementary estimates, so it's not a great vehicle for that discussion.

The Vice-Chair (Mr. Mike Wallace): One of our witnesses had an interesting approach, and I'm not sure it was quite accurate. The Government of Alberta was in front of us—I guess they were clerks from the department—and they indicated there was no issue of confidentiality between the budget and their development of the estimates.

Tell me if I'm wrong, but my understanding is that the budget is a secret document and very few people know all of the parts that go into it. It would expand the ring of knowledge if we were to have the estimates match or come closer to the budget, in that a lot more people would have to be in the loop to be able to produce those budget documents.

Is that an accurate statement? Do you have any idea how they can do it in Alberta and we can't do it here?

Mr. Bill Matthews: I do have an idea. Under the current system, if you thought there would be a new program that was going to be in the budget and you wanted that department working on the program design at the same time that the budget is being formulated, absolutely, you would be expanding that loop. I'll let my colleague maybe comment on that aspect. That would allow departments to start preparing new program design at the same time that the budget is being contemplated.

The downside to that, of course, is that sometimes there are ideas that don't actually make it all the way to the end. You might have people designing programs that don't actually make it into the budget.

What you will see in some of our provinces—I cannot speak to Alberta's situation with certainty—is that the folks who do the main estimates are in the same department as the folks who do the budget.

The Vice-Chair (Mr. Mike Wallace): Okay.

Mr. Bill Matthews: That allows additional sharing of information without compromising the secrecy.

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

Mr. Douglas Nevison: I think that's a good point. There's going to be a trade-off between secrecy and.... Obviously budget information is very sensitive and can have very powerful effects on the market moving and the like. So trying to keep it as tightly held as possible is something we try to achieve during the budget process.

As Bill mentioned, as far as jurisdictions are concerned that have managed to somehow integrate them or bring them closer—again I'm not an expert on the provincial side, but I know you've had some international experience. I believe in some countries like Australia and the U.K., the Treasury Board function and the finance function are integrated into the same ministry. If I remember correctly, that's actually how it was done in Canada until the late sixties. Then there was a feeling that it was too centralized. As a result we moved to this two keys type of system. I guess the pendulum swings back and forth.

The Vice-Chair (Mr. Mike Wallace): I have one really quick question for Sally. It's on your recommendation, which I think is an interesting one, about pre-submitting questions so you have the right staff here and the answers. I'm assuming that if parliamentarians submit the questions in advance you'll be here with the answers, and that wouldn't preclude members from being able to ask questions that they have not previously submitted. Is that your view?

Ms. Sally Thornton: Yes. As a consideration, if the question is provided in advance the work is done and people come prepared to respond to it. It doesn't preclude others. That being said, we often get 10 or 20 questions from parliamentary researchers and not a single one of those questions is asked when we arrive here, although we are prepared on all of them.

•(1635)

The Vice-Chair (Mr. Mike Wallace): Okay. Thank you.

That's the end of my turn.

Monsieur Blanchette.

[Translation]

Mr. Denis Blanchette: Thank you very much, Mr. Chair.

The documents produced hitherto were produced because they had some value. I am not one of those who says that documents should be eliminated just because they have lost some value. I would be more in favour of seeing how we could give them their original value back.

Normally, in a budget, the Minister of Finance and the Treasury Board Secretariat have to be on the same wavelength. They have to be looking at the same figures. If you are in agreement from the beginning, everything falls into place as it moves downwards.

So what is stopping you from presenting the budget and the estimates almost at the same time?

[English]

Mr. Bill Matthews: The budget's a very high-level policy document. It's not about what's in the estimates document itself. It's about what has to happen behind the scenes for an expenditure item to be included in an Appropriation Act, and it means a well-designed plan. Where you have ongoing programs that were there for a number of years, the numbers in the budget are absolutely lined up with the numbers in the estimates. That makes perfect sense—one's cash, one's accrual. But don't discount the behind-the-scenes work required to get expenditure approvals for a new program. That's the key thing.

I will tell you that when Treasury Board is doing its work and a proposal for spending comes in, the first question is whether it was covered by a budget. If the answer is, no, it's a full stop. That's kind of the first check. The budget is step one, but to properly design a new program and get expenditure authority there's a lot of work required after the budget. In my mind it's not a disconnect; it's a timing difference. The budget is step one. The estimates are further down the track and the last approval you need before you go to the Appropriation Act and start spending money.

[Translation]

Mr. Denis Blanchette: Why can't you produce the estimates and the reports on plans and priorities at the same time?

[English]

Mr. Bill Matthews: The report on plans and priorities was designed to support the study of the main estimates. So when you actually look at the main estimates, the theory behind the report on plans and priorities is that it's a document, by department, to help committees complete their studies of the estimates. So it gives additional details for each department to help in the study of the estimates.

The report on plans and priorities was not designed to help assess the budget. The link for the RPP is the main estimates.

[Translation]

Mr. Denis Blanchette: As things presently stand, there is a major gap between the two, to the extent that the report on plans and priorities is no longer doing its job. Perhaps we have to find a way to produce the documents at the same time so that the report on plans and priorities gets its initial value back.

That brings me to another matter. Given that the figures you have are very high level ones, have you any suggestions for parliamentarians as to how they could become more familiar with them in depth? Do you at the Treasury Board Secretariat have any techniques, any databases or any other information, in addition to the estimates and the report on plans and priorities, that would let us make the connections we need? My colleague mentioned horizontal programs, for example. There are also transfers from one department to another. Do you have anything that lets you follow it all? If so, can we get access to it?

[English]

Mr. Bill Matthews: What I would suggest to you that parliamentarians look at, and it's all public already, but I think it's up to us to better group these documents together.... If I were studying a department's main estimates, I would certainly look at the main estimates for the previous year and look at what the change is. That's public information.

What is not well linked is what the department actually spent the previous year, so again it's public but we could do a better job of linking it in. And depending upon at what point you are during the year, because there's nothing to say that this committee cannot study departmental plans and estimates at any point during the year, the quarterly financials are useful tools to look at what the department has actually spent so far this year, and how that compares to previous years. That gives you a really good sense of what's changed.

The whole question, in my mind, is what's changed since the previous year? In supplementary estimates, you'll get new items. They stand out. When you look at mains, you can look at the previous year's main estimates, look at the previous two years' actuals, and then, depending on what point you're at during the fiscal year, you can look to the quarterly financial statements for a given department and say, okay, what's going on with this department? How has it changed since the previous year? That's all public already. What is not easy is finding a spot where you can see it all at once, and that's what we have to figure out.

Sorry, my colleague would like to add something.

• (1640)

Ms. Sally Thornton: If I may, you know the big binders we come equipped with for main estimates, about three years ago committees asked us if we could share that information. There was a significant change made to main estimates where we did departmental highlight sections, so you now have the information that had been in those main estimates. If you see information out there that is available, you see us using it, and you would like it in another form, please, let us know. We have made those changes in the past.

The Vice-Chair (Mr. Mike Wallace): Next from the Conservatives is Mr. Braid.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you, Mr. Chair, and welcome back to the witnesses. Thank you for being here this afternoon.

This notion of reviewing and approving based on a reorientation to a view of programs—one of the reasons that I think admittedly I'm drawn to it is that I think one potential byproduct of a reorientation of review by programs is that there will be a greater focus on results, a greater focus by federal government employees, by departments,

by members of Parliament, and by Canadians. Do you have any thoughts or comments on that?

Mr. Bill Matthews: Thank you for the question.

I'll make a couple of quick comments. There is all sorts of information out there on programs now, so there's nothing to prevent parliamentarians from reviewing departments by programs, and you could leave the vote structure the way it is, or you could change it. But the focus of the study could be by programs right now, and nothing would have to change on that front.

What you do have at your disposal, if you are looking at programs, is that every program gets an evaluation every five years, and that's public. You can actually see the results of the programs that have had evaluations done. In addition, all internal audits are made public, so if there's an internal audit that is related to a specific program, that's public as well. So you have those two additional sources on top of your reports on plans and priorities, which are very much designed around programs, as well as the departmental performance reports. You have quite a suite of information available to you. There's nothing that would stop the committee from taking a program view right now on its study.

The separate question is, what does Parliament vote on? It could be programs, or you could just simply change the focus of your studies.

Mr. Peter Braid: That's very good.

In an earlier response I think you suggested that one of the things we could consider at this committee is a focus on strategic outcomes. Could you elaborate on what you meant by that?

Mr. Bill Matthews: It had caught our attention that many witnesses had mentioned the notion of changing the vote structure to programs and program activities.

Slide 8 of our presentation has the number of programs that were laid out, and 593 program activities and over 2,000 programs struck me as a rather large number—too big to study. So the idea of strategic outcome is that it's a higher-level grouping of programs. The committee could then pick and choose which strategic outcomes were of interest and delve into programs as needed, but it struck me that using 2,000 programs as a starting point was a rather heavy load.

Mr. Peter Braid: Right, thank you.

You've indicated that the whole budget process within government, the preparation of estimates, is rather labour- and resource-intensive. You have a group of 25 employees or more, and then you reach out to the various organizations—I think 135.

Is there any mechanism within government liaising between the Treasury Board Secretariat and the various organizations to get suggestions from federal government employees on how to improve this process? What is it, and what have you heard?

Mr. Bill Matthews: If I may I will answer first, Chair, but Sally may have some additional comments.

We reach out to departments largely through the network of chief financial officers and their teams. I meet with the chief financial officers frequently, and they give us suggestions.

As I mentioned, the frequent theme is around reporting burden—why have you added these reports? The one I hear about more frequently is the one I mentioned, the future-oriented one.

When Sally and her team are preparing the estimates, they have a network of departmental folks as well, and I will let her speak to what happens at that group.

• (1645)

Ms. Sally Thornton: We hear a great deal from all 135 about things we could improve. Most tangibly it is reducing the system of internal controls, and we do. We insist on deputy head sign-off before something goes into your blue book. So we have assured ourselves that the items there have budget source of funds, they have received the appropriate executive approval, and then we still have the department deputy head sign off on the substance.

They have asked us if we could streamline that somehow, and we are looking at various options for data extraction. Right now it's largely done manually, several times. It's done manually in our call letter, in the department manually, and it comes back to us manually again.

We're in the process of changing that system. That should be a big one that will have an impact within TBS, not so much on my colleagues in the departments.

We are looking at ways that we could possibly streamline the mechanics, but not really the sign-offs because we do need that level of accountability.

There have been some real questions. For organizations that don't change from year to year that are basically FTEs, why do they have to keep coming in? Could we explore doing almost exactly the same thing from year to year where there are no changes, so they wouldn't have to input, but it would still come to Parliament—not a multi-year appropriation, but just no new paperwork—so you would know there have been no changes?

We frequently get questions as to supplementary estimates. Do we need three? Supplementary estimates (A) are important only for those fortunate few who have something in the budget that's well enough developed to get into supplementary estimates (A). Supplementary estimates (B) are the big ones. That's where you see the significant changes over the year. Supplementary estimates (C) are absolutely critical for somebody who has something urgent, but perhaps we could address it differently.

So some push back.... In a growing economy there were some very good reasons to have three, but less so as we're reducing. But

it's also optional for organizations. They do not have to come in for supplementary estimates unless they require them.

It's really all the other add-ons to our reporting, when we send out requests for specific information where we need departmental input, we really try very hard to build on existing mechanisms because that's the primary complaint, and it goes to reporting burden.

The Vice-Chair (Mr. Mike Wallace): Next, from the Liberal Party, we have John McCallum.

Hon. John McCallum: Thank you.

Let's choose an arbitrary date and suppose the budget was in early November and the estimates process was the same timing. In terms of our desire to align, how much would we achieve by doing so—other than the cash accrual issue—50%, 80%, 40%?

Because I understand there is a cost. If you do it in early November you may be less accurate in predicting the upcoming fiscal year, so what's the cost-benefit ratio there?

Mr. Bill Matthews: The answer depends on what's in the budget. If you were to think about a budget that had a brand new program, in that scenario it would not make it into the estimates.

If you had items in the budget that topped up existing programs, such as a program that currently is \$5 million a year and you were going to make it \$7 million, that sort of thing absolutely would get in. But a new program in that timeframe? No.

Hon. John McCallum: But what about expenditure reductions?

Mr. Bill Matthews: Well, again, estimates are “up to” amounts, so we don't use estimates in appropriation acts to communicate reductions. They would only come into play where a department was asking for new money and there had been a reduction put in place. Estimates are all about an “up to” amount. It's a ceiling.

Do you have something...?

Mr. Douglas Nevison: Yes. Just in terms of the cost-benefit, I think another consideration to bring into play is the consultation process that happens before the budget, particularly the work that's done by the Standing Committee on Finance. Currently, that's between October and December.

If you were to have a budget, as you said, in early November, that process would probably have to report to Parliament by September, meaning that consultations would happen over the summer. That's another consideration in terms of the cost-benefit.

Hon. John McCallum: Thank you.

I'd like to now mention the G-8 legacy fund and the controversy over a border infrastructure fund being used for totally different purposes. I know it wasn't illegal, but I don't think it's in the spirit of parliamentary oversight. My question is whether there might be some way for such redirections of funds to be made public or to be announced to Parliament, to Canadians, as opposed to them just happening without us hearing about it.

• (1650)

Mr. Bill Matthews: So that gets down to the—

Hon. John McCallum: Sorry—and would moving to programs have any implications for that question?

Mr. Bill Matthews: So that would depend on.... If the money involved is from two different programs, it absolutely would have implications if you move to a program vote, which, as I mentioned, has its challenges in terms of how many programs there are.

From my perspective, if you think about the G-8 and G-20, we have changed some processes internally to make sure we better describe in the estimates documents so that we don't bump into those again. And it was a one-off. It doesn't happen often, but it happened. So we have made some changes internally.

I'm not sure if Sally wanted to talk about—

Hon. John McCallum: Well, you say it's a one-off, but didn't something similar happen with the green infrastructure fund, where the money was devoted to other areas...?

Mr. Bill Matthews: No. The green infrastructure one is a bit of a different story.

When you actually check main estimates to main estimates, you'll see that there are reductions. When a department brings in its main estimates and we start the year fresh, you're not moving money from one fund to another. So that's a bit of a different story. If you look at the change from one mains to the next, you can see the change.

Hon. John McCallum: Okay.

I was listening to the conversation of a few minutes ago when you were saying that information already exists on expenditure by program and that we could review departments that way if we wished to. You said that would not cause any problems. But if we continue to vote the way we vote today, there would be no additional work for you.

So when you talk about an additional three to five years of work, I understand that this is only if we change the way we vote, not if we change the way we study programs. Is that right?

Mr. Bill Matthews: The three to five years I was referring to are if the change was made to the actual vote structure. In my mind, there's a lot of information out there now on programs that would not prevent a committee from studying on a program basis, but I was actually referring to if Parliament decides to change the basis for the vote. That then requires some time.

Hon. John McCallum: Okay.

Going back to my first question, if a budget comes in and brings in new programs, would those typically be introduced into the supplementary estimates (B) or what?

Mr. Bill Matthews: It depends. Supplementary estimates (B) is your most common. But some programs have taken a couple of years to design.

Hon. John McCallum: Okay.

Thank you.

The Vice-Chair (Mr. Mike Wallace): Our next questioner, from the Conservative Party, is Ms. Block.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair.

I want to thank you for joining us today. I always appreciate your presentations. I know it was way back at the beginning of this Parliament that we received a very thorough orientation on the whole estimates process from you. It's good to be finishing up this study with you.

We've heard from many witnesses. As you rightly noted in your concluding remarks, we've been provided with a wide range of opinions and options on multiple issues, some of which are in complete conflict with one another.

I think a study like this allows us to really examine all of those options but also to test some of the assumptions we may be making. One of our earlier witnesses, Mr. Stilborn, stated that a major contributor to the dissatisfaction experienced by MPs was that discussions are "heavily dominated" by focusing on "unexamined assumptions". I think this allows us to examine those assumptions.

As I stated earlier, I think it's helpful to be ending this study with your comments. You gave us some considerations for changes and asked us to consider whether or not any changes we look at making will help us to better fulfill our roles. You've also asked us to consider the reporting burden and implementation issues.

I want to turn to one of the things I've become aware of: the need to ensure that all committees and parliamentarians understand the estimates process as those of us who have had the opportunity to sit on this committee have come to understand it. I want to focus a little bit on training, and perhaps you might advise us on what kind of training could be provided to parliamentarians.

Also, on the second-last page of your deck, on improvements to the reporting of information, could you pick out a few of those things that, if implemented first, would help us? What would it take for you to go ahead and make some of these changes to make this information more user-friendly for us?

•(1655)

Mr. Bill Matthews: Thank you, Chair.

To actually make some of the suggested changes on that slide, we don't need the blessing of this committee. We try to make improvements. If we think we have a good idea.... We added horizontal items not so long ago. You'll see some improvements in the next supplementary estimates (A).

If the committee members have ideas on things we can do, it's good for us to know them. In the next main estimates, you will likely see some additional changes as well.

In terms of training, I think the offer's been made before. We are happy to have sessions with new members, either of the committee, or more broadly, of Parliament. We're often not taken up on that offer, but it stands. I'm happy to do it. It helps, but I think we also have some work to do in better connecting this information, either online or on paper, to allow parliamentarians to find what they're looking for, so that's on us.

To actually make some of the changes we've put forth, we can pursue changes we know are a good idea. If we think something's a good idea but we are not so certain, we'd rather hear from the committee, because its guidance is useful.

Sally, did you have anything specific you wanted to add?

Ms. Sally Thornton: We'd very much appreciate hearing whether you think any of those would be useful. Some of these could be done as early as your next main estimates. We're set for our supply cycle for this year, but when it comes to connecting the dots, perhaps going alphabetically.... Actually, we're very likely to recommend going alphabetically, anyway, just because parliamentarians may get it, but other Canadians don't. We are really looking at some of these for the next main estimates, if possible.

The Vice-Chair (Mr. Mike Wallace): Do you have anything more? You have one minute.

Mrs. Kelly Block: I guess all I would say is that we've heard that we probably do have all the information we need. I know my colleague across the way spoke to certain information being in one place and other information being in another. I think being able to connect the dots, being able to align information so that we can get a

really good idea of the plans and priorities documents as well as the performance reviews, and having all of that flow such that we can see from beginning to end what's happening within a department, certainly in terms of the budgeting or the programming of a department, would be very helpful.

I'm just wondering if there's anything else you would like to comment on. One of the things we heard about was even expanding the mandate of this committee. I'm not sure if you are aware of that recommendation, or whether it would even be helpful to have a committee with the role of specifically looking at the estimates process.

Mr. Bill Matthews: I was aware of that recommendation, and I thought there was a good discussion around the pros and cons of that because if you dedicate a committee to the estimates, you don't have maybe the specific knowledge of a certain department in the room, but you'd certainly get more airtime for your estimates, so there are pros and cons.

I'm not going to suggest to Parliament how it should organize itself. We have observed that when you deal with estimates they are planning numbers, and the public accounts committee looks at actuals, and those two things are just logically linked and how you manage that.... We have seen both committees weigh in on accrual appropriations, so I have noticed that those committees often are interested in the same issue. What you do about that, I am not sure. It's not necessarily a bad thing, but I have noticed those two committees tend to sometimes focus in on the same things.

The Vice-Chair (Mr. Mike Wallace): Thank you very much.

Our next questioner is Monsieur Larose.

[*Translation*]

Mr. Jean-François Larose: Thank you, Mr. Chair.

I want to thank the witnesses for answering my questions and for telling us how long we have to wait before any changes are implemented. My question is precisely about those changes.

We know that people are always really afraid of change. But if we have the courage of our convictions, if our society is one that evolves and that is always seeking a better way, that is what we have to do.

You said that you spend an enormous amount of time managing information. The more I listen to you, the more I recognize the complexity and the extent of the information that you have to manage in terms of the number of employees you have. My concern, given the ambiguity between the budget, the estimates and the evaluation of the previous budget, is about crisis management. You mentioned it at the beginning. A government can find itself in a situation where there are unforeseen circumstances. It could be an economic crisis or a natural disaster, but the costs can be absolutely astronomical. If a budget is poorly managed and we end up in a crisis, with incredible expenses like that, what do we do? At that stage, the gun is already at your head.

You do excellent work. We realize the amount of information that you give us on a regular basis. Do you need any tools that would allow you to track and communicate information better? We often talk about what you can bring to us, but what can we bring to you?

In a long-term process of development and change, are there tools that could be used to improve the way in which the information is understood?

• (1700)

[*English*]

Mr. Bill Matthews: Mr. Chair, in terms of my earlier comments with respect to a crisis or an unforeseen event, that's an important point because if the government wants to spend money on something that was not planned, it does need to come back to Parliament for approval, and that's a key control we have in the system. I did mention the Haiti earthquake, I believe, as an example of that. I hope we never lose that control. It is a key control.

In terms of tools that we use or that you could use, as I alluded to earlier, the notion of getting researchers tools online so they can actually take the various data sources and put them into an analytical tool to help them do their work better would be quite helpful. Open data, online information is the way of the future. It would allow researchers to better access the information, and ideally look at trends and ask better questions. I think that's where we have to go. I know people love getting their blue books, but to better integrate the information online is the key, and that's where we have to go.

Ms. Sally Thornton: Just with regard to the change management—because we really are getting into some major changes and opportunities with open data, electronic things that are accessible, searchable, and where you can extract information—technology will not be the solution.

First and foremost, people are going to have to understand what information is available, but also we need to understand clearly what you need to fulfill your role. Technology is not going to magically, all of a sudden, provide it without that clarity of thought and direction, so I very much appreciate the committee taking the time to look at this now and I hope we get some clear direction.

[*Translation*]

Mr. Mathieu Ravnat: One of the departmental representatives that the committee has heard from said this: “the future-oriented financial statements...exist for a specific reason, since they include projections for the future, but they are based on accrued items. I have not yet made any decisions based on the information in those

statements, which came into force recently. But that does not mean that I won't do so down the road.”

Does it often happen that financial statements are not seen or considered? Could you give us any general information as to why the minister was asked to produce future-oriented financial statements?

[*English*]

Mr. Bill Matthews: Those are indeed the pro forma or future-oriented financial statements I spoke to. Departments are preparing those now, and have been for a couple of years. They're not finding them useful for their own purposes. They were already producing forecasts in terms of what they were going to spend.

The accrual-based statement for revenues and expenses is of some utility. The balance sheet, forecasting what your assets are going to be at the end of the year, is of no use to them. That reporting mechanism was put in place in response to a recommendation from the Office of the Auditor General that we move to accrual appropriations. What the government responded with was that we would start providing additional accrual-based information to parliamentarians, and we would assess, after a number of years, what the experience had been with parliamentarians and if they found the information useful.

Departments have told us loud and clear that future pro forma balance sheets are of absolutely no use, with some mixed response on the statement of revenues and expenses in terms of forecasting that.

• (1705)

The Vice-Chair (Mr. Mike Wallace): Our next questioner is Mr. Cannan.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thank you, Mr. Chair; outstanding job, as always, filling in as our chair.

Thanks to our witnesses.

I echo my colleagues around the room that it's a great several months we've been spending with all parties working collaboratively. It's been a non-partisan issue. We want to get this information in a more usable format.

I spent nine years in local government—the same with Mike—looking at and studying this, trying to make it more user-friendly.

I want to pick up where my colleague Mathieu had a comment, looking at all the different changes within the agricultural budget. Would he, as a member of Parliament, go to Bill with his question, or to Sally, or...?

Do we have a point person—someone from the Library of Parliament, let's say, or an analyst, perhaps, would be one suggestion—to help provide information to a member of Parliament who has a question?

Mr. Bill Matthews: Where a member of Parliament has a question specific to a departmental spending profile, the best way to approach it is to work through the department itself. What you see in the main estimates for Agriculture Canada is as a result of their submission of material into the centre. They're in the best position to respond to those questions.

Mr. Ron Cannan: Would the Library of Parliament or an analyst have any assistance in that?

Mr. Bill Matthews: They can do some research in terms of the documents that are out there. They're actually quite useful. They know where to look for main estimates and quarterly financials and RPPs. Researchers can be quite useful on that front, absolutely.

Mr. Ron Cannan: Okay.

Mr. Nevison, in the finance department, I really applaud the application of the budget online. It's been very helpful. I'm just wondering, thinking about combining the two, is there a way of maybe using hyperlinks within the budget, to sort of overlay the estimates?

Mr. Douglas Nevison: Yes, I think that's something we could look into. Again, building this crosswalk between the two sets of documents would be very helpful to people, I think, so that's something we could certainly look into.

Mr. Ron Cannan: Another issue—as we said, we had several different witnesses—is that with regard to the estimates, about one third of the \$90 billion is discretionary, right? The other two-thirds are statutory.

Is there any review process in place of that two-thirds, the statutory funding?

Mr. Bill Matthews: I'll let my colleague from Finance comment in a moment.

The budgets could make changes to statutory programs, but if they are status quo.... I guess by leaving them status quo, the budget in fact has looked at them. But there is no committee that I'm aware of that studies statutory spending.

Mr. Douglas Nevison: No, I'm not aware of any either.

Mr. Ron Cannan: One of the recommendations was to have a ten-year review of statutory funding or statutory budgeting. Is that something that you think would be a reasonable request of the committee?

Mr. Bill Matthews: It's an interesting one, because when you look at the work of the committee in studying estimates, the key is to do the work to study the Appropriation Act, which is just for the voted items. That's absolutely paramount.

As you said, though, the statutory spending does represent two-thirds of spending. It's a significant amount of money, something that's worth looking at. As to how often you do it, I'm not sure.

Mr. Ron Cannan: Is that something that maybe Finance could give us some guidance on?

Mr. Douglas Nevison: No, I think that's exactly the right point. If the committee thought that was worthwhile, then it's worth considering.

Mr. Ron Cannan: I mean, we just did the whole strategic review, the deficit reduction action plan, and went through and looked at it from an operational perspective. That in some way, I guess, is looking at overall budget, but there is nothing in place to go to a zero-based budget. Some corporations or municipalities or provinces in the past have looked at zero-based. It's not something the government's ever looked at.

Mr. Bill Matthews: I would distinguish between the work of committees on strategic review and the deficit reduction action plan, because that was an internal government exercise to identify savings. That's different from a committee actually studying the spending. To my knowledge no committee is studying statutory spending at the moment.

Mr. Ron Cannan: That's something we should definitely think about in our recommendations.

Sally mentioned that technology isn't the panacea, because if you don't know the information is there.... I like the idea of an index. Is that something you're already looking at doing, or should we put it on our recommendations list?

● (1710)

Ms. Sally Thornton: To the extent there's consensus on specific recommendations, please put it forward. Something we are looking toward right now is alphabetical, largely because of concerns we've heard here and from Canadians. We're also looking at.... I wouldn't call it analysis, in that it's not information, but it highlights the major changes in initiatives, vote changes, and the horizontals.

But if there's something that helps you focus your attention sooner, please let us know. Then in terms of crosswalks or links to others, let us know if you have a consensus on something, or if you would like us to explore it.

Mr. Ron Cannan: Thank you very much. I appreciate all your work.

The Vice-Chair (Mr. Mike Wallace): Monsieur Blanchette.

[Translation]

Mr. Denis Blanchette: Thank you, Mr. Chair.

When I began this job as a member of Parliament, one of the things that surprised me was that there were not just one or two supplementary estimates, but three. Is that not at least one too many?
[English]

Mr. Bill Matthews: There are the main estimates, and in the last few years we've had supplementary estimates (A), (B), and (C). If you went back further you would see that in some years there were only two, so it was (A) and (B).

Sorry, I may have misunderstood the question, parts I, II and III of the estimates....

I'll just finish my thought on the supplementary estimates. That's largely a function of the urgency of departmental spending. If you're curious about the actual content of the main estimates themselves, part I is the government overview. It's quite useful in setting the context for what's in the main estimates document. Part II is by department and is quite useful in looking at changes for the department itself. Part III is on the reports on plans and priorities and the departmental performance reports.

That's why we say there are three parts to the estimates. But I'm not clear if your question was on that part or the fact that we have supplementary estimates (A), (B), and (C) as well. I'm not sure if I answered your question.

[Translation]

Mr. Denis Blanchette: Thank you.

Mr. Chair. That takes care of my questions.

Now I would like to talk about the motion I want to introduce. I would like to read it to you.

[English]

The Vice-Chair (Mr. Mike Wallace): If there are no further questions of these witnesses—it costs us money to sit here—we'll suspend for a few minutes, let them go, and resume with future business starting now.

Mr. McCallum.

Hon. John McCallum: I have one short question.

Depending on what our recommendations are, would it make sense to do a pilot project or a test with one or two departments in the area, like accrual versus cash, or programs?

Mr. Bill Matthews: It would depend on the nature of the recommendation. On accrual versus cash, you're actually voting money to dollars, so I wouldn't recommend a pilot on that one. If you wanted to change the way you studied something, a pilot is absolutely a possibility.

Hon. John McCallum: Okay. Thanks.

The Vice-Chair (Mr. Mike Wallace): Thank you very much for coming, starting our study, and finishing our study. We'll be working on giving directions to the analysts for a report, and hopefully we'll have some sort of information to you by the end of June.

Thank you very much.

We will suspend for a few minutes.

• _____ (Pause) _____

•

The Vice-Chair (Mr. Mike Wallace): The next item on our agenda for today is future committee business. We normally do this in camera. I'd like to move in camera for future committee business.

Mr. Blanchette, you are number two under committee business. We have information on the planning of future business, then we have your motion to deal with after that.

We have a motion to go in camera. It's non-debatable.

• (1715)

Mr. Denis Blanchette: Can we have a recorded vote?

The Vice-Chair (Mr. Mike Wallace): Sure.

(Motion agreed to: yeas 6; nays 4)

[Proceedings continue in camera]

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