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Chair: Mrs. Kelly Block



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• (1105)

[English]

The Chair (Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC)): I call this meeting to order.

Good morning, and welcome to meeting number 27 of the Standing Committee on Public Accounts. The committee is meeting in public today and is being webcast.

Pursuant to Standing Order 108(3)(g), the committee is meeting today to study “Report 7, Canada Emergency Wage Subsidy”, of the 2021 reports 6 to 9 of the Auditor General of Canada.

Today's meeting is taking place in a hybrid format pursuant to the House order of January 25, 2021, and therefore members may be attending in person in the room or remotely by using the Zoom application.

I have just a few reminders for members.

All of us are participating virtually today. Interpretation services are available for this meeting. You have the choice, at the bottom of your screen, of either “Floor”, “English” or “French”. Before speaking, click on the microphone icon to activate your own mike. When you are done speaking, please put your mike on mute to minimize any interference. When speaking, please speak slowly and clearly. Unless there are exceptional circumstances, the use of headsets with a boom microphone is mandatory for everyone participating remotely.

Should any technical challenges arise, please advise me, the chair. Please note that we may need to suspend for a few minutes in order to ensure that all members are able to participate fully.

Now I'd like to welcome our witnesses.

Joining us today from the Office of the Auditor General are Karen Hogan, Auditor General of Canada; Philippe Le Goff, principal; and Mathieu Lequain, director.

I'm sorry; I think my printer has put me in a rough spot.

Madam Clerk, can you please announce who our other guests are today?

The Clerk of the Committee (Ms. Angela Crandall): Certainly. Where did you leave off, Madam Chair?

The Chair: I left off with Ms. Hogan.

I know that we have a number of other guests with us today, but I just introduced those from the Auditor General's office.

The Clerk: Okay. From Revenue Canada, we have Mr. Bob Hamilton, commissioner of revenue and chief executive officer; Marc Lemieux, assistant commissioner, collections and verifications branch; Ted Gallivan, assistant commissioner, compliance branch; and Frank Vermaeten, assistant commissioner, assessment, benefit and service branch.

Then, from the Department of Finance, we have Michael Sabia, deputy minister; Andrew Marsland, senior assistant deputy minister, tax policy branch; and Maude Lavoie, director general, business income tax division, tax policy branch.

The Chair: Thank you so much, Madam Clerk.

I will now turn the floor over to Ms. Hogan for five minutes.

Ms. Karen Hogan (Auditor General of Canada, Office of the Auditor General): Madam Chair, thank you for this opportunity to discuss our report on the Canada emergency wage subsidy, which was tabled in the House of Commons on March 25.

Joining me today are Philippe Le Goff, who is the principal responsible for the audit; and Mathieu Lequain, who led the audit team.

As part of the response to the COVID-19 pandemic, the federal government announced the Canada emergency wage subsidy in March 2020. The subsidy was meant to help maintain the employer-employee relationship during the pandemic and help position employers to resume normal operations when businesses can fully resume.

The Canada emergency wage subsidy program, one of the largest initiatives the government has ever undertaken, is expected to cost approximately \$97.6 billion by the end of the 2021-22 fiscal year. This audit focused on whether the Department of Finance Canada provided analysis on the Canada emergency wage subsidy program and whether the Canada Revenue Agency limited abuse by establishing appropriate controls in its administration of the program.

Overall, we found that the Department of Finance Canada and the Canada Revenue Agency worked together within short time frames to support the development and implementation of the Canada emergency wage subsidy. The Department of Finance Canada performed a partial analysis of the initial design of the subsidy program, and it later provided a sound and complete analysis to inform adjustments to the subsidy made in July 2020. Although we were given access to all documents, we are unable to provide Parliament with details of these analyses because they were in secret and cabinet documents.

The design and rollout of the subsidy highlighted pre-existing weaknesses in the Canada Revenue Agency's systems, approaches and data. These weaknesses need to be addressed to strengthen Canada's tax system.

• (1110)

[*Translation*]

One of the weaknesses is related to the lack of up-to-date tax data. For example, we found that 28% of the subsidy applicants did not file a return for the goods and services tax or the harmonized sales tax for the 2019 calendar year. Given that GST and HST returns are important indicators of revenue, the lack of tax data means that the agency did not have all the relevant information for assessing the applications before issuing payments. This revenue information would have allowed the agency to validate the reasonableness of the revenue drop that was declared by applicants.

To prioritize issuing payments quickly, the Canada Revenue Agency chose to forgo certain controls that it could have used to validate the reasonableness of subsidy applications. For example, the agency decided that it would not ask for social insurance numbers of employees, although this information could have helped prevent the doubling up of applications for financial support.

The limitations of the agency's information technology systems affected its ability to perform some pre-payment validations, as did the absence of complete and up-to-date tax information. As a result, the agency will have to perform more post-payment verification work, and we expect that the agency will have to rely mainly on costly comprehensive audits that will start in spring 2021. This post-payment work will be the subject of a future audit from my office.

We made three recommendations to the Canada Revenue Agency and one recommendation to the Department of Finance Canada. The agency and the department agreed with the recommendations.

Madam Chair, this concludes my opening remarks. We would be pleased to answer any questions the committee may have.

Thank you.

[*English*]

The Chair: Thank you very much, Ms. Hogan.

We will now go to Mr. Hamilton for five minutes.

[*Translation*]

Mr. Bob Hamilton (Commissioner of Revenue and Chief Executive Officer, Canada Revenue Agency): Thank you, Madam Chair.

I am pleased to be here to discuss the Canada Revenue Agency's action plan in relation to Report 7 of the Office of the Auditor General of Canada on the Canada Emergency Wage Subsidy.

With me today are the Assistant Commissioners of the agency, whom you have already introduced.

[*English*]

First I want to recognize the excellent work of the agency employees who had the daunting task of developing this wage subsidy

and its calculator in record time in order to support millions of Canadian businesses and workers in the challenging context of the COVID-19 pandemic. Their speed of execution was remarkable, and I offer them my sincere thanks. We are all truly proud of what they were able to achieve.

In report 7, the OAG made three recommendations addressed to the agency, and we accept them all: one, to strengthen its efforts toward tax compliance for GST/HST; two, to use automated validations with a unique identifier across programs; and three, to use business intelligence information as soon as it is available to conduct targeted audits.

With regard to the first recommendation, the agency will identify opportunities within the GST/HST delinquent filer program to improve filing compliance on the part of GST/HST registrants. The agency will review workload selection and prioritization criteria within this program to identify areas of improvement as applicable.

We will determine if program resources are allocated optimally and are sufficient to deliver on program expectations. The agency will also identify potential legislative changes that could support filing compliance.

Finally, the agency will identify additional ways to educate and support businesses regarding GST/HST registration and filing obligations in order to promote future compliance.

• (1115)

[*Translation*]

In the second recommendation, the OAG suggested that the agency should use automated validations with a unique identifier across programs in order to improve the integrity and validation efficiency of future emergency programs. In addition, the OAG also noted that the SIN, the unique identifier for individuals, comes with limitations, such as privacy issues and identity theft.

We acknowledge these observations and in collaboration with Employment and Social Development Canada, we are working in partnership with the Treasury Board Secretariat on its Sign-In Canada platform. Sign-In Canada will facilitate access to Government online services through a secure digital ID that is mapped to departmental programs. We expect the Sign-In Canada platform to be available in the next 24 to 36 months, at which time the agency will commence its onboarding activities.

At the same time, the agency also continues to enhance its authentication and credential management systems through multi-factor authentication. This solution is currently being rolled out to all users of the agency's portal services. Full roll-out is expected to be completed in June of 2021.

[English]

Lastly, regarding the third recommendation, the agency agrees that the timeliness of compliance actions is very important. To this end, the agency is continuously investing to improve its risk assessment systems and business intelligence to better focus its resources, in a timely manner, on the highest-risk cases of non-compliance at a national level.

Notably, the agency is working with the aid of risk assessment algorithms, which use data to help the agency quickly identify applications that warrant more careful examination. These algorithms are frequently updated and improved as the agency learns more about the common patterns in CEWS applications, and also to reflect changes to the CEWS legislation. Phase one is under way. Phase two, which will begin in September 2021, will maximize the results obtained in phase one, which will then inform and improve the risk assessment process for targeted audits as a whole.

As a result, in December 2021 the agency expects to produce its final report on this recommendation, which will include the best practices learned. These can be used as a basis for future targeted audits.

Thank you, Madam Chair. I'd be happy to answer your questions.

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

We will now go to Mr. Sabia for five minutes.

[Translation]

Mr. Michael Sabia (Deputy Minister, Department of Finance): Thank you, Madam Chair.

Thanks to the committee for its invitation.

I am here today alongside my colleagues Andrew Marsland, Senior Assistant Deputy Minister of Tax Policy, and Maude Lavoie, Director General, Business Income Tax at Finance Canada.

As you know, the Department of Finance remains focused on supporting Canadians and Canadian businesses through the COVID-19 pandemic. And that is why I welcome this report from the Auditor General.

The Canada emergency wage subsidy is one of the strongest pillars of government support that was established in the early days of the pandemic.

- (1120)

[English]

The wage subsidy program was initially designed to keep employees attached to their employer by subsidizing 75% of their payroll costs, up to a maximum of \$847 per employee per week. It acts to protect jobs, encourages employers to rehire workers previously laid off as a result of the COVID crisis, and helps position Canadian businesses for a robust recovery. Through this initiative, well over five million Canadian employees have had their jobs supported, with over \$74 billion paid out through the program as of April 11, 2021.

Through the budget that we delivered this week, we proposed that this subsidy continue until the end of September 2021, along-

side the Canada emergency rent subsidy and the lockdown support. We also proposed to gradually decrease the subsidy rate, beginning in July, to ensure an orderly phase-out. However, of course that depends entirely on the state of the pandemic and the progress with respect to vaccinations.

In addition to the wage subsidy program, we also introduced a new program in the budget. We've called it the "Canada recovery hiring program", and it's to help businesses hire more workers between June 6 and November 20, 2021, as we begin a turn from protecting jobs to creating jobs. It will offer companies on the wage subsidy, as they begin opening up, a new alternative: a program to assist them by offsetting a portion of the costs of bringing in new employees.

[Translation]

Ms. Hogan's audit focused on whether Finance Canada provided analysis on the wage subsidy during its initial development. I am pleased to note the audit's conclusion that the department worked within short timeframes to provide decision makers with information to assist them in developing the wage subsidy, and that it subsequently provided sound and complete analysis to inform adjustments to the program.

In the department's work in designing the wage subsidy, it collaborated with the Canada Revenue Agency to assess how the program could be implemented quickly and develop the legislation related to the subsidy. The analysis was done rapidly. The imperative at that time was to get help to our workers and businesses quickly. And it was the right imperative.

Finance Canada also proposed subsequent adjustments to the subsidy that were informed by sound and complete analysis, as well as input from businesses and employers. For example, revisions to the program made the subsidy accessible to a broader range of employers by including those with a revenue decline of less than 30%, and providing a gradually decreasing base subsidy to all qualifying employers.

[English]

Although, Madam Chair, I was obviously not in the Department of Finance at the time, I do want to say that I think the agility that our department demonstrated in the design of this program, and in particular the department's willingness and effectiveness to constantly assess feedback from stakeholders and program recipients and to constantly find opportunities to make adjustments and to improve the reach and rigour of the program, are important and very much worth noting.

As I mentioned a moment ago, we also very much welcome the Auditor General's recommendation to publish an economic evaluation of the wage subsidy program. Doing that is indeed our plan, and we've committed to undertaking this evaluation and publishing our findings in the 2022 report on federal tax expenditures.

Before I wrap up, I do want to—and again, I say this as someone who wasn't there at the time—give full credit to the public servants both in the Department of Finance and in the Canada Revenue Agency for a really extraordinary effort to design this program and to deliver it rapidly at a time of real economic and social crisis for the country. I think that speaks well of their dedication as public servants to Canada.

I'll stop there. Thank you again for the invitation. My colleagues and I will be happy to try to answer your questions.

• (1125)

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

We will now go to our first round of questioning. It's a six-minute round, starting with Mr. Lawrence.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you, Madam Chair. I'll commence conversation here with Mr. Sabia.

My area of inquiry will be the interplay between the CERB and the CEWS. I think that most economists as well as Canadians would have preferred to see more of the employer-employee relationship retained; however, when we look at the numbers, it appears to me that while the CERB was oversubscribed, the CEWS was undersubscribed, and that may have cost Canadians jobs, severing that important relationship between employer and employee.

Mr. Sabia, would you characterize that statement as correct, or how would you differ?

Mr. Michael Sabia: I don't think I would say that we share that view.

The wage subsidy program was designed initially and then, as I mentioned a moment ago, adapted following consultation to make it very broadly based, very simple and able to be put very rapidly in place. It has, as I mentioned, supported the continuing employment relationship of at least more than five million Canadians. We think that's important.

We think this program is doing its job. One of the most important factors in coming out of an economic event like the COVID crisis is to ensure that businesses are able to rapidly regain their operations. The loss of the employment relationship is something that would have substantially slowed that process.

Therefore, one of the reasons we're seeing the kind of economic strength in the country that we are, notwithstanding these very difficult conditions for many businesses, is the fact that this program has helped maintain that relationship. We think that's very important as an instrument of economic policy, but it's also very much an important part of helping Canadians and helping Canadian businesses through these exceptionally difficult times.

Mr. Philip Lawrence: Thank you, Mr. Sabia. Also, thank you to your department for everything that it's done.

I would respectfully differ. I think the numbers would tell us a slightly different story. With regard to the original projections for the CEWS program, it was undersubscribed by a good 50%, depending on which numbers you use, in accordance with your own projection. Then throughout most of the pandemic, Canada has been one of the laggards in terms of recovering jobs. Our unemployment, of course, has been near the bottom of the G7 throughout most of the pandemic. I would love to share your rosy review of the plan, but the facts don't merit it.

I would like to jump over to Mr. Hamilton and thank him, first of all, for all of his great work.

I'd like to start an inquiry, which I will probably continue in further rounds, about the vetting process.

We understand the pressures of getting the funds out as quickly as possible to employers to support the employees. However, it does seem as though a number of steps were skipped, one of which was in not collecting the social insurance numbers. I'd like to give Mr. Hamilton or any of the other panellists an opportunity to explain why the social insurance numbers were not collected.

• (1130)

Mr. Bob Hamilton: I'll take the specific question of the social insurance numbers and maybe put it into context.

At the beginning of this program, we definitely had a balancing act to get the benefits out as quickly as possible while doing as much upfront verification as we could. At the end of the day, we knew that we would have back-end audits and/or verifications to rely on if we were to miss something in the first effort. Part of our calibration was to think about the right equilibrium between getting the benefits out soon and doing some upfront verification that would help us at the back end.

We thought about asking the employer to include the social insurance numbers of the employees, but it was felt at that time that this was going to significantly slow down the implementation of the program and delay the benefits to the businesses that were looking to support their employees, so we made a decision to not require that.

Instead, on the T4 slip now, the employees include statistics on when they earned money through the course of 2020. We can use that information to go back and check whether there was an instance of somebody claiming the CEWS and also claiming the CERB, for example.

It was really an attempt to balance that act and recognize that we couldn't move fast enough if we were to include the SINs at the beginning. However, we did know that we had the back-end verification and would have better data then to catch it up.

Mr. Philip Lawrence: Madam Chair, thank you very much.

The Chair: Thank you very much. There are just a few seconds left.

We will now go on to Mr. Fergus for six minutes.

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Thank you very much, Madam Chair.

Once again I'd like to thank the witnesses who are appearing before us today.

I'd also like to tip my hat to the Department of Finance and the Canada Revenue Agency for the outstanding work they've done during the crisis. I know it was very hard. However, the committee's duty is to try to identify problems so we can learn lessons and improve our performance next time.

First I'll speak to the representatives of the Office of the Auditor General, Ms. Hogan or Mr. Le Goff.

With respect to the goods and services tax and the harmonized sales tax, according to your report, 42% of subsidy applications came from businesses that had collected an average of 18% more GST and HST in 2020 than in 2019.

If the purpose of the subsidy was to assist only businesses that had experienced revenue declines, could we say that objective wasn't achieved in 42% of cases, or should we qualify that view?

Ms. Karen Hogan: I'll start off and then let Mr. Le Goff add any comments he wishes to make.

The figures you refer to appear in a section of our report where we noted that the Canada Revenue Agency was receiving information on which it could conduct more targeted investigations as the program advanced. The information received concerning GST and HST returns indicated there was an imbalance; at the very least, that information should have raised suspicions or doubts. However, the agency decided to use the information in its comprehensive post-payment audits instead of pausing subsidy payments to look into a potential problem.

I don't know whether Mr. Le Goff would like to add a few comments.

Mr. Philippe Le Goff (Principal, Office of the Auditor General): Good morning.

The Auditor General gave a good answer to the question.

To the best of our knowledge, the agency chose not to take advantage of that first-hand information, with which it could have determined whether the applications were reasonable from a revenue standpoint, while continuing payments to businesses. The information provided revenue indicators that were critical in helping the agency determine whether applications were valid.

• (1135)

Mr. Greg Fergus: Thank you, Ms. Hogan and Mr. Le Goff.

Mr. Hamilton, do you have anything to add on this point?

Mr. Bob Hamilton: I'd like to add a few comments. Then I'll ask my colleague Mr. Gallivan to do the same.

It's important to note that we used the information we got as the program was being implemented to improve verification as much as possible. It was actually impossible to halt all the applications because that would have made the program inefficient.

As I said earlier, we'll have another opportunity to do the verification at the end of the process. That's an option for us. We made decisions in an attempt to strike a balance between speed and integrity. Our decisions may not always have been perfect, but we'll use the information that's now available to rectify matters so we can both respond more effectively to another pandemic and improve our normal annual verification method.

Mr. Gallivan may have something to add.

Mr. Ted Gallivan (Assistant Commissioner, Compliance Programs Branch, Canada Revenue Agency): I'd like to clarify one point. The fact that more GST was collected wasn't necessarily a negative point. The accounting methods were varied, since the wage subsidy program made both cash and accrual accounting methods possible. It was a matter of dates. You mustn't think that 42% of applications were false. That was simply an indicator.

Although we didn't act in June, we started our verifications in August and September. So it didn't take long for us to introduce measures once we had the information.

[*English*]

The Chair: Thank you very much.

We will now move to Mr. Blanchette-Joncas for six minutes.

[*Translation*]

Mr. Maxime Blanchette-Joncas (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Madam Chair.

Good morning to all the witnesses.

My first question is for Ms. Hogan.

Good morning, Ms. Hogan. It's a pleasure to see you once again.

I'll get straight to the point. I was surprised to hear you say the Department of Finance had given you full access to the information. I nearly fell off my chair when you said you couldn't provide Parliament with specific information because it was protected by cabinet secrecy.

This is a program that we deployed in only a few months, at a cost of \$100 billion, according to the last economic update of November 30, 2020. I'm sure you'll agree that raises more than mere ordinary doubts; I'd even say it raises serious questions about government transparency. I'm trying to understand. Can you enlighten us?

Given your role, how do you perceive this unique state of affairs?

Ms. Karen Hogan: My office has access to information included in documents that are protected by cabinet secrecy. As a result, we had access to all those documents during the Canada emergency wage subsidy audit.

We're limited with regard to the details that we can include in the report to provide you with information on all the issues considered. However, based on the information we saw, the analysis was sound and complete, if that can reassure you.

Then we made a recommendation that the Department of Finance publish an economic analysis of the wage subsidy to allow informed debate on the matter in the House and Parliament.

• (1140)

Mr. Maxime Blanchette-Joncas: I understand, Ms. Hogan. You saw the figures. However, I think the members of the committee and Parliament would like to see those figures as well. You're an officer of Parliament, not of the government. I understand that very clearly. Whatever the case may be, how can you explain why you have access to information that isn't available to parliamentarians, who are elected by Canadians?

Ms. Karen Hogan: The only justification I can offer is that I'm required to comply with the government directive on compliance with the level of protection granted to the information, and it's the author of that information who decides. In this instance, the information appeared in secret documents and documents under cabinet secrecy. You should ask the Department of Finance why it so designated those documents.

I can only follow that directive and abide by the level of protection granted that information.

Mr. Maxime Blanchette-Joncas: Ms. Hogan, I have full confidence in your integrity, probity and ability. My intention isn't to put you on the spot today. However, I'm astonished at the finance department's lack of transparency. I'd even say it raises serious doubt in my mind.

For your part, do you have full moral assurance that you saw all the figures you asked to see? And if I may say so, do you have any reservations or reasons to believe that the department might have tried to withhold certain information?

Ms. Karen Hogan: I have to admit that we're never entirely assured of that in any of our audits.

However, senior finance department officials assured us and provided declarations to the effect that we had received all necessary documents and information. That's a measure to which all audited entities must submit so that we auditors can provide you with accurate information. Senior officials thus undertake to provide us with all the information we need to determine our findings.

Mr. Maxime Blanchette-Joncas: Thank you, Ms. Hogan.

I'd like to understand something. You state in the conclusion to your report that the Department of Finance performed a partial analysis. As you mentioned a few moments ago, you recommend that the finance department conduct a more thorough analysis of the wage subsidy. Although that measure has been beneficial, it's still a more than \$100 billion program. In your view, the controls should be reviewed.

Did you note anything in particular in that regard? Did anyone receive the wage subsidy without meeting program criteria?

Ms. Karen Hogan: We noted that the finance department performed a partial analysis at the start of the program because it had been developed so quickly but that the analysis after the public consultations was sound and complete.

As for eligibility, I think the situation is the same for all programs. We can all agree that some people probably received payments by mistake and that others made inaccurate or false statements and shouldn't have received payments. That's why the comprehensive audits are very important and why my office will be auditing them. I think that's essential for a program that was introduced quickly to meet the immediate needs of businesses and Canadians.

Mr. Maxime Blanchette-Joncas: In other words, Ms. Hogan, your office will be taking another look at the program once it has the information. For the moment, you're asking the finance department to conduct a full analysis of the program to ensure it was effective. Will that be satisfactory? You'll have all the information during your next audit, and you'll be able to see whether unjustified payments were made.

[English]

The Chair: Thank you. I'm so sorry, but we are over time, unless you have a very quick answer for Mr. Blanchette-Joncas.

[Translation]

Ms. Karen Hogan: I might just say that we'll be focusing on the comprehensive audits. I encourage the department to publish a complete analysis so Parliament can conduct a proper debate on the subject.

[English]

The Chair: Thank you very much.

We will now go to Mr. Green for six minutes.

Mr. Matthew Green (Hamilton Centre, NDP): Thank you.

I deeply appreciate the interventions of my friend Maxime from the Bloc, which laid out all the information that was withheld and the secrecy in the way this analysis was made. I'll go back just to reiterate for the people who are tuning in.

You have stated in paragraph 7.8 that the Department of Finance performed a partial analysis of the initial design of the subsidy program, but then you said it later provided a sound and complete analysis to inform the adjustments to the subsidy. We heard Mr. Sabia talk about the rapid way in which they had to respond, yet you've laid out that you were unable to provide Parliament with details of these analyses because they were in secret, and cabinet documents must be kept in strict confidence.

The challenge that we have before us as a committee undertaking this audit is that we have to have, I think, reasonable access to information to know exactly what it is that is before us.

I'm going to frame just a little bit further that in paragraph 7.9 you stated through the Auditor General that there were prepayment controls that were implemented to ensure that payments were appropriate. You used an example that the agency did not have up-to-date earnings or tax data or sub-annual data or any kind of starting points throughout the year and that you did not have all the information you needed to validate the reasonableness of the applications before payments were issued.

I'm going to put this question through you, Madam Chair, to the Department of Finance, to Mr. Sabia, whom I missed in the last session of our audit on the CERB. I brought up some important questions in relation to the push-and-pull economics of what we were providing to people to stay home safely versus what the labour market demanded.

Did your department have discussions about mandating that any businesses receiving the wage subsidy would not be allowed to engage in stock buybacks, pay dividends or pay CEO wage bonuses?

I'm not asking you to reveal any kind of secret cabinet stuff. I just want to know if you had discussions about that in your analysis. You don't even have to give me the results. I just want to know, Mr. Sabia, whether you considered it.

• (1145)

Mr. Michael Sabia: Madam Chair, I'm going to give Mr. Green a two-part answer. I'm going to make a couple of comments and then I'm going to ask my colleague, Andrew Marsland—

Mr. Matthew Green: Sir, my time is ticking. I really just need you to answer the question I've asked.

Mr. Michael Sabia: I would say that a focus of this whole program has been maximizing the scope and reach of the program. Therefore, there was at the time, I think, very much a focus on keeping this as simple and broad as possible, because the objective was to help as many Canadians as possible, which I think the program is succeeding in doing, and to help as many Canadian businesses, particularly smaller businesses, and particularly in some heavily—

Mr. Matthew Green: Through you, Madam Chair, sir, those are talking points. I need to know whether you had discussions about stock buybacks, dividends and CEO bonuses. If so, did you make a recommendation to cabinet? You don't have to tell me what the recommendation was, but I need to give you an example. This program provided \$120 million in public money to Imperial Oil and then let them pay out \$324 million in dividends to their rich shareholders. I need to know, in terms of your reasonableness for the applications, whether you provided cabinet with recommendations on the dividends and the bonuses.

Mr. Michael Sabia: Mr. Green, you know very well that this kind of work, those kinds of discussions and that advice to ministers and to an elected government.... The way our system works is that to keep that advice robust and open, those are cabinet confidences. I think you understand very well—

Mr. Matthew Green: Through you, Madam Chair, how do you use the terms "robust" and "open"? We're in the public accounts committee dealing with an audit and we don't have basic information on the analysis by the government on how this came to be.

I'll give you an example. We're talking about Main Street versus Bay Street here. I have a whole community of businesses on Locke Street in my community whose 2019 revenues were dramatically reduced, and due to all these infrastructure programs they can't adequately show their losses and they didn't qualify for anything. One in five businesses in my city are not renewing their business licence. That is the reality and the of the small businesses that are trying to weather this storm.

I need to know whether the Department of Finance had, in its analysis, any thought around the way in which the major corporations of this country absolutely, in my opinion, bilked taxpayers on this program.

• (1150)

Once again, was a recommendation made that included an analysis in keeping with.... You don't have to tell me what the recommendation was, but did your department at least consider that corporations like Imperial Oil could take \$120 million and pay out \$300 million-plus dollars in dividends?

Mr. Michael Sabia: Through you, Madam Chair, Mr. Green, again, you understand the rules under which our system works and the provision of advice. Therefore, to respect those rules and indeed the law with respect to confidences of the Queen's Privy Council, those are not details we can enter into. If you have an issue with that—which you seem to, and which is fair on your part—then I think asking us that question is obviously....

We always operate in a way that respects those rules and respects the law. If that law or those rules need to change, then that's an issue, I think, sir, for you to take up with the government of the day.

The Chair: Thank you very much, Mr. Sabia. We are well over time.

I will now go into our second round of questioning, starting with Mr. Lawrence for five minutes.

Mr. Philip Lawrence: Thank you very much.

I'd like to continue my discussion with you, Mr. Hamilton. I want to get down to the details of the analysis that was done to not collect the social insurance number. I assume an analysis was done, and I'd ask you to share that with the committee if that's possible. What would have been the cost and the time required to include the social insurance number in the gathering of information for the CEWS?

Mr. Bob Hamilton: Madam Chair, I'll take an initial run at that. I don't have the cost estimate in front of me.

It is fair to say that as we delivered the program, as I said earlier, there was a balance between how we could get the money out more quickly versus getting as much information as we possibly could for that initial verification. To ask employers to be able to provide the SIN was determined by us to disturb that equilibrium. It would have taken too long to get it out.

Mr. Philip Lawrence: I appreciate that, Mr. Hamilton. I understand. We've had this conversation before, so I do appreciate that you're trying to answer the question, but I'm looking for the numbers for the sake of time. Would you commit to providing our committee with the analysis that was undertaken to not gather the SIN?

Mr. Bob Hamilton: Let me just finish the response I had, which is to emphasize again that just because we don't collect information up front doesn't mean we can never go back and find out whether something inappropriate happened. We have that back end. I wanted to make that point.

I'll give my colleagues an opportunity if they have information they'd like to provide on the spot, but otherwise we'd be happy to provide you with what we can in writing after this.

Mr. Philip Lawrence: Yes, thank you, Mr. Hamilton. I'm not trying to be difficult here. My purpose behind these questions, just up front, is to have an analysis done: Was this the right decision or was this the wrong decision?

I realize the time constraints that you were under, but my question on how much it would have cost to get the SIN numbers and how much time delay there would have been, versus what the auditing costs will be now. What is the expense? You've mentioned it a bit. What specifically will be the cost? Was having the SIN part of the reason we went to a now abandoned effort to have some very expensive audits for our business owners in September?

I really just want to know the financials and the time so that we can make a decision going forward on whether this was a good decision. Are you currently using and gathering the social insurance numbers?

Mr. Bob Hamilton: Madam Chair, I'd say two things in response.

We will obviously be doing a pretty thorough "lessons learned" exercise out of this. If we went back, could we have done something different? Would it be helpful in the future, as I said, both for any future pandemic but also in a normal auditing process? There will be those efforts.

What we have now is that on the T4 slips you have to indicate the time period in which you earned money, and that will give us an opportunity to link together the individual with the company or the enterprise that claimed the CERB. We do have an ability to look at that. We decided not to do it up front, as we've discussed, but we do have that ability now, and we will be factoring in all that we can learn about how we made those decisions and the trade-offs we made as we look at the lessons learned at the end of this year.

• (1155)

Mr. Philip Lawrence: One of the things that sort of troubled me in the Auditor General's report in one line is that "the agency did not re-evaluate its position over time". Have you re-evaluated that to include the social insurance number?

The other question is, how much money has going "post" versus "pre" cost the treasury?

Mr. Bob Hamilton: Madam Chair, there are two questions there.

I think the first one is whether we are re-evaluating and thinking of using the SIN numbers. We are not contemplating that. We got

the program launched the way it was. We feel that we have enough back-end comfort that we don't need to re-evaluate that decision at this time. It doesn't mean that in a future situation we might not make a different decision. I don't want to prejudge that, but we are not at the moment thinking of introducing, say, a SIN requirement in the current program.

The second part was on the cost of the audit. I think the gist of your question was on how much more it costs the government to catch it at the back end than at the front end.

Mr. Philip Lawrence: That's correct.

Mr. Bob Hamilton: I don't have a figure on that. I mean, directionally, I can say that we are better off if we catch something at the front end. That's a more efficient process for us, but it also does entail some costs, and in this circumstance of delivering this program, it wasn't just about costs. It wasn't primarily about costs. It was practicality, and it was—

The Chair: Thank you very much, Mr. Hamilton. I'm sorry. We are tending to go over a bit here today.

I will now move on to Mr. Blois for five minutes.

Mr. Kody Blois (Kings—Hants, Lib.): Thank you, Madam Chair.

I'd like to thank all our witnesses, and particularly for your hard work during this pandemic. I think for me it really hit home during the OAG report when we talked about the wage subsidy being one of the biggest undertakings in history for the Government of Canada. I think that speaks to the size and scale of what we've been encountering these last few months. Thank you for that.

Mr. Sabia, thank you and others for your work in finance on the budget that was just tabled this week.

I have some quick comments. When I saw paragraph 7.33 in the report, it certainly was relevant. It was walking me back through the different points in time during this pandemic in terms of the \$1,000 cap that was originally in place for the CERB and some of the disincentives. It was nice to see our government respond and be able to change some of these programs. I've heard that through the testimony so far today.

I want to go right to Ms. Hogan first on paragraph 7.37. You mentioned that 28% of the applicants under the CEWS program had not filed in 2019. Can you clarify, as quickly as you can, whether they had not filed at the time they received the benefit or at the time you had audited?

Ms. Karen Hogan: For a quick response, I'm going to ask either Philippe or Mathieu to answer that for you.

Mr. Philippe Le Goff: Madam Chair, at the time of the application, the applicants had not filed.

Mr. Kody Blois: Right. It's not they hadn't filed at all in 2019; it's that the tax year had just finished, and at the time they initially applied, they had not yet filed.

Mr. Hamilton, how normal is it that sometimes there is delay with corporate financing, in terms of filing reports to the CRA? Is 28% a normal amount generally?

Mr. Bob Hamilton: Madam Chair, I would note two points on that. One is that if we're talking about GST/HST filings, there will be a certain percentage of those entities that wouldn't have to have filed by then. In other words, they're on an annual basis. Some registrants file monthly; some file quarterly, and some file annually, so there would be a percentage of that number. It was not a problem per se, to put it that way; it was just the way the system works. We didn't have that information.

Having said that, there's also another portion, which are non-filers, more generally, and people who don't file their returns on time. That's a small portion in total, but it's an important part. We have a regular non-filer program for delinquent filers that looks at those—

• (1200)

Mr. Kody Blois: Mr. Hamilton, thank you. I appreciate that.

What I'm hearing is that there are different times and this is not a crazy unusual number in terms of what we see in the report.

I want to take you, Mr. Hamilton, to exhibit 7.1.

I guess I'll go to Ms. Hogan first. My apologies.

You noted in the report that there were not as many applications that were disapproved or many of them were auto-approved. When I look at the number, the number that I think is extremely important is the actual initial value of the applications in the millions of dollars. Almost 40% of that number had some type of manual review, which I think in the circumstances is quite strong.

Can you comment on that in terms of whether or not overall it seems that, yes, a lot of the smaller applications maybe were auto-approved, but there was quite a bit of manual oversight? Is that fair to say?

Ms. Karen Hogan: The exhibit you're referring to definitely highlights that many of them were subject to a manual review.

The automated reviews were just checking addresses, making sure direct deposit information hadn't really changed and looking at reasonableness of payroll. There were a large number that were then subject to some sort of maybe verbal update or verification or some other information that was collected. Again, there were very minimal checks, and hence few were actually rejected in the beginning, which emphasizes the back-end work.

Mr. Kody Blois: Mr. Hamilton, in response to that—and I have about 45 seconds left—your department is not used to this type of programming and taking on this type of scale and scope of what CRA was being asked to do, right?

Can you speak to how you responded to that and how that probably impacted your ability to verify and have this vetted, because

you were trying to get money out the door. Also, with your ability to do some of those audits in the summer of 2020, I have to assume you guys were very stretched as a department, given that this was not your normal protocol.

Mr. Bob Hamilton: Definitely this was an extraordinary time to be undertaking this new program and sorting out all these trade-offs that we had.

I think it's important to know that we have experience here, so some of the upfront verifications that we did were quite effective. We operate on risk basis. We assess the risk and we go after the things that we think are high risk. Some of the low-risk ones perhaps go through, and we catch up with them at the back end.

Yes, it was an exceptional time, but we tried to use the resources of the agency and our risk assessment to focus on the areas where we thought the upfront verification would be most helpful.

Mr. Kody Blois: Thank you, Madam Chair.

The Chair: Thank you very much.

We will now go to our next round of questioning for two and a half minutes, starting with Mr. Blanchette-Joncas.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair.

My question is for Mr. Sabia.

Good afternoon, Mr. Sabia. Welcome to the committee once again. I sympathize with you given your heavy workload in recent weeks as you prepared the budget. Your professional record comforts me in the knowledge that you're holding down the fort. That's entirely to your credit, and I congratulate you for it.

You recently told this committee that you were going to work hard to increase transparency so we could have access to the department's administrative and decision-making processes and to other information we need to do our job. That, of course, stems from a concern for transparency toward parliamentarians and thus toward taxpayers.

Can you tell us why the information the Auditor General had access to couldn't be fully analyzed by parliamentarians?

Mr. Michael Sabia: Thank you for those comments, Mr. Blanchette-Joncas. I think I essentially answered that same question a few moments ago.

We fully disclosed to the Auditor General all the analyses and work that our people at the Department of Finance performed both while this program was being developed and in the course of collaborative efforts and consultations outside the department. She has therefore seen all our analyses.

• (1205)

Mr. Maxime Blanchette-Joncas: Mr. Sabia, I'd like to know why the Auditor General can have access to them but not members of Parliament.

Mr. Michael Sabia: I understand your question, Mr. Blanchette-Joncas. However, we can't change the rules or the law. As I said earlier in response to a question, one of the aims of those rules is to protect the government's right of access to advice from the public service and to encourage the government to solicit such advice. We don't have the necessary latitude to give you access to that information. The same is true of the Auditor General.

[English]

The Chair: Thank you, Mr. Sabia.

We will now go to Mr. Green for two and a half minutes.

Mr. Matthew Green: Thank you.

You heard in my earlier comments that one in five business licences is not being renewed. In my city, many small businesses, including the ones along Locke Street, saw their 2019 revenues dramatically reduced because of a nearly year-long municipal infrastructure project that was completely out of their control, with the replacement of sewers and drain lines and the repaving of roads and sidewalks. It significantly stretched businesses financially. When COVID hit in 2020, these businesses were unable to demonstrate the required drop in year-to-year revenues to qualify for support programs such as the wage subsidy.

Was any consideration given to providing extended eligibility to businesses whose 2019 revenues were artificially low because of factors beyond their control?

This is for Mr. Sabia. It's an analysis question for the Department of Finance.

The Chair: Mr. Sabia, you are muted.

Mr. Matthew Green: Madam Chair, just to make sure I don't run out of time, can we make sure that's accounted for?

The Chair: Yes.

Mr. Michael Sabia: Madam Chair, for the specifics of that question, I'll turn to my colleague Andrew Marsland.

Mr. Andrew Marsland (Senior Assistant Deputy Minister, Tax Policy Branch, Department of Finance): I'll make a couple of observations on that point.

Of course, with a program of general application, you have to have rules that will apply simply across the economy, and it's very difficult to accommodate every circumstance.

That said, a number of adjustments were made to the program as we went along. For example, we added a potential different reference period, so you could look at January and February 2020 as opposed to the corresponding months in 2019. However, as I said, when it's a program of general application and you're looking for

certainly and a degree of simplicity, or the highest degree of simplicity possible in the rules, it's simply not possible to recognize every single circumstance.

Mr. Matthew Green: Who in the small business community—I'm talking mom-and-pop shops—did you consult with when you were dealing with your adjustments?

Mr. Andrew Marsland: We consulted broadly with a number of groups and associations representing both large and small businesses, as well as with individual associations and businesses in general.

Mr. Matthew Green: I see that my time is up. Hopefully the folks who are watching will try to make some sense of that, and we'll continue to try to find the answers.

Thank you.

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

We will now go to our next round of questioning.

We'll start with Mr. Lawrence for five minutes.

Mr. Philip Lawrence: Thank you. I'll start the discussion with the Auditor General.

I want to go back to the topic of the pre-vetting and post-vetting. My challenge here is that I'm trying to understand whether or not this was a good decision on some of the things, even a simple thing like a social insurance number. I still don't understand what the delay or what the cost would have been up front to pre-vet it. I don't understand what the cost would be afterwards.

Did your office do those calculations? Can you shed some light on that for me, please, Ms. Hogan?

• (1210)

Ms. Karen Hogan: During our audit, we did not look at the costs of choosing one option over another. It really was a policy choice to prioritize speed and then put work on the post end of the subsidy.

I guess all I would offer up is that the Canada Revenue Agency has already started some of that post-audit work. It had a phase one that it has done. It can perhaps comment on whether or not it was difficult for employers to provide all of the information that was needed and how much documentation was needed. That would give you a sense of the time and involvement from both the recipient and the agency going forward. Our focus was not on that, unfortunately.

Mr. Philip Lawrence: Okay.

I'll go back to Mr. Hamilton on this.

I appreciate your commitment to provide us with the analysis, but everything is in degrees, right? If it was a two-day delay to get this in and it would have cost \$100 million not to do that, then that was a bad decision, but you haven't given me any parameters whatsoever as to the time and the cost of taking these other steps.

There must have been analysis. You didn't just flip a coin and say "Yes SIN" or "No SIN", but I have no data, no information, in front of me that allows me to make that decision.

Mr. Bob Hamilton: Madam Chair, I'll just respond to that.

I think, as I said in my earlier response, there's cost, and one could do a cost-benefit analysis, but there's also the element of time, so we have to....

If we go back to that moment in time, we were building a brand new system. This wasn't running off of our existing CRA system; we built a new system. In terms of the time that would have been required to make sure that the employers could provide the SIN and build into our IT system the ability to use that information effectively, we're certainly talking about way more than a couple of days. We would have been having to delay for a period of time. Now, can I put a cost on that? I'd have to think a little bit more about how one would cost that.

On the other side, we knew we'd have an opportunity to get that information and come back at the back end.

Mr. Philip Lawrence: Okay.

Maybe Mr. Sabia would be the best to respond to this.

I appreciate your thoroughness, Mr. Sabia, but they do say that brevity is the soul of wit.

The Department of Finance must have done a projection. How much money was it projected the treasury would lose by not having this pre-vetting? How many millions is it? Is it hundreds of millions, tens of millions, that the treasury has forgone by not having this pre-vetting?

Mr. Michael Sabia: I think the quickest way to respond to your question, Mr. Lawrence, is to pass it to my colleague, Andrew Marsland, who was there at the time.

Mr. Andrew Marsland: Madam Chair, I'm sure the committee will appreciate that in designing these programs and in designing this one particularly quickly, we were looking at a balance of issues in terms of the speed with which the program can respond—which was particularly important in this case—and the risks associated with layering on additional requirements before payment.

There are two core elements to the program. One is the salaries paid and the other is the revenue decline on a period-by-period basis. In terms of the salaries paid, there is information available to the Canada Revenue Agency through the normal reporting of source deductions and so on to demonstrate that there are salaries being paid, albeit not necessarily in advance of the payment of the subsidy.

I think that in terms of balancing the speed of response and the risks involved, that was the calculus involved.

Mr. Philip Lawrence: I understand all that, but there have to have been projections. You didn't just say that you needed to get

money out quickly. You must have looked at the numbers. There must have been a forsaking of \$10 million or \$50 million or \$100 million, but I'm not going to get a clear answer here. I'm hopeful you'll provide it to the committee.

One last question for you—

The Chair: I'm so sorry, Mr. Lawrence, but we are over time. I know there will be another opportunity for questions.

We will now move on to Ms. Yip for five minutes.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Mr. Hamilton, I want to commend the quick turnaround the CRA employees have done during this pandemic. I know it must have been a very difficult time for everyone. I've heard from many businesses in my riding that have said this wage subsidy has been a real lifesaver for their business, as well as for their employees.

Why couldn't the CRA just put on the application form when businesses applied that the social insurance number was required?

• (1215)

Mr. Bob Hamilton: Thank you, Madam Chair.

I'll go to one of my colleagues to provide some details, but I think what I've said thus far is that it was not feasible in practice to do that and still respect our ability to get the benefits out the door in a timely way. To build the IT system to be able to use that information and incorporate it was going to push us off course. I'm not saying it couldn't be done, but it would have slowed the system, and it seemed very important at the time to get the money out the door.

In terms of the cost-benefit analysis we talked about earlier, one has to recognize that in not collecting the information up front, it's not like the money is gone forever. We always have that backstop of back-end verification. I think that's an important consideration when we think about revenue lost or what have you. We're talking about can we make it more efficient to collect it upfront versus going at it at the back end? But we always have the back-end ability, and so that factored into our thinking extensively.

I don't know if any of my colleagues want to add more specifically on what we would have done and what we could have done.

Mr. Ted Gallivan: If the chair allows it, just briefly, I don't want to leave the impression there were no front-end controls. We had historical data on the size of businesses' payrolls, and we found that sufficient to flag businesses for risk. If there was a significant discrepancy between the historical payroll paid, not at an employee level but in the aggregate, and what was being claimed on the wage subsidy, that resulted in these manual reviews that represented 40% of the dollars. Those manual reviews were done by the level of auditor who usually deals with it. In some cases they went to the most senior-level auditors in the agency.

I don't want the impression to be that because we didn't have the SINs, we didn't match the historical payroll, because we did.

Ms. Jean Yip: In other audits of small businesses previous to the pandemic, did the agency not have an up-to-date registry of employees' social insurance numbers linked to the business number of the companies?

Mr. Bob Hamilton: Again, I'll ask Ted to respond to that, but obviously employees in an enterprise change over time. Even if we had that information, how relevant it would be at that moment would be a consideration.

I think the point that Mr. Gallivan made is an important one. We've been focusing on the SINs, and that was a decision we made, but we had a bunch of other things that we talked about at the time. We have experienced auditors, as you point out—we've audited these businesses in the past—and they looked at the business and did what I would call a smell test. Does the payroll number match with what we know about the payroll? It's not as if there was nothing. We used the intelligence we had to do something, to do as much as we could up front without delaying the payments inordinately. We did make a calculation ourselves as to how many we could hold up for that more detailed manual review and how many we were comfortable letting through the system and would catch up on later.

Ms. Jean Yip: In your opening statement, you mentioned there could be "potential legislative changes that could support filing compliance." Could you elaborate on that?

Mr. Bob Hamilton: I can elaborate in concept.

We are going to look at this area to see.... We have a delinquent filers program for the GST, and it's been running. We use a risk-based system and we actually collect a fair amount of money once we identify a delinquent filer and catch them, but it is risk-based. We don't go after everybody.

Part of what we are doing is to look at our system. Do we have the right data and information there? Are we using it to optimize our efforts? Then, at the end of the day, we always look any legislative changes that would help us in this regard with what we learned from this experience, such as whether we could recommend to our colleagues at the Department of Finance a legislative change that would help us to deal with this.

I don't know what they are right now, because we haven't—

• (1220)

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

We will now move to our next round of questioning. It is a six-minute round. We'll start with Mr. Berthold.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Thank you very much, Madam Chair.

I first want to tell all the officials from the Department of Finance and the Canada Revenue Agency that all the work they did in record time deserves to be recognized. We're talking about a period that has been very difficult.

Today the committee must analyze the Auditor General's report on the initial steps taken to roll out the wage subsidy program on an urgent basis. We must also assess the departments' ability to react quickly in times of crisis. Another study recently revealed to us that certain departments were simply not ready, a fact that somewhat discouraged the Auditor General, particularly in the case of the Public Health Agency of Canada. What we would like to determine here is whether the Department of Finance and the Canada Revenue Agency were sufficiently prepared to deal with that crisis.

I would like to introduce a motion to enable the committee to determine what steps the Department of Finance and the Canada Revenue Agency took and whether they were prepared to respond to the crisis. With your permission, I will read the motion:

The committee request that the Department of Finance and the Canada Revenue Agency provide the committee with all studies, data and analysis used for the implementation of the Canada Emergency Wage Subsidy.

[*English*]

The Chair: Thank you very much for the motion.

Would you like us to deal with it right now during your time, Mr. Berthold?

Mr. Luc Berthold: I think you have to stop my time, because I moved a motion, but I want to discuss it right now.

The Chair: All right.

Colleagues, we have a motion that I believe is in order. I will open it up for comments.

Go ahead, Mr. Longfield.

Mr. Lloyd Longfield (Guelph, Lib.): I would like to see a written copy of the motion. It would be good to have it during committee business so we can prepare to discuss it. I mean, we are mid-pandemic and we're looking at an audit that was done mid-pandemic. We are also looking into doing further studies post-pandemic. Some of those have come out of the testimony today and would be coming forward in 2022.

I would like to see a written copy of the motion before we go any further with it.

The Chair: Go ahead, Mr. Green.

Mr. Matthew Green: I believe I recall my friend Maxime trying to bring a motion to this committee that would require things at hand to be given in writing in advance. I believe we voted it down for the reason that when these types of issues come up, they're to be dealt with using the resources that we have—that is, interpretation.

I find it a bit strange that some of the folks who, if I recall correctly, voted against Maxime's motion—and I was one of them, because I wanted to maintain the ability to do things at hand—now want to use the idea that things must be in writing. The whole purpose of voting down the Bloc's motion, in my opinion, was to allow for these general discussions to happen in ways that are particular to the matters at hand, and I fully support that this is a matter at hand. I will even go further and say that if the government continues to use cabinet confidentially as a lock and key to all government information pertinent to the public, we're going to have problems with the so-called open-by-default nature of this government.

I support the motion, and I believe that if we look back at the record, we would see that many of the people who voted against the Bloc's motion did so on principles that my colleague is now against.

The Chair: Go ahead, Mr. Fergus.

• (1225)

[*Translation*]

Mr. Greg Fergus: Madam Chair, I believe Mr. Berthold raised hand before I did.

[*English*]

The Chair: Okay.

[*Translation*]

Mr. Luc Berthold: Thank you very much, Mr. Fergus. I acknowledge your considerable diplomacy. That's very kind.

First, I have just sent the clerk a written version of the motion in English and French.

Madam Clerk, would you please distribute it to the members of the committee?

The Clerk: Yes, I will do that shortly.

Mr. Luc Berthold: Great.

The point Mr. Green raises is entirely relevant. However, we've had time to translate and distribute the motion. So you'll have a written version of it.

The second reason why I wanted to address this subject immediately is that it must be clearly noted that the committee needs this information, these figures, to analyze the Auditor General's report. She has come to certain conclusions regarding information to which we don't have access. However, the Standing Committee on Public Accounts, in particular, must be able to access figures, data and recommendations that supported this program's implementation. This is essential.

Once again, it might simply show that the Department of Finance and the Canada Revenue Agency did their job and that they did it correctly. We might know that if we had that information, but we don't have all the necessary figures for the moment. The goal here isn't to find a guilty party but rather to form a clear understanding of what motivated certain decisions, particularly the decision not to use social insurance numbers and not to calculate the risks immediately. More especially, we'd like to know the timeline that was followed in developing the program. That information is essential if we're to prepare a report that reflects the actual situation.

[*English*]

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

Mr. Fergus is next.

[*Translation*]

Mr. Greg Fergus: Thank you very much, Madam Chair.

I was going to say I wanted to get hold of the motion too. I heard what Mr. Berthold said, but I'd nevertheless like to be able to read the written version. From what I understand, Madam Clerk is in the process of sending it to us.

The motion is entirely admissible since it deals with the subject we're discussing. However, I'd like us not to waste time while we have witnesses here. I'd like us to listen to our colleagues' other questions and to the witnesses' answers.

Madam Chair, you asked that we set aside 10 minutes at the end of our meeting to discuss current business. I think it would be entirely appropriate to consider the motion at that time. That way, we can listen to the witnesses and ask them questions, and focus on the motion afterwards. I think that's important.

I therefore move that we continue this debate during the portion of the meeting reserved for committee business once our guests have completed their testimony.

[*English*]

Mr. Matthew Green: I have a point of order.

The Chair: Yes, go ahead, Mr. Green, on a point of order.

Mr. Matthew Green: I just want to remind the committee that I believe a motion has been submitted and duly put to the floor. I think that to try to arbitrarily backtrack from that may be against procedural rules. I would just put it to us that we should respect the fact that this motion has already been put.

The Chair: Yes. Thank you very much, Mr. Green.

The motion is in order, as I already stated. Therefore, we will continue debating the motion that is on the floor.

I will go to Mr. Blois.

Mr. Kody Blois: Thank you, Madam Chair.

I recognize, as has already been articulated by Mr. Green and others, that the text of the motion is in order, but before I continue with my remarks, perhaps you can clarify with the clerk as to whether or not it is a usual practice to recognize that we have witnesses here who are talking about this subject and that we should carry on with that practice and then continue this debate in literally 20 minutes' time? Can you check with the clerk on that before I carry on with any more remarks?

• (1230)

The Chair: Absolutely.

Madam Clerk, I don't believe we have committee business scheduled at the end of this meeting. Could you clarify that, and then clarify with regard to the question?

The Clerk: Madam Chair, that is correct.

The motion as moved is in order, and debate should continue until the committee has made a decision on the motion. It's appropriate to do that even though there are witnesses in the room.

The Chair: Thank you very much, Madam Clerk.

Mr. Blois, go ahead.

Mr. Kody Blois: Thank you, Madam Chair. I appreciate that clarification.

When I look at the text of the motion, I understand some of the concerns that have been raised by my colleagues. As Mr. Sabia has mentioned, we do have this convention about cabinet privilege, and the idea that we're going to request all documents that relate....

Let me read the text of the motion:

The committee request that the Department of Finance and the Canada Revenue Agency provide the committee will all studies, data and analysis used for the implementation of the Canada Emergency Wage Subsidy.

That's a very large expedition. We're going on to ask the government, in the middle of a third wave in this country and in the middle of trying to make sure we have programs in place, for all studies, data and analysis that were used. There is no mention about protecting cabinet confidences and no mention of narrowing the focus of what we're actually trying to get at.

Perhaps Mr. Berthold can explain. I know he's done so to a certain extent, but can he explain what exactly it is that he's seeking? Why are all documents related to the entire program absolutely necessary at this point, when we're actually, as parliamentarians, holding the government to account right now at this committee?

What exactly is he looking for? Maybe we can propose some amendments to make this something a bit more palatable, by all accounts.

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

We have others with their hands up. Perhaps at the end of their interventions, we can go to Mr. Berthold for that answer.

Mr. Lawrence, go ahead.

Mr. Philip Lawrence: Thank you, Madam Chair.

I would repeat many of the things that have been said by my colleagues Mr. Blois and Mr. Fergus. We need to go to a vote. Let's not take up any more time with questions. It's a simple amendment. Let's just move to a vote. We're taking up extra time. It's been clear that....

I've been frustrated by the Department of Finance, candidly, with the lack of information they provided and I don't mind that Mr. Sabia is here. We need that information to make decisions. I was elected by the people of Northumberland—Peterborough South to represent them. That's my intent, and I can't do it without the information, so let's vote.

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

I need to allow any member who would like to intervene at this time to do so.

Mr. Longfield, go ahead.

Mr. Lloyd Longfield: Thanks, Madam Chair.

It's unfortunate that we're getting a motion table-dropped when we could handle this in other ways. I would simply say that in terms of our committee's mandate, we aren't here to change the policy of the Privy Council. We're not here to rethink the way that government releases documents that are held within confidence. We don't go on these fishing expeditions when we are really supposed to be looking at the report from the Auditor General.

The Auditor General has reported on what we've seen through the first stages of the CEWS implementation. I had some questions I was hoping to get to about the next steps on CEWS and what was announced in the budget going to September 25, and whether that would be included in the February taxation report that we may be getting from finance.

The process of preliminary discussions in cabinet in terms of how we would approach a program that would balance rapid delivery against the upfront needs of most government programs, including things like the SIN that we've talked about this morning, and rolling those out in a way that could benefit the Canadians that we had to help as soon as we could, were all part of the audit, and those were the things that we would normally be discussing at the committee, versus the process for releasing confidential documents.

I think that Mr. Sabia was quite correct in pointing out that we are working within the existing policy of government. We're working within the existing systems of governance, and if those systems needed to be changed, that wouldn't be done in this committee. That would be done in other committees.

Our committee has traditionally been non-partisan and should be non-partisan. In fact, in our training we had discussions about making sure it should be hard to determine from which party questions were even coming from. In other governments, questions were traded among members so that they don't have partisan games going on within this committee.

This committee is overseeing the operation of government, not the policy directions or the political part of government. How departments function is determined by the rules and regulations that they are given through the political sphere.

This isn't the House of Commons. This isn't the floor of the House of Commons. This is a public accounts committee that works in conjunction with the Auditor General. It's very unfortunate that we're going through this type of a discussion today in the way that it's being done. We could have looked at this in ways other than dropping a motion and demanding a vote.

I think it's something that we need to discuss.

• (1235)

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

Go ahead, Mr. Fergus.

[Translation]

Mr. Greg Fergus: Madam Chair, I agree with my colleague Mr. Longfield. Under your leadership, I believe we've achieved a rare feat: we're working together. I see a lot of cooperation among members from different political parties. In the vast majority of cases, the questions many members are asking aren't really indicative of the party they belong to.

During our training session, David Christopherson, a former chair of the Senate Committee on Public Accounts, told us he remembered a motion that had caused problems for one member in particular during the 42nd Parliament. She had asked her colleagues to amend the motion so it could be supported by all members and the committee could continue adopting all motions unanimously.

A number of things come to my mind when a motion like this one is drafted on the spot. I'd like not to be forced to vote without first having the opportunity to think about it. I find this unfortunate. I feel we have virtually no choice but to vote against the motion. However, I don't want to do that. I'd prefer that we be able to vote unanimously and thus continue our committee's positive trend.

The nonpartisan attitude and atmosphere here are exemplary. However, I'm feeling forced to vote without first thinking. I don't mean to blame my honourable colleague Mr. Berthold [*Technical difficulty—Editor*].

• (1240)

[English]

The Chair: Mr. Fergus, we're having difficulty hearing you.

[Translation]

Mr. Greg Fergus: Can you hear me now?

[English]

The Chair: Yes.

[Translation]

Mr. Greg Fergus: Sorry. Unfortunately, I pressed the wrong button. I don't know why there are two buttons to mute the microphone.

I was saying that if I were not to support this motion, it would be against my will. If I don't get an opportunity to examine it properly or to put forward amendments, then I'd be forced to vote against the motion. But that's not what I want to do.

I'd prefer to continue with our laudable habitual practice, which is to check our partisan interests at the door—a virtual door in this instance—when we come to a committee meeting. Under your stewardship, Madam Chair, I think that we have succeeded over the past six months to accomplish something that's rare on Parliament Hill. That's one of the reasons why I'd like to be able to think about the motion. Would we be able to pause for a few minutes, Madam Chair. I believe you mentioned at the beginning of the meeting that we would deal with routine proceedings towards the end of the meeting. I may be wrong, but that's what I had understood. I believe this is very important.

This motion appears to be the outcome of rather cursory consideration, with Mr. Berthold arguing that the Auditor General of Canada was officially prevented from receiving information about

the development of the Canada emergency wage subsidy. If my colleague Mr. Berthold would like the Auditor General to appear before this committee to give evidence on the subject, that would be entirely reasonable, in my view. However, I don't think that it's desirable to presume anything about these facts without first having called the question. I don't think this really reflects my colleague's intent, but I'll give him the opportunity to tell us.

As we all know, the Financial Administration Act gives the Auditor General the authority to obtain any information required to conduct this kind of audit. If, however, Mr. Berthold has concerns about the effectiveness of the Canada emergency wage subsidy, I believe the appropriate place to raise the matter is not our committee, because what we're doing here is assessing program implementation, but rather the Standing Committee on Finance, which could debate the policies that govern matters like these. Unless I'm mistaken, neither Mr. Berthold nor his colleagues have raised any concerns of this kind since I've been sitting on this committee.

You know full well that this wage subsidy gave support to more than 5.3 million employees across this great country. We know that it cost approximately \$71 billion. Now if people don't agree that the employment relationship should be maintained—by which I mean keeping employees on staff at companies across Canada—and would prefer to take on staff in a period of austerity, then they should come out and say so. However, allow me to repeat that the Standing Committee on Public Accounts is not necessarily the appropriate committee to address these issues, but rather the Standing Committee on Finance.

I trust that my colleague will be able to address these concerns soon. If so, I will listen attentively so that I can better understand his point of view.

Thank you, Madam Chair.

• (1245)

[English]

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

Mr. Blois is next.

Mr. Kody Blois: Madam Chair, I had levied a few questions in my first initial round of prodding around this motion. I'll continue to raise those, but I think it might be appropriate to let Mr. Berthold answer some of the questions that have been raised. I would then love to have the chance to respond to Mr. Berthold.

For example, there are some elements that we might be able to support. To what Mr. Fergus had said, and for Canadians who are watching at home, if you look at my Hansard record from two days ago on Tuesday, you'll see I was quite sharp, frankly, with the officials. "Sharp" might not be the right word, but the questions I asked were not easy ones. I wanted to get to the facts and I was willing to do the tough questions. That's the type of work that this committee does. It's one of the only committees that has really tried to be non-partisan in spirit. It's tried to be factual, to get the facts and try to make a difference.

I would be interested in hearing from Mr. Berthold, because I worry that this type of motion is going to poison the well of what this committee has been about historically in this Parliament, and not just in this Parliament but in many Parliaments before it. I worry that it's going to tarnish a bit of the reputation of what the members before us have done.

We heard from those members earlier. We know that Mr. Berthold is greatly poetic in the House of Commons. He pushes the government. He pushes for accountability. That's all great, and he should do it in this committee, but we need to do it in a fashion that is amicable and compatible to the committee's desires and in the interest of what this committee represents. Mr. Fergus has already expressed that quite well.

If you'll permit me, Madam Chair, I would love to hear from Mr. Berthold. I would love to then be able to respond and perhaps propose some type of subamendment, once I can really get to the core of what he's getting at here.

Is that appropriate, Madam Chair?

• (1250)

The Chair: Thank you very much.

Certainly with the indulgence of the members who have their hands up, I will go to Mr. Berthold if he is prepared to answer the questions that are being put to him in regard to the motion that he has tabled.

[*Translation*]

Mr. Luc Berthold: Thank you, Madam Chair. I hadn't asked to speak, because I know there are others who have something to say, so I will try to answer quickly.

In his responses, Mr. Sabia clearly said on two occasions that he could not supply documents to the committee. The Auditor General was also very clear in her address, and said even if her office had access to all the documents, she could not give Parliament detailed information about these analyses because they are classified as cabinet confidences or secret documents. She spoke afterwards about some of the shortcomings identified in the structure of the wage subsidy.

I think that the role of the Standing Committee on Public Accounts includes being aware of what's going on. I'm totally surprised and absolutely dumbfounded by my colleagues' reaction. I sincerely thought this motion would be agreed to quickly and that all members of the committee would support it, given that it would enable the members of the Standing Committee on Public Accounts to learn the truth about public accounts, rather than hear about it

secondhand from the Auditor General, who has seen things that we've been unable to see. It's as simple as that. I just wanted to clarify things.

There's another point I'd like to clarify. While I would never attempt to have this committee depart from its tradition of submitting unanimous reports to the House of Commons, I would like to point out that motions don't have to be unanimous. In other words, we are not required to agree all the time. May I remind you that the committee has adopted a number of motions, but that it has also rejected others. Indeed, some motions put forward by colleagues like Maxime Blanchette-Joncas of the Bloc Québécois were negatived here in committee. So I don't see how our desire to collaborate and submit unanimous reports to the House affects our work.

I'll certainly admit to being surprised by the reaction of my Liberal colleagues to this motion, which merely requests documents from the Department of Finance and the Canada Revenue Agency. If they can't disclose these documents for one reason or another, they simply need to tell us and explain why we can't have access to them. Then at least no one will be able to say that the committee did not ask for access to the information it needs to conduct the same analysis as the one carried out by the Auditor General at this stage of the Canada emergency wage benefit program. It's as simple as that.

I find it amusing to hear my colleagues say they want to move quickly in order to have time to ask the witnesses lots of questions, and then take so much time to say so. We could have already put this motion to the vote and moved on to something else, including questioning the witnesses.

I hope I've answered my colleagues' questions. We could adopt this motion very quickly. After which, the Department of Finance and the Canada Revenue Agency could respond to the motion and then we, the committee members, could decide what to do with the answers we receive. For the time being, I think that it's legitimate, justified and very appropriate to continue...

[*English*]

Mr. Lloyd Longfield: On a point of order, Madam Chair, we've been discussing a motion that was made in camera by the Bloc Québécois. In terms of privilege, I think we need to protect our in camera motions from public discussion.

The Chair: Thank you very much. Your point is taken. I don't believe I heard the substance of the motion being discussed, but your point is taken. Thank you.

[*Translation*]

Mr. Luc Berthold: You're absolutely right, Mr. Longfield, and I apologize. I also apologized to the members of the committee, but it was simply to say that sometimes in committee we don't agree. It has happened in the past and it will again. However, the purpose is to come up with a good report which, with the agreement of all members of this committee, would be submitted to the rest of Parliament.

Those were the answers to the questions I was asked. Thank you.

I suggest that we proceed to a vote immediately, if you agree. There would be no problem with voting and then continuing our meeting. I would even be prepared to extend the meeting to speak with the witnesses.

• (1255)

[English]

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

I have members who would still like to intervene. I will go back to Mr. Blois, who turned over his time to have his questions answered.

Mr. Kody Blois: Thank you, Madam Chair.

Look, I do appreciate my honourable colleague at least speaking somewhat to the particular motion in question. One of the questions I asked was about the resources for the government and the fact that right now we are in a third wave in this country. We know that there are challenges. Indeed, there's a rising case count right now in my own province of Nova Scotia, unlike what we've seen since the start of this pandemic.

Before I became a parliamentarian, Madam Chair, I was a lawyer at McInnes Cooper in Halifax. I also have a public administration degree from Dalhousie, a master of management and public administration. I say this because I actually know individuals who work in the public sector, whether it be provincially or federally, and when opposition members go on what is not really a narrow motion....

I'll take the committee members back to Mr. Berthold's motion:

The committee request that the Department of Finance and the Canada Revenue Agency provide the committee [with] all studies, data and analysis used for the implementation of the Canada Emergency Wage Subsidy.

We just talked about how this was one of the largest undertakings by the Government of Canada—the Auditor General's report says it—in the history of our country. Mr. Berthold's motion makes no mention of what exactly he needs from these particular reports and studies and analyses that he's trying to ask for. What exactly is he looking for?

It's very clear, at least from the testimony I've heard today, that the Government of Canada weighed the options between not putting out support as quickly as possible, thus risking large dislocation of employees from their employers and further impacting the economy and creating further economic turmoil, or we could go ahead and make some of these program choices, as the Auditor General has pointed out. Could there be issues? Absolutely. That's already been highlighted, but it was a better choice than the alternative.

There are lots of things we have to parse out. One is cabinet confidence and cabinet privilege. That is a legitimate convention we have in this country that we need to consider. There's no mention of that at all in this motion. There's no mention about protecting those documents. I have to assume that Mr. Berthold, as a senior and seasoned member of Parliament in this House, would know that. Perhaps that could be a friendly amendment that he would be open to as we start to discuss and debate this motion.

What exactly is it that he's trying to get to? I don't want to put the Auditor General in a difficult position, but she did not express that she was limited. In any other work that goes on, when there are elements that deal with confidence and recommendations to cabinet, those are documents that everyday parliamentarians are not necessarily able to see. Perhaps at some point, although it might not be today, we will have to ask the Auditor General to come back to this committee and testify to whether or not she was unduly limited, especially given that Mr. Fergus said in his testimony that there are powers under legislation for that information to be retrieved and found by the Auditor General.

This is so large and so vast. I'll go back to the point that I have some friends I went to school with who work in these public sector places. It takes weeks on end to go and get the information, scan it and create the books. We saw this with the health committee. We saw this with other committees. It is so large. It's not really focused on what the actual objective is. It's not clear to me from Mr. Berthold's testimony what exactly he needs.

I would be amenable to a motion that this committee could pass that tries to get that further information that this committee deems important, but not all studies—not everything, not this huge wide net, not this fishing expedition that we've seen in other committees that will poison the well of public accounts.

Other members want to speak, Madam Chair, so I will pass my time off to my colleagues, but this is the problem I have with these types of motions. I will listen to my other colleagues and take a look at the text of the motion. I think I'll probably be coming with some type of amendment, so I hope you'll watch for my hand before we even consider going to a vote. I think I'll have an amendment to propose.

Thank you.

• (1300)

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

Colleagues, before I go on to our list of speakers, it is one o'clock. I will invite our witnesses to take their leave of our meeting.

I will also ask the clerk to determine whether or not we can have technical support for the next 15 minutes. Our situation is that we may need to adjourn by 1:15 if we do not have technical support. Obviously, we will also have to vote on this motion.

I note that our witnesses are taking their leave. You are certainly free to do so.

All right. Thank you very much, colleagues.

I will wait to hear from the clerk. We will continue on with our discussion, unless she knows right now—

The Clerk: We can continue for the next 15 minutes for sure, and I will check to see if we can go further.

The Chair: Thank you very much.

Go ahead, Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Chair, can you go over the speaking order before I begin, please?

Mr. Kody Blois: Madam Chair, I have a point of order.

The Chair: Yes, go ahead.

Mr. Kody Blois: As a new member of Parliament, I have not been involved in these types of protracted debates on motions before. Given that we are at the end of our time, is it your discretion, as chair, to be able to extend, or do we need unanimous consent? What are the rules?

Can the clerk explain a little bit about the procedure in that regard?

The Chair: Sure. I will have the clerk explain that.

The Clerk: Basically the committee needs consent to adjourn, so they can continue sitting for as long as the members wish.

In the virtual environment, we have certain limitations. Someone at the upper level will make those decisions, and that's what I'm looking into at the moment.

The Chair: Thank you.

I will move on to Ms. Yip.

Mr. Francesco Sorbara: Sorry, Chair; I had not completed my comments.

Do we need unanimous consent from the committee to proceed, then?

The Chair: No.

Mr. Francesco Sorbara: Okay.

Let me take it back, because I've been thinking about what's been going on at this committee for the last few minutes, and I'm going to use one word: disappointed.

This committee, public accounts, is a non-partisan committee. In my humble and personal view, we have many officers of Parliament, and I'm going to use that term "officers of Parliament" to describe the Auditor General and the work that the Auditor General does for this committee. I look at the Auditor General with a large and high level of respect for the work that this officer does, and for the employees who support the Auditor General.

I think about reports that are distributed to us by the Auditor General—and I read them very diligently and very judiciously—in terms of the work that is done, and then the follow-up work that is asked of the various departments, in this case the Canada Revenue Agency and the Department of Finance.

Today I look at Mr. Berthold's view, the honourable member's motion, with a great deal of skepticism that he is on a fishing expedition. At the same time, I view it almost as an attack on the officers of Parliament. I choose those words very, very carefully, but I have to say—

Mr. Luc Berthold: I have a point of order, Madam Chair.

The Chair: On a point of order, go ahead, Mr. Berthold.

Mr. Luc Berthold: I never attacked any officer of Parliament and I don't want anyone to think that.

The Chair: Thank you.

Mr. Luc Berthold: It's not appropriate and it's false.

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

• (1305)

Mr. Francesco Sorbara: I will continue and then pass my time on to the honourable member from Scarborough.

I look at this request as very, very circumspect. I respect Mr. Berthold as a colleague and a friend on many levels. In terms of the path we are on in this committee, this is a non-partisan committee. There are other ways of asking. We can put forward a request for the Auditor General to appear to ensure her office was given the resources to undertake studies. I'm sure my colleagues will want to follow up on that.

I'm just very disappointed. I go back to Mr. Christopherson's wise words a few months ago about how this committee should operate. I think the idea that we should just request from cabinet all the time all documents that cabinet has discussed—just because we feel we need to and want to, for whatever purposes—is a path that makes me become very queasy. I question why we're going that way.

This is not in a political manner. There's no political-speak in what I'm saying; it's just honestly how we as parliamentarians conduct ourselves on this public accounts committee.

Mr. Berthold, I respect your desire to put forward this motion. I don't agree with it and I will say that respectfully, but also I have a large degree of respect for the AG and the work they have done. If the Auditor General wanted to put in their reports that they felt they were being constrained with regard to the documents they received or by anything to that extent, then I'm sure that would have appeared in the report.

There is a follow-up report that will come to the members of Parliament in terms of the economic evaluation of the program. It is a \$100-billion program. I agree that it is a very large program. It is a very important program for employers and employees throughout this country, and I am fully cognizant of that. I am very disappointed that other members on this committee were not afforded the time today to ask a question of our witnesses—our guests—be it Mr. Sabia or the commissioner from the CRA. That's what they were here for: to answer those questions.

I think there were other avenues to pursue in terms of asking the Auditor General about the resources that her office was able to receive in conducting this study.

I will hand my time over to Ms. Yip, who I believe is next.

Thank you, Chair.

To my honourable colleague, Mr. Berthold, my words were not in any way an attack on you, but these are my feelings on the motion that was presented.

Thank you.

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

Go ahead, Ms. Yip.

Ms. Jean Yip: I feel that dropping a motion and expecting a vote so quickly really needs to be revisited. I would like to see the motion and I would like to review it, and you know, this really should be going to the finance committee for debate. I worry about the potential partisanship. That's not really the mandate of this committee.

I will read for you this quote from David Christopherson. He really felt strongly about our role on the public accounts committee. He said:

The job here is difficult. It's one that's different from any other committee, and we have to be non-partisan. When we're partisan instead of non-partisan, Canadians aren't getting the oversight that we are mandated to provide.

I cannot support this motion at this point.

Thank you.

The Chair: Thank you very much, Ms. Yip.

I believe we now go to Mr. Fergus.

[Translation]

Mr. Greg Fergus: Thank you, Madam Chair.

With your approval, I'd like to ask my honourable colleague whether he is prepared to accept amendments that would allow us to investigate whether there really is a material problem. Does the Auditor General have the impression that it prevented her from sharing relevant information with members of this committee and from doing her work to evaluate how effectively the programs have been implemented, since that is her role? If he is so disposed, then we can certainly, with the time remaining to us, find a way of bridging the gap and continuing to do our work in the collaborative manner that has been the hallmark of your stewardship for these past six months.

I know that it's rather unusual, Madam Chair, but I'd like to know whether Mr. Berthold is prepared to do that. If so, then there's certainly a way to reach agreement and unanimity around this table.

• (1310)

[English]

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

Do you have an amendment for consideration that you would like to propose to this motion, and can we make a determination of whether or not it is considered a friendly amendment?

[Translation]

Mr. Greg Fergus: Yes, I do in fact have one to put forward, Madam Chair. The problem with virtual is that it's hard to get a sense of your colleagues' body language when we're not all together around the same table. Here is the amendment.

That the motion be amended by adding, before the words "That the committee request that the Department of Finance and the Canada Revenue Agency provide the committee with all studies, data and analysis used for the implementation of the Canada Emergency Wage Subsidy", the following: "That the committee ask the Auditor General to again testify on her report on the Canada Emergency Wage Subsidy, before the 6th of May 2021, and to detail elements of the documents her office reviewed".

Would you like me to give a copy of the amendment to the clerk, Madam Chair?

[English]

The Chair: Yes, please. Thank you.

Go ahead, Mr. Blois.

Mr. Kody Blois: It's just relevant and timely. In relation to Mr. Fergus's amendment that he just moved, he mentioned "The committee request that the Department of Finance and the Canada Revenue Agency provide the committee with all studies, data and analysis used for the implementation of the Canada emergency wage subsidy".

He was just referencing the text of Mr. Berthold's earlier motion, correct?

[Translation]

Mr. Greg Fergus: Yes, of course. I was just about to send a copy of the amendment.

[English]

Mr. Kody Blois: I was just making sure that we go to have this meeting with the Auditor General first to talk about her access to this information, and then you were referencing Mr. Berthold. I think I'm clear. Thank you.

The Chair: Thank you.

Madam Clerk, I guess we will now move into a discussion about the amendment to the motion. I know there were hands up when we were speaking on the main motion.

Mr. Blanchette-Joncas, would you like to speak to the amendment?

[Translation]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair. No, it's not linked to the amendment.

[English]

The Chair: Thank you.

I realize, colleagues, that you've heard the amendment. You may not have it in front of you and may not have it in both official languages. I believe the clerk is working to get that to you.

Go ahead, Mr. Longfield.

• (1315)

Mr. Lloyd Longfield: I'm hoping that this amendment could get us back to the spirit of the committee, where we are trying to work together and certainly not trying to do things that are outside of our mandate. Within the amendment asking for all information, we won't be able to get all of the information that was used, because some of that was confidential, according to the rules of the Privy Council. In fact, I think that was the answer we were given by Mr. Sabia. He will share any information that is available to be shared. I think that was the spirit of the testimony we were also receiving from the Auditor General. She did do a review on all information and then prepared her audit based on the information that she had received.

I think this is a good motion to put forward just to try to get ourselves back on track as a committee, but I also think that while we were operating as a non-partisan committee, we were getting the information forward that was going to be available to us according to the rules of the Privy Council. This would just reinforce that, so I would support the amendment.

The Chair: Thank you very much.

Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: Thank you very much.

I was quite frankly a little taken aback and disappointed by my colleagues' comments with respect to this. I think my colleagues are conflating and even misunderstanding the definition of "partisanship". In fact, our sole driving force and—whether it be Mr. Sorenson or Mr. Christopherson or Madam Block—our entire team's job as this committee is to get to the truth here. We are being obfuscated from getting to that truth.

It has to be said. It's intellectually dishonest to be calling out partisanship while you're filibustering. Why would we not just have a vote, get to the answers we need to have, and we get on with this matter? It's our job as a committee. We are a non-partisan committee. We're not here to protect the government; we're here to get to the truth.

The Chair: Thank you very much.

Go ahead, Mr. Blois.

Mr. Kody Blois: Let me first speak to the amendment that Mr. Fergus has moved, then perhaps I can address some of Mr. Lawrence's comments and go back to some of the concerns I have with Mr. Berthold's motion.

What I like about Mr. Fergus' amendment is that this committee works in lockstep with the Auditor General. We study the Auditor General's reports. We have her and her team come in and hold government to account. We have an integral relationship with that office, and that's important.

I didn't get the sense from the Auditor General that she was obstructed in any way in terms of her work in being able to provide a report. We have to also remember that the Department of Finance, as part of its recommendations or its agreement to the Auditor General's report, has agreed to do a complete and full analysis of this type of program. That's important.

When I look at Mr. Fergus' amendment, it's important we bring Ms. Hogan before this committee in order to ask her the questions about whether or not she was satisfied with the information she was able to receive. She works with government all the time as it relates to getting information that is cabinet sensitive and other information that is not.

As opposed to going on Mr. Berthold's motion, which is to create the net as wide and far as we can, get every document under the sun that relates to one of the largest programs in Canadian history, a \$100 billion program, and take the time of our civil servants who are literally going to have to spend weeks on end finding this information as opposed to delivering for Canadians, let's instead ask the Auditor General to come and then ask her what information, if any, she felt she wasn't able to access that would be important for us as

parliamentarians to use to scrutinize the government. That is something I can support.

It also gives us time in the interim to look at Mr. Berthold's motion and see if we can find a way to actually make it a bit more narrow, keeping in mind that the first job of government is to provide for its citizens. Again, we're in the middle of a pandemic. These individuals are going to have to literally spend time on time to get every document under the sun.

My question to Mr. Lawrence would be, what truth haven't you been able to find? Maybe we can get those specific questions on the record, because there have been occasions when we've asked for information and we were able to get it as a committee. We were able to be specific. You asked the question around the price on pollution; we were able to get that information. It was important. I stand with you on that.

On this idea that we're going to get all the documents, all the analysis around one of the largest programs in Canadian history, what's the paper trail on that? It's massive and unreasonable.

Frankly, with all due respect to Mr. Berthold, because perhaps it's not his intention, the text of the motion reads as simply an obstruction to government. I want him to understand the amount of work and pressure. Frankly, I don't want to say "wasted time", because yes, we want to hold government to account and we want to get information, but when you cast your net as wide as the ocean, it is a lot of wasted time in terms of the stuff that has to go on. Let's narrow this in. What is the truth that you're not happy about? What is the truth, the information, that you need?

We've had the information in terms of what this has meant for Canadians, what this has meant for individual employees and businesses. What information don't you have that is so crucial? I would ask that not just to my Conservative colleagues but indeed all members.

I support this type of amendment. Let's bring Ms. Hogan in; let's ask her. We're not really in a good place to know what information was or wasn't available. Let's ask Ms. Hogan. Then we can get something a bit more narrow and table a motion unanimously in the spirit of how this committee is supposed to function to get the information that's needed.

Hopefully, you can sense my passion through this, because this is the kind of stuff... Again, I'm very fortunate to sit on agriculture and on public accounts. I've had a very good experience in being able to work collaboratively. I understand that it's the job of Her Majesty's official opposition to hold government to account. I understand, Mr. Lawrence, that you want to get the answers from government and have an obligation to your citizens to do so, but you have to be a bit more narrow about what exactly you feel government isn't providing.

Is it something from Mr. Sabia? Is it certain information? What do you want to actually have?

• (1320)

Let's make sure we have to work within the confines of what is cabinet privilege, which has been a historical tradition since Confederation.

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

Colleagues, I will give you an update. I have been informed by our clerk, who has worked very diligently, that we can meet until 2 p.m. After that it will become problematic. Obviously, question period will be starting at that time as well.

Colleagues, we have the amended motion, which has, I believe, been circulated to all of you via email. I could read it out or perhaps I could have the clerk read it out to you, and then continue on with the interventions that it looks like folks want to make.

Madam Clerk, could you read out that amendment for the amended motion?

The Clerk: Yes. The amendment is “ That the committee ask the Auditor General to again testify on her report on the Canada Emergency Wage Subsidy before the 6th of May 2021, and to detail elements of the documents her office reviewed.”

After that the committee will consider Mr. Berthold's main motion. The amended motion would continue with what Mr. Berthold has submitted as the main motion, which reads as follows:

The committee requests that the Department of Finance and Canada Revenue Agency provide the committee with all studies, data and analysis used for the implementation of the Canada Emergency Wage Subsidy.

The Chair: Colleagues, I will now move to Mr. Longfield.

Mr. Lloyd Longfield: Thanks again, Madam Chair.

I really take exception to this being called a filibuster when we get table-dropped a motion in the middle of testimony and while we're preparing questions for the next witnesses and really getting into the work of the committee in terms of the review of the CEWS program.

Now we have a motion that we haven't had any time to prepare for. I'm thinking we heard during the testimony that this information was already being promised to us in the form that was available to us, respecting the terms and conditions of the Privy Council, which are in place for all governments, regardless of what the politics of the day are. Now we're being accused of filibustering when we're really trying to get down to the bottom of why we are doing this when it's information that we're already going to be receiving.

The information that we have from the Auditor General is that she was able to see the rationale for the program and that the program was in alignment with the confidential discussions in the Privy Council. To have her come back to say to us, “Okay, I know that we have a situation to deal with here because some of the members are uncomfortable with cabinet confidence and uncomfortable with transparency....”

We do have those rules in place for other reasons, and those reasons are that any government needs to have a space to have open discussions that can range over a lot of different areas before agree-

ment comes from cabinet to go forward into the public realm. We are within the operation of government; this isn't a conspiracy to hide information; it's the normal operation of government.

As I'm listening to the discussion, I'm hoping that this committee can get itself back on track, because we were working quite well together. The amendment that's been put forward is for us to get back to our terms of operation, having the Auditor General maybe answer any questions about confidentiality or why things are done in the way they're done and about how she interacts as a confidential overseer of the government of the day and then reports back to Parliament, because she's not part of the government of the day but an officer of Parliament.

All of that should give Canadians confidence that we are operating within the normal governance of the Government of Canada and that there is no monkey business going on. If we could get through the amendment and if we did have support to have the Auditor General come back.... We've done this before when there were some statements in the press that we wanted to discuss with her, and we did bring her back under the conditions of a motion that we passed. If we could have that as the next step.... We are working with her and we don't want to be going around her, because she is the buffer between us and government and makes us non-partisan. We're working with her; we're not working with the government of the day.

Therefore, first of all, we need to address her and then see what we can do going forward and whether we need to take it any further in terms of information availability. As has been mentioned, then we look at the next report, which won't be an interim report but an actual report on the CEWS program, and hopefully by September 25 we'll be through the pandemic and be able to take a rear-view mirror look at the wage subsidy program that we were talking about this morning.

With that, I'll turn it back over to you.

• (1325)

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

Colleagues, thank you to all of you for your thoughtful interventions. This is an important, critical conversation that we are having.

I will now go to Mr. Fergus, and then I will move on to Mr. Green.

[*Translation*]

Mr. Greg Fergus: Thank you, Madam Chair.

Thank you for your comments. Some good points were raised.

I'm going to give my time to my colleague Mr. Green. I'll have a chance to speak again later.

[English]

The Chair: Go ahead, Mr. Green.

Mr. Matthew Green: Thank you.

For those who have the privilege of seeing the screen, you'll know that I've been quietly listening to all the interventions. I've heard a range of opinions and expanded thoughts on this particular issue.

I'll note that the reason I intervened earlier on a point of order that called into question the delay of this vote was particularly the way in which I've experienced COVID technologies as a hard stop on the democratic processes of our committee. I've had the opportunity to sit through a couple of pretty significant filibusters, some with you and others without.

Look, at the end of the day, I think people heard in my interventions the frustrations about not having basic analysis presented to committee in order to have a generative discussion on the benefits and the failures of the programs, so much so that it's my opinion that this particular government is taking this notion of cabinet confidentiality.... It's not just on this committee. I'll share with you that on OGGO, I've had this protracted conversation for about a year and a half about how all information is presented to cabinet, and it automatically disappears into the ether. It is not about protecting the national interests or security secrets of the state. It has been an absolute black hole for transparency and accountability, so much so that even when I've done my own order papers and motions at other committees, what I receive back are pages and pages and pages of redacted information, information that I believe in a non-partisan way should be made available to parliamentarians and most definitely to Canadians.

I have to say that I'm bemused by the way my colleagues have invoked the name of my predecessor, David Christopherson, who I could assure you would be lighting his hair on fire if he was expected to vote and make a decision on a public accounts report, on an audit report, without having access to basic answers to his questions under this procedural guise of cabinet confidentiality.

Look, if every single piece of government information is to be deemed cabinet confidence, then we might as well just pack up and let bureaucrats make reports, show them directly to the general public, and kind of rubber-stamp whatever comes our way. There is a significant and material non-disclosure by this government during a process that has provided them with unique powers to spend and to create programs.

I acknowledge that we're probably not going to get to this vote by virtue of process, which is why I have no problems expressing myself in the fullness in which I'm expressing it, because again we're limited by these technologies.

In the good old days, I'm sure my predecessor, David Christopherson, would have advised me to get a good seat. I have one. Get maybe a good pillow for your back support on a good filibuster, because he can filibuster with the best of them, and we would have just dug in and been here maybe until 8:00 or 9:00 tonight. Alas, that's not going to happen. It's likely that we're going to pick up on this debate later.

I'll share with members of this public accounts committee that I have no intention of creating some kind of mythology around co-operation, absent of access to basic material information. I take seriously the responsibility of this committee to make informed decisions on what's being presented to us through staff that will require disclosure of material information. That's what I believe to be the mandate of this committee.

I'll share with you that it is very rare in political spaces, by the way, in this talk of non-partisan versus partisan, that you could get a New Democrat from Hamilton, a Bloc Québécois and a Conservative to all agree on something. I happen to think that this non-partisan space exists, because we're looking at the face value of what's before us in ways that have very different political applications to the work that we're all respectively trying to do in opposition.

Now, I say all that to say this: I would love to see a time when this government does become open by default. We have had Auditor General reports that have enumerated and listed in depth the ways in which this government has refused to provide the most basic information not just to their office but to the general public.

● (1330)

To the members and the parliamentary secretaries who are present here, the staffers, the whips who are online, if we want to get into this space of having this committee work in the way it is supposed to work, then let's operate in enough good faith that if I ask a basic question around analysis—"How did you come to this decision?"—I'm not just shuffled off by being told it's cabinet confidentiality and they won't even tell me if they made recommendations on this particular topic.

For the lawyers who are out there, although I'm not a lawyer, I would call this a material non-disclosure. I would like to see government become more forthcoming with the required information, and I'm looking with interest to my friends, who I'm sure will present for the next 25 minutes, maybe 26 minutes. It will be just until after we're about to be cut off and before we can get to this vote, and we'll likely pick it up again sometime next week.

Thank you, Madam Chair.

● (1335)

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

Mr. Sorbara is next.

Mr. Francesco Sorbara: Thank you, Chair.

I was standing because yesterday I was sitting for 14 hours until the emergency debate was over last night. I needed to stand up a little.

Thank you, MP Green, for your comments. I say that very sincerely, Matthew. We sometimes don't agree on all policy positions, but there was much that MP Green said about transparency and accountability in the way the government operates and how it should be accountable to what I call taxpayers, and these are the hard-working Canadian citizens, independent of political stripe.

I did want to go back to MP Berthold's amended motion. Not only do I have the privilege of representing here my residents of Vaughan—Woodbridge, but I also have the privilege of being appointed by the Prime Minister to be the parliamentary secretary to the Minister of National Revenue. I see that the CRA commissioner and some of the vice-commissioners were here today to answer questions that we had. When I look at the documents that we received as parliamentarians and as members of the public accounts committee, I believe this is probably....

You know, there are important committees out there, but this is an important committee. This is the oversight of government programs and the oversight of government spending. I see the Canada Revenue Agency's detailed action plan that was put together in co-operation and conjunction with the Auditor General. The Auditor General went to CRA officials and obviously went over the CEWS program, and its implementation and execution were disclosed. The Auditor General highlighted certain strengths of the program in terms of the CRA's responsibilities and also had many recommendations for further improvement. The "unique identifier" was documented within a study. The CRA disclosed that they are working with ESDC and working on a unique identifier, a sort of sign-in portal, and about why the social insurance number was used or not used.

I was going to ask a question today about how important it is that, from the budget, we look at e-payroll, which is a small measure that is going to be transformational in having real-time data from businesses across the country sent to the CRA, so that a certain program like this could be launched very quickly if it needed to be, and also in providing very robust data to CRA and greater efficiency for our businesses.

When I see this motion put forward, I think to myself how cooperative the Canada Revenue Agency has been in providing the documents and the necessary information to the Auditor General and in responding to the Auditor General in laying out key interim milestones. I look at item 1.1 for October, and the dates, and it's even providing the responsible organization and point of contact. In this case, it was Marc Lemieux, and it's providing the phone number of the individual.

Then I go back to Mr. Berthold's original motion and I ask, "What are we getting at here in this motion?" in asking for all studies related to dit, dit, dit. I'm thinking to myself, "Wait a second; the Canada Revenue Agency and its wonderful folks, whom I've gotten to know, fully co-operated with the Auditor General on this program and the CEWS and the Canada emergency response benefit, all during a period when the Canada Revenue Agency is responsible for the implementation and execution of seven or eight programs to assist Canadians during this most extraordinary and unique period of time."

I'm wondering a little why this motion, as Mr. Longfield so eloquently stated, was dropped on the table in that manner when many of us had more questions to ask. I'll completely agree that we have a right as members of Parliament to bring forward motions that we feel are necessary. I will never dispute that right, but it seems to me that there was something today....

I don't understand why, especially when I've read the report—I have it right in front of me—and I've read about the Auditor's General work. I've commented before on how much I actually enjoy reading these reports of the Auditor General's work, because they're about making government work better. It's about making government work better for Canadians. If we had issues, or any ideas that potentially the Auditor General did not receive the information and that in this case her office was unable to obtain what she may have thought she should have had, then there would have been no problem in having her come in front of committee or to put forward a motion to have her come to committee and to ask those questions. I think that would be very reasonable.

• (1340)

That's when I go back to MP Green's comments about being members of Parliament and no, everything cannot be cabinet secrecy and everything cannot be done without disclosure and transparency. At the same time, the mechanisms of government, of the Privy Council Office and of cabinet, require a certain element of that. We all know that, and we understand it currently as a government, and prior governments understood it as well.

I'm sure the chair, who has been a very wise and long-time member of Parliament, remembers that when her government was in power, cabinet secrecy existed. The Privy Council existed. The Auditor General's office did their work, and I think that's where I go back to.

I keep going back to the non-partisan nature of this committee, which I'm very much enjoying. I enjoy reading these public account books and going line by line through items on the financials and understanding how the Government of Canada works. These are the linkages. This is like the Encyclopedia Britannica that we had as kids instead of the Internet, if I can date myself.

As the Parliamentary Secretary to the Minister of National Revenue, it's very important for me to point out that the Canada Revenue Agency has worked very well with the Auditor General. The commissioner has appeared several times now. The ACs—if I am getting their titles correctly—have also appeared several times, fully answered questions and identified strengths and also shortcomings in terms of how we can improve things for Canadians. I think that's very important, Chair.

At the same time, with regard to this amended motion, I hope we can continue debating it. I hope we can reach a resolution so that the committee can restart the business we are here to do, which is to review these reports.

We must also remember, colleagues, with these reports—and for some levity in life I am going to hold this up, because I like the colour purple—we have to provide feedback through a draft report. In those draft reports we can make recommendations and alterations to what's been recommended. We have done that in other reports. We have worked on a committee. Sometimes, as they say—if I can make this analogy—many people enjoy eating sausages, but maybe not many people enjoy making the sausages. I like to do both.

Sometimes when the draft report is given.... I see MP Longfield smiling, and he knows exactly what I'm talking about, because he and I have talked about that subject. When we get the draft report on the COVID-19 pandemic with regard to the Canada emergency wage subsidy, we committee members will be able to make recommendations or alterations to the recommendations in there, which the analysts do in the fantastic job they do. We as committee members should not forget about that element, because it is so important.

Again, I go back to MP Green's very wise words, because I agree with you, Matthew, if I can call you by your first name. The idea that MPs need to be able to do their jobs is a fundamental one. Our job is to represent our constituents, the hard-working people who get up every morning and go to work and do the right thing for their families. We need to be able to do the right things for them, so I fully agree with you there.

I see other hands up from what I am going to say are my distinguished colleagues, especially the one wearing the bow tie today, because it is bow-tie Thursday, and I will hand it to them because I know they'll want to speak.

Again, on the co-operation we've seen on the CRA side—despite their employees working from home, as many of us are doing—in running and implementing and executing seven programs now and working on the new incentive program that's coming into place to get Canadians back to work, I need to applaud and I need to point that out.

Let's read this action plan by the CRA in conjunction with their response to the Auditor General's recommendations, because this is what our committee is about. It's about tracking what's happening here, to make sure that it's fulfilled and that we can offer better services.

I go back, Chair—and I'll finish in 30 seconds—to what was in the budget on that measure, not to talk about the budget but to the measure for the e-payroll, because I think that's going to be transformational for many years to come in getting data moving between employers and the CRA.

• (1345)

I would have loved to ask the question, because that goes to the heart of one of the weaknesses pointed out or one of the improvements that the Auditor General could be pointing out in questions she had with regard to this report.

That's the work we need to be doing. Those are the questions we need to be asking. You can understand my disappointment from my

original comments when I first read the original motion that was dropped on this committee today.

I'll pass it over to one of my colleagues, Madam Chair. Thank you for your patience. I know we're neighbours in the Valour Building, and hopefully one day soon we'll be able to walk past each other to the elevator bank or go off to Parliament and attend question period or House duty.

Thank you.

The Chair: Thank you for your comments.

I have Mr. Blois and Mr. Longfield and then Mr. Ferguson.

Mr. Kody Blois: Thank you, Madam Chair.

Again, I hate to keep showing my newness to Parliament here since being elected in 2019.

Obviously Mr. Berthold's original motion talks about all documents pertaining. Before I carry on with my comments—I particularly want to respond to Mr. Green and some of the other individuals who have raised points—can you provide a clarification to me about what happens when a committee asks for documents that indeed have privilege from cabinet? What happens then? What takes priority? Are we asking cabinet and the government to breach the privilege that is normally accorded? Can the clerk speak to exactly how this would play out?

Then I'll carry on with my comments, if I could.

The Chair: Go ahead, Madam Clerk.

The Clerk: The committee does have an extreme amount of power to request documents.

This is a toss-up. The government may come back to the committee with some kind of compromise. I would really like to have an opportunity to do a bit more research on this, because it's not something that comes up very often. It's actually a conflict between two sets of privileges, which are the committee's privilege to request all documents that exist from anyone and the government's privilege to maintain cabinet confidentiality. There are some recent cases I would like to look at. If the committee would permit me, I will get back to you.

Mr. Kody Blois: Thank you. I appreciate that explanation. I don't want to pretend to speak for the other members of this committee, but perhaps that could be helpful to understanding the jurisprudence as it relates to a parliamentary privilege versus a cabinet privilege.

I want to read a quote from the AG's report for my colleagues here. These would obviously be the words of our Auditor General, Ms. Hogan, through her staff, who would have prepared this:

Overall, we found that despite facing a historic pandemic, the Department of Finance Canada and the Canada Revenue Agency worked within short time frames to provide decision makers with information to assist them in developing the Canada Emergency Wage Subsidy and to implement the subsidy. Although the Department of Finance Canada performed a partial analysis of the initial design of the subsidy program, it later provided a sound and complete analysis to inform adjustments to the subsidy.

Those are the Auditor General's words.

Again, I go back to the Auditor General, and it didn't appear to me that she was handcuffed in terms of her ability to provide an analysis.

This is where I'll go to Mr. Green's comments. I will call it as I saw it. Some of the questions that were asked today I think left something to be desired in terms of how they were responded to. Mr. Green, I thought you asked a fair question around compensation and stock dividends and things of that nature. I thought there could have been an angle for our officials to talk about, and I think you left that door open in saying you didn't need to know the contents and you didn't need to know the recommendation but only whether there was some level of analysis done. You didn't get that answer. That resonates with me, and I hear where you're coming from on this issue.

Where I'm coming from, respectfully, is that the motion put forward by our honourable colleague Mr. Berthold is so wide in scope. It relates to all documents, all analysis. It's anything to do with implementation. That goes all the way back to March of last year.

This is one of the largest programs. Think of the number of documents that would be out there. Think about the time that our civil servants are going to have to do, poring over electronic resources. Look, I've heard it first-hand: This would be weeks and months on end.

Mr. Green, you just talked about how one in five businesses in your community of Hamilton Centre are not reapplying for a permit with the city. That's concerning, I agree, so why do we want our civil servants to instead be poring over such a wide and open-scope motion, as opposed to trying to get the information that this committee actually needs? It's not clear to me. I haven't heard from Mr. Blanchette-Joncas, and to be fair, Mr. Green never really opined on whether or not he supports the idea of bringing the Auditor General back to get some relevance about the areas in which we can get that information.

Mr. Green, I know that you understand the idea of cabinet privilege. I know you expressed that you think this government has gone too far in using that. I'm willing to work with you as a committee member to look for areas where we can focus, instead of asking for all documents. I mean, there would be hundreds, thousands. I have no idea, but it's a large, large scope. I think it's an overreach by this committee, frankly.

Mr. Green, certainly on this committee and in this House you have recognized the important role that the public servants are playing to meet the needs of Canadians. To you and to other members of this committee, let's find a way that we can get the information that you're seeking. Mr. Lawrence, you talked about the time it would have taken to implement the number of SINs. What type of process would this have taken?

I don't want to speak to whether or not that should be cabinet privilege, but those are legitimate questions. Let's narrow down some of the questions that the committee members had today. Let's bring the Auditor General in, focus on the contents of her report, see where we weren't really satisfied as a committee with some of the answers we got, and then work backwards, in a collective and collaborative nature, to try to find a better-worded motion that can

get us to the information we so desire and need, as Mr. Green and others have expressed very articulately. This is truly just a fishing expedition when we say we want every document.

• (1350)

Of course, I agree with Mr. Lawrence that it is the job of an opposition party to oppose. It's Her Majesty's loyal opposition, but it should not be Her Majesty's loyal obstruction of government. That's where we're coming from on this piece. It is an overreach. I ask members of this committee to approve this amendment so that we can hear from Ms. Hogan. It is important to hear from her.

I hear that not all the questions were answered to the extent that members wanted, so let's hear from the Auditor General. I'll be willing to sit there and listen to the Auditor General. Let's ask the same questions and come to a motion that is more narrow in scope, that is focused on getting the information you want for your constituents and for Canadians but is not going to be a fishing expedition that's going to tie up potentially hundreds of civil servants. I don't even know what the objective is and I haven't heard enough from my other colleagues about what questions they actually want to ask.

Mr. Green, I agree with you. You want to know whether CEO compensation and stock dividends were considered in terms of the wage subsidy. That's a fair point. We don't want to get into cabinet discussions and privileges, but it is a fair question to ask whether or not it was part of an analysis. You didn't get that answer. Let's get it, but let's not go on some expedition that is going to do nothing to benefit the interests of committee members, the interests of parliamentarians and indeed the interests of Canadians, to be fair in my comments.

I guess I'll leave it at that for now. I'd be interested in hearing from Mr. Blanchette-Joncas about whether or not he thinks it's reasonable. I know he has great respect for Ms. Hogan. He asked her many questions. He asked her a line of questioning today about this particular report. However, what does he think about bringing her back and letting her explain what areas of analysis she thinks could have been helpful so that we can get answers to those questions?

I will leave it there, Madam Chair. Thank you.

• (1355)

The Chair: Mr. Longfield, please go ahead.

Mr. Lloyd Longfield: Thank you.

I think, as I consider where we've come today through all of these discussions, I wasn't surprised to see the question being raised by Mr. Green. In fact, when I was doing my prep work and reading the documents provided on the audit and saw the word "secret" used, I thought, "Okay, that's a flag. I know there will be questions on that."

As I was mentioning earlier, in other governments people on this committee would actually write questions and trade them with each other. I could almost have written the question Mr. Green was going to ask on that because of his passion around open communications and open government and government open by default. It was not a surprise to see the question coming.

I think the Auditor General rightly said we should ask the Department of Finance why the decision was made to keep some of that information within cabinet confidence. That was asked as well, so I think we were asking the right questions.

My problem this afternoon is that when we got this motion, we were still in the middle of testimony. I would like to review the answers we got to see whether we enough information was promised to us such that we could then review and do the further work of the committee when it comes to the report stage or whether we need to bring in the Auditor General again and say, “You know, you choose your words carefully. The word 'secret' was used. That's a word that put some flags up for many of us who have read the report.” In fact, questions came back in the committee, which is the work of the committee.

If Mr. Green hadn't asked the question, I was asking the question in my head about “secret” and thinking we should talk about why things aren't divulged and what the process is for divulging. We've had a lot of conversation around the table about that this afternoon.

I was hoping to see some of the other members talk about whether we should bring in the Auditor General to get her to clarify some of the comments that were in the report, as well as to look at what information we are to get back from the Department of Finance that they were promising us. Again, I believe they promised us, but I would have to look at the blues to see that. However, I'm pretty sure we were going to get the information we were requesting, to the extent that we're able to under all of the laws that the public service is working under.

I think we were on the right track then. I think having the Auditor General come back and clarify would be our next step if we're not getting the information we need. We have more steps we can be taking. We have another report coming to us early next year, or in the middle of next year, that will talk about the more detailed analysis of CEWS. I was going to ask a question about GBA+ and whether that was part of the analysis the finance department was going to be following when they do the subsequent report on CEWS.

According to the data around who was getting it and who wasn't getting it, Imperial Oil and some large companies were getting it. Some of the start-ups in Guelph that I've talked to weren't getting it because they weren't qualifying under the terms of CEWS. On that part of the analysis of whether we reached all of the right people, the right Canadians, I would be very interested in the answers to those questions as well. I know businesses I've talked to are asking why the big companies got relief when they're saying, “I'm working off a line of credit from my mother-in-law's house. She's going to lose her house because of this. I can't qualify because I'm not meeting some of the requirements of the CEWS program.” These are very real questions we get every day, and I think we need to get back to the answers.

● (1400)

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

It is two o'clock. That is a hard stop for us.

Colleagues, seeing that the committee hasn't come to a decision on this matter, I would like to suggest that we suspend this meeting until our next scheduled time. Are we in agreement?

Mr. Matthew Green: I just want to say on the record what an incredible example this is of the ability to run the clock out. I look forward to picking it up where we left off.

The Chair: Go ahead, Mr. Ferguson.

[*Translation*]

Mr. Greg Ferguson: I have a question, Madam Chair.

Will this affect our schedule over the coming weeks?

Our schedule is rather full, and I'd like to know whether we could ask the clerk to tell us at the next meeting...

[*English*]

Mr. Lloyd Longfield: I'm number three on the S. O. 31s—

[*Translation*]

Mr. Greg Ferguson: Okay.

[*English*]

Mr. Lloyd Longfield: I have to go at two o'clock. That's what we agreed to.

The Chair: Yes, it will definitely have an impact. next Tuesday we will pick up where we left off, and depending on how far we get, it will have an impact.

Are we agreed to suspend, colleagues?

I see that we are.

The meeting is suspended. Thank you.

● (1400)

(Pause)

● (1120)

The Chair: I call the meeting to order.

Welcome, colleagues. I would like to remind you that today we are resuming meeting number 27 of the Standing Committee on Public Accounts, which was suspended last Thursday. The committee is meeting in public today and is being televised.

Today's meeting is taking place in a hybrid format pursuant to the House order of January 25, 2021, and therefore members may be attending in person in the room or remotely using the Zoom application.

Madam Clerk, I am assuming that everyone is attending virtually today.

The Clerk: That is correct.

The Chair: I just have a few rules to go over.

Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either “floor”, “English” or “French”. Before speaking, click on the microphone icon to activate your own mike. When you are done speaking, please put your mike on mute to minimize any interference. When speaking, please speak slowly and clearly.

Unless there are exceptional circumstances, the use of headsets with a boom microphone is mandatory for everyone participating remotely. As always, should any technical challenges arise, please advise the chair, and please note that we may then need to suspend for a few minutes, as we want to ensure all members are able to participate fully.

Our witnesses from last Thursday have been invited back and are standing by to answer our questions if and when debate on the motion is concluded and questioning can be resumed.

I will go over the list of guests who are waiting to join us. That way we won't have to do it if we are able to resume questioning.

Joining us today from the Office of the Auditor General are Karen Hogan, Auditor General of Canada; Philippe Le Goff, principal; and Andrew Hayes, deputy auditor general.

From the Canada Revenue Agency, we have Marc Lemieux, assistant commissioner, collections and verification branch; Ted Gallivan, assistant commissioner, compliance programs branch; and Frank Vermaeten, assistant commissioner for the assessment, benefit and service branch. Mr. Hamilton, commissioner of revenue and chief executive officer, will be joining us a bit later.

From the Department of Finance, we have Andrew Marsland, senior assistant deputy minister, tax policy branch, and Miodrag Jovanovic, associate assistant deputy minister. The deputy minister, Michael Sabia, sends his regrets. Due to a conflict in his schedule, he is not able to attend this morning.

There's just one more thing before we get started. At last Thursday's meeting, Mr. Blois asked the clerk if she could prepare a document outlining the principal issues of cabinet confidentiality and the powers of the committee to call for papers. She informed me that this issue has been raised before in the public accounts committee. On February 28, the committee received a briefing from the law clerk and the counsel to the Clerk of the Privy Council on this matter. If it is the wish of the committee, we could arrange to have a briefing on these issues with these individuals.

Are there any comments or questions about that?

[*Translation*]

Mr. Luc Berthold: Madam Chair, I believe that we received a notice of motion from our colleague Mr. Blanchette-Joncas, which in fact asks that we proceed in this manner.

Could we perhaps discuss it then?

[*English*]

The Chair: Yes. Thank you very much. I will move on.

When the committee suspended the meeting on Thursday last week, we were debating the amendment of Mr. Fergus. Would you

like me to read it into the record again to refresh everyone's memory on what is being debated?

Go ahead, Mr. Longfield.

Mr. Lloyd Longfield: I don't think that's necessary. We might have a further amendment coming.

The Chair: All right.

If the rest of the committee is in agreement, I will turn the floor over to Mr. Berthold.

[*Translation*]

Mr. Luc Berthold: Thank you very much, Madam Chair.

Now that I've had the opportunity to speak with my colleagues, I would ask that we move immediately to a vote on Mr. Fergus's amendment so that we can then return to the main motion.

After that, I think Mr. Longfield will be putting forward an amendment that we can debate. It would save a lot of time.

[*English*]

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

Colleagues, are you ready for me to call the vote on the amendment to the main motion?

It will be recorded vote.

(Amendment negated: nays 10; yeas 0 [*See Minutes of Proceedings*])

The Chair: I will turn it back to Mr. Berthold to speak to his motion.

[*Translation*]

Mr. Luc Berthold: Thank you very much, Madam Chair.

I'd like to ask my colleague Mr. Longfield to put forward an amendment that he had me read before today's meeting.

We could then debate this amendment if the committee agrees.

[*English*]

The Chair: Go ahead, Mr. Longfield.

Mr. Lloyd Longfield: Thank you, Madam Chair.

Thanks to Mr. Berthold for the work on this. It's great when we can try to resolve issues and put things forward for the committee to debate.

My amendment is that the motion be amended by adding after the words “That the committee request that the Department of Finance and the Canada Revenue Agency provide the committee will all studies, data and analysis used for the implementation of the Canada Emergency Wage Subsidy” the following:

that these documents be provided to the committee with redactions for Cabinet confidence and personal information, and that these documents be provided to the committee no later than May 27, 2021.

I've circulated it in both languages. Thank you.

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

Colleagues, you have the amendment in front of you, or it was sent to you. I will now open up debate on the amendment.

[Translation]

Mr. Luc Berthold: Madam Chair, may I speak?

[English]

The Chair: Yes, go ahead.

[Translation]

Mr. Luc Berthold: Thank you.

Madam Clerk, I think the amendment should begin by noting the wish to replace what follows the words “That the committee” with Mr. Longfield’s wording. We could then treat the proposal as an amendment.

Otherwise, it would look more like a new motion.

The Clerk: Would the amendment come after or before your motion Mr. Berthold?

Mr. Luc Berthold: Mr. Longfield’s motion could consist simply of removing all the words in the initial motion after the word “That” and replacing them with the wording suggested by Mr. Longfield.

I’d like to hear my colleagues’ opinion about the amendment, but I’d first like to briefly return to a number comments I heard last week.

I just want to say that when we have discussions on subjects like these, it’s neither partisan nor non-partisan. I was unfortunately criticized for having put this motion forward in a partisan manner, when it’s intent was really to further clarify things for committee members from all parties. I think that was the laudable goal.

Once again, unanimity on the committee is not essential for every one of our decisions. The committee takes pride in producing unanimous reports. I’d like to reiterate this because we can’t always agree on everything that is said here.

It’s therefore important to point out that my comments were intended simply to provide further clarification for the committee. I believe that the motion before us, and the amendments put forward by Mr. Longfield, will enable everyone to have the answers we need to move forward and come up with what I trust will be a unanimous report from the Standing Committee on Public Accounts.

I have a question for Mr. Longfield. Why should we have to wait until May 27 to obtain the documents?

In my initial motion, I had asked that we be able to obtain the documents very soon, so that we could move forward more quickly. I’d like Mr. Longfield to explain why he chose May 27 as the date for receiving all the documents.

[English]

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

Go ahead, Mr. Longfield.

Mr. Lloyd Longfield: Thank you, Madam Chair.

Through you to Luc, I’ve checked with the departments to see the work that would be entailed. They have several hundred pages that would have to be translated.

Normally our committee has passed the motion giving a three-week notice for getting information back to us for standard questions that we’ve asked during our witness testimony. This is a little bit bigger than a standard question because of the amount of work that’s going into the translation as well as the proper redaction of information to protect cabinet confidence. There’s a little bit of extra work on this. It’s “no later than May 27”, which would give us time to have this included through the analysts in our report consideration. When it comes to the report consideration in June, we would be able to roll this into our report, which we can then consider and debate.

I think we have a very heavy schedule in front of us, with lots of studies coming forward between now and the end of May. This would allow us to continue that work as well as be ready for the report when it comes before us.

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

Go ahead, Mr. Berthold.

[Translation]

Mr. Luc Berthold: Thank you, Madam Chair.

I’d now like to go to the vote on Mr. Longfield’s amendment, please.

[English]

The Chair: Thank you very much.

I don’t see any other hands up from colleagues looking to make an intervention.

If you are ready, I will call the question on the amendment put forward by Mr. Longfield.

(Amendment agreed to: yeas 9; nays 1 [See Minutes of Proceedings])

The Chair: We will vote on the motion as amended unless there is any further discussion.

Seeing none, we will go to the vote.

(Motion as amended agreed to: yeas 10; nays 0 [See Minutes of Proceedings])

The Chair: Thank you, colleagues. I am grateful and thankful that we were able to....

Go ahead, Mr. Fergus.

Mr. Greg Fergus: Please continue, Madam Chair.

The Chair: I just wanted to express my thanks for the work you did in coming to a resolution that I think was agreeable to everybody, obviously, with a unanimous vote in favour of this amended motion.

[Translation]

Mr. Greg Fergus: Madam Chair, I’d like to add something too.

I would particularly like to thank Mr. Berthold and Mr. Longfield for having reached agreement following this debate. This is consistent with the Standing Committee on Public Accounts’ reputation for collegiality.

I'd like to congratulate them and indeed all my colleagues. I'm very happy to be a member of this committee.

[*English*]

The Chair: Thank you, Mr. Fergus.

Colleagues, let's resume our questioning of the witnesses who were before us last Thursday. I would ask that they be entered into the room, so to speak, and that we continue where we left off that Thursday.

Mr. Berthold, I believe you were in the middle of your six-minute questioning time. The clerk tells me that you have a little over three minutes left to continue with your questioning of our witnesses.

Please go ahead, Mr. Berthold.

[*Translation*]

Mr. Luc Berthold: Thank you very much, Madam Chair.

I will hand my three minutes over to my colleague Mr. Lawrence, because I spoke at length the last time.

[*English*]

The Chair: Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: Thank you very much, Madam Chair. My question is for the Auditor General.

Once again I would like to thank you for all your work. I know that you've been hours and hours and hours at committees alone as much as you have been actually accomplishing the work of the Auditor General, so I thank you very much.

An issue that has given rise to concern among my constituents, and I think constituents across the country, is the interplay between the work of the CRA and the ESDC. You say in paragraph 7.53 that the memorandum of understanding with Employment and Social Development Canada on the administration of the emergency benefits during COVID-19 did not allow for a work-sharing agreement for the information described. There have been a number of issues along the pandemic with government agencies working together.

I'm wondering if the Auditor General could comment on that and on whether this is a real concern or issue for her. As well, if she has any solutions for the government, I'd love to hear those.

Ms. Karen Hogan: Thank you very much for your nice comments. I'm always pleased to attend any committee hearings to discuss our work. I think the worst thing for an auditor general's office would be for us to do all this work and for no one to want to discuss it with us, so I am always pleased to be present at committee.

What we saw in many of our audits was that in departments, and even within a department, there are certain silos. I'll use an example in the Canada Revenue Agency. The side that deals with businesses is very segregated from the side that deals with individuals. That's done to protect the integrity of the information.

It's always good, and a best practice, to have that information-sharing agreement among different departments when they need to share information. In a pandemic it's even more important when there is an interplay between those who lead certain programs,

when you don't want to have doubling up or potential overpayments when programs overlap each other or should be deducted from each other. It's important to work through how collaboration is supposed to work in normal times, but how collaboration is supposed to work in an emergency situation is also important.

It just makes it easier for every Canadian to interact with their government when they're talking about relevant information.

Mr. Philip Lawrence: In the departments, I haven't necessarily received an answer as to why these communications didn't happen, both internally and interdepartmentally.

Did the department say it was because of privacy reasons, or is it an IT issue, or is it both?

Ms. Karen Hogan: I think the two aspects that you listed would be some of the reasons we heard, the most important being the privacy issue, but at times it is technological. At times I think it's just the speed. I do think that every situation is different and unique and requires the departments to discuss with fellow departments when they need to interact together.

Mr. Philip Lawrence: I've seen a number of cases of people applying to ESDC and then being denied by CRA because there was an existing claim. Maybe the CRA or ESDC could comment. Are those issues fully resolved yet, or are we still looking for a solution here?

The Chair: Would you give a very short answer to that question, please?

Mr. Frank Vermaeten (Assistant Commissioner, Assessment, Benefit and Service Branch, Canada Revenue Agency): I think for the most part those issues have been resolved, but they're ongoing, as new little exceptions will come up. A good system has been put in place in issues of individuals being blocked from being able to access the CERB, for example, because they have an open EI claim, and a mechanism has been put in place to resolve that.

I would say it's going to be ongoing as we manage through the exceptions, but for the most part it has been resolved.

The Chair: Thank you very much.

We will now go to Mr. Longfield for six minutes.

Mr. Lloyd Longfield: Thank you.

Thank you to the witnesses for coming back today.

My first question is for the Auditor General.

The findings that we saw in the audit included one major obstacle, the prepayment validations. The agency couldn't always have the most up-to-date information on file to assess an applicant's revenues. The information would have allowed the agency to validate the reasonableness and magnitude of the applicant's declared revenue drop.

I'm wondering what kind of information should have been available for the application review, in your opinion, and what additional time would have been required for the prepayment verifications to be done.

I know this issue about the balance between speed and accuracy was also discussed in report 6.

Ms. Karen Hogan: You're correct that there was a decision made to prioritize speed over the prepayment controls that are typically seen.

There are two instances here that I would cite in the wage subsidy program. There would have been information available about revenues for businesses that had applied for the wage subsidy, given that one of the criteria was that there needed to be a decline in revenue. That would come from either the T2 return, which is a corporate tax return, or some GST returns.

The constraints you have here are that not everyone is a GST filer. Sometimes GSTs are filed monthly, quarterly or annually. Corporate tax returns are filed annually, so some of it was timing of when these filings would have normally occurred. We did note in the audit that there were many instances of late filers, and that impedes the ability to look at revenue.

Another item would have been looking at the average payroll information. Again, that is typically an annual interaction with the Canada Revenue Agency when T4 summaries are filed at the end of a calendar year.

Some of it was technology, but at other times it was just late information.

Mr. Lloyd Longfield: Thank you.

I know that as members of Parliament we saw almost every permutation and combination of what fitted, what didn't fit, sole proprietors and all the rest. All the different ways businesses are registered and operating in Canada showed up at the beginning of the pandemic, so thank you for that.

I have a further question for the Department of Finance. According to this report, Finance Canada performed only a partial analysis of the initial Canada emergency wage subsidy, due to the demand and the short timeline. This is along the same lines. Could you elaborate generally, to the extent that you can disclose what elements the department did analyze in the initial design of the program?

Mr. Andrew Marsland: As the report noted, the analysis supporting the implementation of the program was done extraordinarily quickly. As you'd expect, a program of this magnitude and scope would normally take months of analysis and so on.

We analyzed as much as we could in the time we had. We developed an approach that would hopefully be responsive to the challenges. We didn't do the kind of analysis one would normally expect, though, which I said would take many months of work.

We continued to analyze it beyond where the minister brought forward amendments to the program throughout the course of it to effectively fine-tune it to recognize some of those circumstances in which some gaps could be identified, and so on. Where appropriate, we recommended changes to the program to respond to them.

Mr. Lloyd Longfield: Thank you, Mr. Marsland.

I understand a more detailed report is coming forward, I believe in February 2022. Are these the types of things that will be picked up on in the more detailed analysis?

Mr. Andrew Marsland: Yes. As we said in our response to the report and in the action plan, our intention is to perform a full evaluation of the Canada emergency wage subsidy and publish it in the report on federal tax expenditures, which is tabled with the main estimates. We will do as much as we can.

There's always a challenge with data, a lag with data, but we will do as thorough an analysis as we can with the data available and publish it in that report.

Mr. Lloyd Longfield: Is the intention to capture up to September 25, provided the budget gets passed and we're looking at a late September timeline? Will that give you enough turnaround to include up to September 25 at the end of the CEWS program?

Mr. Andrew Marsland: Again, it depends somewhat on the available data, but we will do as much as we can and be as comprehensive as we can to publish probably in February or March next year.

Mr. Lloyd Longfield: That's terrific. Thank you.

Madam Chair, I didn't start my timer. I'm guessing I'm close to the end of my time.

The Chair: You are. You have about 15 seconds left.

Mr. Lloyd Longfield: Okay. Thank you to everybody. Your testimony will be very important for our report.

The Chair: Thank you, Mr. Longfield.

We will now go to Mr. Blanchette-Joncas for six minutes.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair. I need a piece of information and I hope my speaking time won't be cut short.

Have you forgotten the motion I put forward a while ago?

My colleague Mr. Berthold mentioned that we were going to examine it.

However, I can see that you've started the meeting and that we haven't debated my motion. It wasn't even presented.

[*English*]

The Chair: Mr. Blanchette-Joncas, we did receive notice of your motion. If you would like to table it now and begin to debate it, we could definitely do that, or we could finish up with our questioning of our witnesses and entertain debate on your motion at the end.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Madam Chair, I'd like to table my motion right away, please.

I'll read the notice of motion that you've received in both official languages:

That the Committee invite to appear in camera, as soon as possible, a senior official of the Privy Council Office, a senior official of the Office of the Auditor General and the Law Clerk and Parliamentary Counsel of the House to explain and clarify the administrative procedures for invoking the concept of “Cabinet secrecy” respecting the data the Department of Finance shared with the Office of the Auditor General for her audit of the Canada Emergency Wage Subsidy, which are not available to parliamentarians, even though the Auditor General is an officer of Parliament, not the government.

I trust that the members of the committee understand that this is simply a formality to deal with the impasse we encountered at our last meeting.

It's an exercise that was also conducted in 2018, and its intent is to improve our knowledge of internal procedures.

[English]

The Chair: Thank you very much, Mr. Blanchette-Joncas.

Colleagues, you have the motion before you. It is open for debate. Are there any comments?

Mr. Sorbara, please go ahead.

Mr. Francesco Sorbara: Thank you, Madam Chair.

It'll be very quick because we have a number of witnesses here, and I'd like to ask some questions today.

How would this impact the schedule? Would it take away time from the meetings we have scheduled with regard to certain topics? Would it be outside the meetings we have scheduled? Would we add an additional meeting to have this done?

I have no problem with the motion put forward by Mr. Blanchette-Joncas. *Je suis d'accord*. I just want to know how it will impact our schedule and how we would schedule something to that extent.

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

I began the meeting referring to some comments I had received from our clerk with regard to our committee receiving a briefing very similar to what Mr. Blanchette-Joncas has outlined. Obviously it would have an impact on our schedule, since we have begun to schedule all of the other studies.

I would ask either our clerk or our analysts to weigh in on how we might be able to move forward on fitting this in.

The Clerk: On the technical side, it's very difficult to schedule any extra meetings, because all of the meeting times are taken up. A new special committee has been recently created. We would have to do it within our schedule.

That being said, we could do it, if that's the will of the committee. Certainly there's no reason we could not schedule the meeting. It would just have to be within our regular time block.

The Chair: Thank you for that clarification.

Mr. Blanchette-Joncas, go ahead.

[Translation]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair.

What can the analysts tell us? As I mentioned, I believe something like this was done before. How much time would be required? I think they would be able to further clarify things for us.

[English]

The Chair: Mr. Léonard, please go ahead.

[Translation]

Mr. André Léonard (Committee Researcher): Thank you, Madam Chair.

Our previous meeting lasted for an hour.

We could certainly do it in a single meeting, in an hour or two. Of course this would tighten the schedule somewhat and we would have less latitude for other matters if a problem were to occur as a report is being drafted or if we needed to call witnesses, for example.

It would nevertheless be possible to study the Auditor General's nine reports from February and March and to prepare our reports. We would be a little more pressed for time, but it's doable.

[English]

The Chair: Mr. Longfield, go ahead.

Mr. Lloyd Longfield: I note that the bells are ringing.

If we've already been briefed on this once, maybe we could get a briefing in writing, and then have no more than an hour for discussion, since we've already covered this ground.

The Chair: Thank you, Mr. Longfield. Yes, the 30-minute bells are ringing.

I will need unanimous consent to continue sitting while the bells are ringing.

Some hon. members: Agreed.

The Chair: There is consent.

I will be in conversation behind the scenes with the clerk. We will probably suspend in order to give you an opportunity to review the vote that's going to be taking place.

Are there any other comments on the timing or the scheduling of this briefing?

Mr. Sorbara, go ahead.

Mr. Francesco Sorbara: Very quickly, an hour sounds very reasonable, as Mr. Longfield said. If we can get something in writing, they can come in and present further to that time period. If any of us have questions, we could then ask questions rather than giving a full allotment of time to everyone, and people could follow up with their own questions on their own time.

I'm fully on board to support my colleague, Mr. Blanchette-Joncas.

The Chair: Go ahead, Mr. Berthold.

[Translation]

Mr. Luc Berthold: Thank you very much.

I have a question for the analysts. Are we planning to have a report to study before May 27?

[*English*]

The Chair: I'm sorry, but can you repeat that, Mr. Berthold?

Mr. Luc Berthold: Are we planning to have a report to study before May 27?

The Chair: Do you mean the report in relation to the amended motion that was passed earlier?

[*Translation*]

Mr. Luc Berthold: No. We've already done the studies. I was asking whether the analysts were going to table a report by May 27. Is a meeting scheduled to study the report?

If required, we could, as we did on Thursday, immediately arrange with Madam Clerk to extend the meeting by an hour, from 1 p.m. to 2 p.m. or from 1 p.m. to 1:30 p.m., to work on the study and meet the people Mr. Blanchette-Joncas would like to meet.

As we would be studying a report at the same time, we wouldn't be losing a meeting to hold this special briefing.

[*English*]

The Chair: André, I see your hand is up.

[*Translation*]

Mr. André Léonard: Initially, a meeting had been planned for May 25 to study the first reports to become available.

However, because we had to hold a second meeting to study this matter and now need to add an hour-long meeting for a briefing, things have been complicated somewhat.

Depending on the date we decide upon for this briefing, we might perhaps hold an initial meeting on two draft reports on May 13, but we have to check whether this is possible. I can't confirm it at the moment.

[*English*]

The Chair: It sounds to me like members around the table are in support of Mr. Blanchette-Joncas' motion. We could leave the details of the calendar to the chair, the clerk and the analyst. We can review it to propose changes to what we've already put in place and try to work out a way to fit these things into it, if that would meet with your approval. If that's acceptable to you, we could continue our debate on the motion and then determine if you are ready to vote on it.

Are there any other comments on the motion? I do not see any.

Are you ready for me to call the question on Mr. Blanchette-Joncas' motion? It looks like you are.

Mr. Luc Berthold: Could it be unanimous?

The Chair: Are you ready for me to call the question on Mr. Blanchette-Joncas' motion?

Madam Clerk, do we need to have a recorded vote?

The Clerk: If the committee is in agreement and there's no discord, then it can be by unanimous consent. Otherwise, we have to have a recorded vote.

The Chair: Thank you very much.

Do we have unanimous consent? We absolutely do. Thank you, colleagues.

(Motion agreed to)

The Chair: The clerk, analysts and I will take a look at our calendar to see how we can manipulate it to fit all of the things in that we have agreed to do.

Mr. Blanchette-Joncas, we will return to you for your line of questioning.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair.

On another item of information, about the absence today of the deputy minister of finance, Mr. Sabia, I'd like to know when you found out that he was going to be absent.

You only told us at the beginning of the committee meeting.

[*English*]

The Chair: I believe we learned that he was not going to be available early this morning. Is that right, Madam Clerk?

The Clerk: It was confirmed early this morning that he had a conflict. They did let us know yesterday that he wouldn't be able to attend.

The Chair: Yes.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Madam Chair and Madam Clerk, I'd simply like to understand the normal procedure when witnesses are absent.

We learned about it at the beginning of the meeting after we had prepared our questions, and people who should have been appearing before the committee today were not there. Is this the sort of thing that happens often?

It seems to me that this changes the focus of the meeting.

[*English*]

The Chair: Thank you very much, Mr. Blanchette-Joncas.

In my opening remarks I did state that Mr. Sabia sent his regrets. I do recognize that you came prepared to possibly have the opportunity to ask questions of the witnesses who were in attendance on Thursday. Unfortunately, with a conflict in his schedule, he could not be here today. We do have the associate assistant deputy minister with us, but I do take your point.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Madam Chair, let's continue. There is no point in wasting too much time on that.

I would nevertheless like to use my speaking time to say that it would have been preferable to have known in advance. You knew yesterday. I know that you can't be watching your emails 24 hours a day, but a lot of people spend time preparing for committees and when we don't get the people we were expecting, it upsets our plans.

Thank you, Madam Chair and Madam Clerk, for these additional details.

I now have some questions for Mr. Marsland.

Mr. Marsland, I'm trying to understand what was done about cabinet confidence. Is this the sort of thing that occurs regularly at the Department of Finance?

[*English*]

Mr. Andrew Marsland: If I understand the question correctly, Madam Chair, it's about how we prepare proposals for policies to be implemented.

Typically, these are brought forward for approval in the context of cabinet confidence when they involve legislative changes to this program.

[*Translation*]

Mr. Maxime Blanchette-Joncas: I want to be sure that I've understood correctly, Mr. Marsland.

You don't decide whether something is confidential if it's a cabinet confidence. It's the Privy Council that asks you directly not to disclose certain information to members of the committee, nor to make it public. Is that correct?

[*English*]

Mr. Andrew Marsland: I'm not sure, Madam Chair, that I would characterize the process that way. The processes and proposals are prepared. Recommendations are prepared by the public service. They are brought forward to ministers. It's not on a document-by-document basis that decisions are made. These documents are by their nature cabinet confidences and are therefore protected by the legislative and policy protections in place.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, the question is whether the Department of Finance or the Privy Council decides to make it confidential.

Is it your department that makes this decision?

[*English*]

Mr. Andrew Marsland: It is essentially the nature of the document that dictates its protection. The document is a document that brings forward recommendations that require approval by ministers, and that is the nature that characterizes the document. It's not a decision in relation to the document; it's the nature of the document itself.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, does the Department of Finance or the Privy Council make the decision, notwithstanding the nature of the document?

[*English*]

Mr. Andrew Marsland: Again, Madam Chair, I don't think it's a decision that's made. It's the nature of the document itself that dictates its status, and ultimately who decides what—

[*Translation*]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, depending on the nature of the document relevant to the Auditor General's report, was it the Department of Finance or the Privy Council that made the decision?

[*English*]

Mr. Andrew Marsland: When we provided all of the documents that are relevant to the Auditor General's work—

[*Translation*]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, you're not answering my question. You're preventing me today from doing my work as a member of the Standing Committee on Public Accounts.

I don't have the information contained in the Auditor General's report. The role of the Standing Committee on Public Accounts is to make sure that programs are effective and that they comply with policy.

You are at the moment not answering my question, and also not providing information.

How can you expect me to perform my role here today as a member of this committee if I don't have access to documents pertaining to your department?

[*English*]

Mr. Andrew Marsland: Madam Chair, it is not my decision to make with regard to whether a cabinet confidence is released to the committee. There are legal provisions in place that protect those. It is not my decision to release them to the committee.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, would it be correct to say then that your department has never decided whether or not such information should be made public?

[*English*]

Mr. Andrew Marsland: I'm not sure I fully understand the question. It is not the department's decision whether or not those documents are made public. They are protected by cabinet confidence.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Okay.

Who determines cabinet confidence, Mr. Marsland?

[*English*]

Mr. Andrew Marsland: That's certainly not my role. I think there has been discussion previously in the committee, Madam Chair, on seeking expertise regarding the application of cabinet confidence to documents.

[Translation]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, You're not answering my question now. It's not the first time that your department has withheld information from the Standing Committee on Public Accounts.

Do you recall the November meeting, when you were asked for information on e-commerce taxation?

You attended with Mr. Sabia's predecessor, Mr. Rochon. I asked the question and requested a written response.

In December, you gave the same answer. You did not answer the question. We had to call Mr. Sabia to appear before the committee to get an answer.

It's the same old story. We're acting in the same bad movie. Why aren't you answering the question? Why does your department refuse to share information that affects taxpayer money?

It's a historic program. How many billions of dollars does the Canada emergency wage subsidy represent, Mr. Marsland?

[English]

The Chair: Could we have a very short answer, Mr. Marsland?

Mr. Andrew Marsland: The last question was how many billions. The amount that has been paid out so far by the Canada Revenue Agency is, I believe, \$74 billion. The estimates for the program were provided in last week's budget.

The Chair: Thank you very much.

We will now go to Mr. MacGregor for six minutes.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Thank you so much, Madam Chair. I'm happy to be here on behalf of Mr. Green today.

I'm going to focus on the Canada Revenue Agency.

In paragraph 7.50 of the report, the audit noted that for fiscal year 2019-20 the agency had 273 full-time equivalent employees for the enforcement of GST/HST delinquent filer compliance. The salary expenditures were \$27.7 million, but those employees had a fiscal impact of about \$3.2 billion during that year. That's sort of an investment with a return of more than 100 to one. The fiscal impact included the federal tax, provincial tax, interest, and penalties collected. The recommendation was that "given the good return on investment", the agency was encouraged to do more work. It was basically that the CRA should strengthen its efforts towards tax compliance on GST/HST, and so on.

My question is regarding the 273 full-time equivalents for the enforcement of GST/HST filer compliance. Does this represent an increase, decrease, or pretty much status quo compared to fiscal years preceding that?

Mr. Bob Hamilton: Madam Chair, I apologize for having joined the call late. I was able to get in a few minutes after it started, but I did have another meeting that I had to finish up.

I would turn to one of my colleagues to talk about the specifics of whether that number of resources is more or less than in previous years. I don't have those numbers at my fingertips.

In terms of the question that you asked about the revenue generated by this program and the 100:1 ratio, we do recognize.... We run things under risk-based analysis here. One of the commitments that we have in our action plan is to take a look at the delinquent filer program to make sure that we're allocating resources appropriately, that it's meeting expectations, and to look forward to whether we need to make any changes to increase the efficiency and the output of that program. We identified a potential, and we can see that with the resources we had, we were able to generate additional revenues. We always look at continuously improving our programs. In the action plan, we committed to do this.

Perhaps I'll turn it to my colleague to answer that specific question on the level of resources.

[Translation]

Mr. Marc Lemieux (Assistant Commissioner, Collections and Verification Branch, Canada Revenue Agency): The level of resources has been constant compared to previous years. The program continued with the same level of funding.

[English]

Mr. Alistair MacGregor: Thank you for that clarification.

Mr. Hamilton, I guess you partly answered my follow-up question, but with regard to the determination of what an adequate level of staffing is to ensure proper compliance, can you illustrate a little bit more some of the thoughts that go into making that determination?

Mr. Bob Hamilton: At the most global level, we have to look at the resources we have at our disposal at the agency and try to put them towards the most effective places. We don't have unlimited resources to do everything. We have to take, as I said, a risk-based approach to figure out whether we have the right number of resources on that particular program.

In this case, it's the delinquent filer program. Within that, we look at what the returns or added efficiency to the program would be. One thing that you need to recognize is that when you put a certain number of resources to a program, you can have a high return—say, 100:1 in your example—but as you put more resources in, it becomes harder and harder, and we see that the rate of return would typically decline. I'm not saying that it would in this case, but it would typically decline. We have to look at how valuable the additional resources would be for this delinquent filer program relative to other things that we could do. That's where we use our intelligence and our risk-based systems to try to calibrate that.

As I've said, as a pandemic exercise, we are going to take another look at this program to see if it could be more optimal.

Mr. Alistair MacGregor: Thank you, Mr. Hamilton.

I want to get in one last question. I have just under a minute here.

In the CRA's response to the Auditor General, you said:

Actions in response to this recommendation will include a review of workload selection and prioritization criteria, examination of the level and allocation of program resources, identification of potential legislative changes and increased outreach to increase compliance regarding GST/HST filing.

The action plan will be completed by September 2023.

Why will it take you more than two years to complete this review?

Mr. Bob Hamilton: Let me start on that one, and then I'll turn to my colleague.

I think the first thing I'd like to say is that it's not that everything will wait until 2023. We're going to make progress, obviously, in the coming months and over the course of the next year, but some things will take longer.

I think the one thing for us to recognize as the agency is that these new programs, such as the wage subsidy, are in addition to the core programs that we run every year. We have quite a big machine in terms of delivering service to Canadians and in compliance. As we go through and think about what to do with a particular program or how to improve it, we have to make sure that we're thinking about it with the lessons we've learned in the pandemic and also thinking about how it fits together with our core programs. Those things can take some time, but we will be seeing progress between now and 2023 in the operational efficiency of the program and the identification of some lessons learned.

The Chair: Thank you very much.

If you were going to turn it over to your colleague, Mr. Hamilton, he would need to give a very short answer.

Mr. Marc Lemieux: If possible, Madam Chair, I would simply add that there will also be some changes eventually to systems. Those take time. That's why we intend to have done that by that date.

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

Colleagues, we are getting closer to the time of our vote, so I will suspend the meeting for now to allow you to prepare for the vote.

I ask that you return as soon as possible so that we may resume our meeting with our witnesses.

• (1215) _____ (Pause) _____

• (1240)

The Chair: Colleagues, it looks like everyone has rejoined us. We do have 15 minutes left in our scheduled meeting, which means we have just enough time to get through the next two rounds of questions.

I will move to Mr. Lawrence for five minutes.

Mr. Philip Lawrence: Thank you very much.

I am hoping I have a couple of fairly brief questions for Mr. Hamilton, then I will yield the floor to Mr. Webber.

Mr. Hamilton, I note that the budget had some additional funding for IT and other support. If the budget had been a year earlier,

would we be a little further ahead if we had been able to get the resources to you more quickly?

Mr. Bob Hamilton: Madam Chair, I think it's important to recognize we have a very sophisticated, well-funded IT system here. We're quite confident in it. It's true one could always do more. We look forward to using some of the IT expenditures to improve our system. In fact, in some cases it will be ongoing maintenance and improvements to the existing system.

Could we have done more had it been a year earlier? I'm not sure. It's a hypothetical question. I'm pretty confident that we have a well-funded IT system, but we do look for increased funding to respond to additional pressures that we see on the horizon.

Mr. Philip Lawrence: Thank you. That's a diplomatic answer, for sure.

Also, Mr. Hamilton, on that, last year your department, at the direction of the government, was gracious enough to give Canadians additional time to file their taxes. Our party, of course, has been calling for that as well.

You're not involved in policy—that's for the government—but would it be technically possible to delay the tax filing as you did last year while Canadians continue to receive benefits such as the Canada emergency wage subsidy?

Mr. Bob Hamilton: I would note two points.

Obviously the tax filing season is approaching on April 30. I would highlight a few things in a hypothetical way in terms of what goes on each year that would come into play if we were to extend the tax filing season.

The most important thing I would flag is that we rely on tax filings to be able to deliver benefits—the child benefit, for example, or the GST credit—in the upcoming year. The time is relatively short there. We need to get the filing, establish the eligibility and get the payments out in relatively short order for the July start of the new year. If we were to delay the filing season, there could be quite an impact on our ability to deliver benefits in a timely way.

Mr. Philip Lawrence: If I could kindly interject, though, there are potential fixes to that, correct, as I believe there were last year?

Mr. Bob Hamilton: We do the best we can if we have to. It's an advantage for us if we have a long lead time to think about that. That's one consideration.

From my perspective, the government has taken a number of steps to try to recognize the unique circumstances we're in during the pandemic to make it easier for people to file. From our side on the compliance effort, we do engage in discussions on payment plans. If people find that the burden of paying their taxes is too onerous at the beginning, they can talk to us and we can try to come up with some sort of revised payment plan for them. We have mechanisms to try to make it easier for Canadians, but this year the filing deadline will be April 30.

Mr. Philip Lawrence: I'll just take that as a yes, and then I'll yield the time to Mr. Webber.

Obviously, it was done the year before, and obviously it would be possible to do it again. I'm a little disappointed that you weren't able to say that, Mr. Hamilton.

The Chair: Mr. Webber, you will have one minute.

It looks like we've lost Mr. Webber.

Mr. Philip Lawrence: I will continue. That's fine.

Mr. Hamilton, with no disrespect, it would have been and would be possible. I'm not asking for all the great things the CRA does for Canadians. I have no doubt to agree with you that this is true, but it would be and would have been possible to delay the tax filing deadline as it was last year, correct?

Yes or no is fine.

Mr. Bob Hamilton: If you're asking me as of right now if it's possible, I would say no. Is it technically possible in a given year to delay it? Yes, it is technically possible, with enough advance work.

Mr. Philip Lawrence: It was possible, then, for the CRA to delay the tax filing if the government had chosen to give that to people who are going through a pandemic, especially given the fact that you've locked out nearly a million Canadians from their My Account.

This has been something that's been requested by CPAs, accountants and Canadians across the border. It took two years to file a budget, yet we can't give Canadians two months to delay their tax returns.

The Chair: Thank you very much, Mr. Lawrence. We are over time.

I will now move to Mr. Sorbara for five minutes.

Mr. Francesco Sorbara: Thank you, Chair.

Good morning, everyone, again.

Auditor General, thank you for the series of reports. I've been able to go over all of them with a fine-tooth comb. I read the Investing in Canada plan last night and reviewed the CEWS report again this morning.

I think one thing coming out of the pandemic that we and every organization will do for sure is review systems and processes. I think of a supply chain for a company bringing products into Canada, whether it's a grocery store or manufacturing of any extent. I also think of an organization much like the Canada Revenue Agency, ESDC or the Department of Finance and their ability to deliver services—in this case, benefits—to Canadians during a pandemic. There are seven-odd programs that CRA has had to deliver to Canadians with, obviously, help on the design and format from other departments, such as the Department of Finance, ESDC and so forth.

Auditor General, when I look at your recommendations, I see recommendation 7.58, “To improve the integrity and validation efficiency of any future emergency programs, the Canada Revenue Agency should use automated validations with a unique identifier that can be used in all programs.”

Then I go to 7.68, which says, “In our view, this situation demonstrates the need for the agency to have sub-annual data and

up-to-date earnings and tax data when it administers income support programs with eligibility criteria based on sub-annual earnings.”

When I think of that in this report, I look to two things. One is what's happening with the unique identifier program and the work that's being done there. The other is what's in our budget on page 311, “E-payroll to Help Businesses”.

I'm a forward-looking person in terms of where and how we improve our process and the information that's available to organizations, be they finance, CRA or ESDC. How important is it that we continue improving our processes with the unique identifier system—a unique identifier number, if I can call it that—and the development of e-payroll?

First I'll turn to the Auditor General, then to the CRA, then to finance, please.

Ms. Karen Hogan: One of our recommendations does ask the government to consider a unique identifier. While many will say that every Canadian has one now—it's our social insurance number—the SIN is a unique identifier that we want to protect for privacy and identity theft reasons. That's why a unique identifier that would allow a Canadian to interact with many departments or many programs across the government is an option that the government should be looking at. It is available in other countries. It would allow the government to protect identity as well as facilitate interaction between an individual and its government.

There are a lot of things to work out through that, but it should be looked at. That's different from accessing systems, adding layers of protection to access systems, which is always beneficial and always needed. That's just that other layer of protection for cybersecurity.

Mr. Francesco Sorbara: Thank you, Auditor General.

I would like to move over to the CRA and to finance, please.

Mr. Bob Hamilton: Madam Chair, perhaps I'll take that question for this part before going to the Department of Finance.

I guess you've raised two issues. I won't repeat what the Auditor General said, but certainly we are interested in securing our systems as much as possible.

We believe we have a secure system. We've taken some actions in addition to them to respond to new threats, but the biggest thing on the horizon is the Government of Canada-wide initiative to look at Sign in Canada, which provides an identifier, a digital ID, that could be used across the government. That's a project that's in train. It will take a little bit of time to come to fruition, but it provides a great opportunity.

On the issue of real-time data, obviously it would always be better to have real-time data. We do need to think about our systems and the burdens on Canadian businesses, etc., but as you noted, in the budget there is funding provided to start some work on what would be an e-payroll system to get more timely payroll data, which would be beneficial in a circumstance of the kind we just went through. Hopefully the consultations will show that it will be beneficial in the longer term, even without a pandemic.

We look forward to launching those consultations and finding out what people think about that and where the opportunities are. It won't be something that can come very quickly, but I think it does have at least potential at this stage.

The Chair: From finance we will have to have a very short answer, as we are over time.

Mr. Andrew Marsland: I can't really add anything to Mr. Hamilton's answer.

The Chair: Thank you, Mr. Marsland.

We will now go to our two-and-a-half minute round, starting with Mr. Blanchette-Joncas.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair. Would it be possible to extend the meeting, given that two votes were held.

Are my colleagues and our witnesses available to continue?

[*English*]

The Chair: I would need to seek the will of the committee members. We have had longer with our witnesses than we would have had if we had continued the meeting last Thursday. I think we ended up not continuing with our witnesses for the last 45 minutes of our meeting.

I'm certainly at the will of the committee if you would like us to check with the technicians as to whether we can actually continue, but I will let others speak.

Go ahead, Mr. Blois.

Mr. Kody Blois: Madam Chair, unfortunately I'm not available after this time. I will start trying to put a little bit more time between the committee business and my other work and activities, but as you can appreciate, there are other things to get done. I'm thus hoping we can wrap up relatively shortly.

The Chair: Go ahead, Mr. Berthold.

[*Translation*]

Mr. Luc Berthold: Unfortunately, I can't stay any longer today either. I would have liked to say yes to my colleague, but I can't stay beyond 1 p.m.

[*English*]

The Chair: Thank you very much.

Seeing no other interventions, I will make the decision to end at one o'clock. I know that votes have a way of impeding the work of committees, and that's part of the reality we work within as members of Parliament.

I have suspended the clock, Mr. Blanchette-Joncas, so if you would like to, you may continue with your round of questioning.

[*Translation*]

Mr. Maxime Blanchette-Joncas: Thank you, Madam Chair.

I'm going to take it from the top again with Mr. Marsland.

Mr. Marsland, the Department of Finance Canada did a partial analysis of the Canada emergency wage subsidy program. Afterwards, it carried out a rigorous and complete analysis in July. That's what led to some changes to the program.

The Auditor General prepared a report on the wage subsidy. However, she told us that she could not provide us with detailed information about your analyses because they had been classified secret.

I'm trying to find out who decided this. Was it the Department of Finance or the Privy Council? Who's in charge?

[*English*]

Mr. Andrew Marsland: Thank you for the question.

We provided all of the documents that are relevant to the Auditor General. Those documents included cabinet confidences. We assessed those documents, reviewing them to make sure they were appropriately classified, and then proceeded from there.

The documents were the documents we have attached—

[*Translation*]

Mr. Maxime Blanchette-Joncas: Mr. Marsland, I'll stop you there. I don't know what to say. Do I look that naive?

You're not answering my question. Who decides? Is it the Department of Finance or the Privy Council? That's what we want to know.

You're spending astronomical amounts of money under a program, over \$100 billion, and then say you're not going to share the information used in your analysis. You cannot be serious. There is a lack of transparency from your department.

In addition to not answering my question, you're not providing the program analyses, the information, or the data. Why won't you answer my question?

Who made the decision? Was it your department or the Privy Council?

The question is clear, and the answer has to be either A and B.

[*English*]

Mr. Andrew Marsland: Madam Chair, we reviewed the documents. We ensured that they were appropriately reviewed and we determined that the classifications were appropriate to them. Ultimately, it was our assessment that those documents were cabinet confidences.

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

[*Translation*]

Mr. Maxime Blanchette-Joncas: Good. So if I have properly understood...

[*English*]

The Chair: You time is up, Mr. Blanchette-Joncas.

We will now move on to Mr. MacGregor for two and a half minutes.

Mr. Alistair MacGregor: Actually, Madam Chair, I don't have any further questions, so I'm okay from my end.

The Chair: All right; then I will draw our meeting to an end.

I want to let you know that I have heard from our very diligent clerk, André, who has informed me that they've looked at the schedule. If we were to hold a one-hour briefing on May 13, we could have two draft reports to study in the second hour. We will definitely make changes to the calendar to reflect that.

Mr. Longfield, do you have a question?

Mr. Lloyd Longfield: Madam Chair, I wanted to confirm that Thursday's meeting will be addressing boil water advisories.

The Chair: Yes.

Mr. Lloyd Longfield: Okay. Today's meeting be rescheduled to another point—I mean, the one that was scheduled for today will be at another point.

The Chair: Yes. As much as possible, we did not want to disrupt our calendar .

Mr. Lloyd Longfield: Perfect. Thank you.

The Chair: Colleagues, thank you so much. Witnesses, thank you for making yourselves available to us today. We certainly appreciate it.

The meeting is adjourned.

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