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CONTRIBUTORS

OPINION

Ontario's secrecy around paying consultants make corruption possible

Any effort to determine how much the Ontario government spends on IT consulting is stymied by how this spending is reported.

By **Dave Bulmer** Contributor

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You were robbed. So was I. Your neighbours, too.

We were all robbed by Sanjay Madan, a former senior manager in the Ontario Public Service, [who has admitted to directing \\$47.4 million](#) of public money into his own pocket.

The bulk of the money Madan stole — some \$36 million — came by way of kickbacks he received for contracting for IT consultants with companies both real and fake.

Madan got away with this for years, under successive governments, despite the Ontario Public Service's internal financial controls and despite the auditor general's oversight. That he was able to get away with it for so long should only surprise those who are unfamiliar with the secrecy that pervades government contracting in Ontario.

How much does Ontario pay for IT consultants? Whoever knows this number is not sharing it with the public.

The government holds its information on IT consulting close. For instance, AMAPCEO, the union which I serve as president, had to go to court to seek a judicial review on a routine freedom of information request related to IT consulting. (We won.)

But the transparency problem is even larger. The annual public accounts, which detail all the government's spending in a year, is largely impenetrable to the general public. Any effort to determine how much the government spends on IT consulting is stymied by how this spending is reported.

While we can see how much money was paid to various entities each year, it is impossible to break it down further. As many IT companies operate in a multitude of spaces, it is extraordinarily difficult to distinguish spending for consultants from spending for software licences or from spending for computer hardware. As the payments are annualized, it is impossible to see how much of our money was spent on a given contract.

To find a potential solution to this problem, we need only to look to the federal government.

Almost 20 years ago with its 2004 federal budget, the Paul Martin government committed to proactively disclosing all federal contracts valued at over \$10,000. As the budget put it, this initiative was meant to “track all spending and provide appropriate tools for effective scrutiny and decision making.”

Today, all these contracts are listed in an online database that anyone may access. And it is not just Ottawa that does these disclosures. Numerous provinces have similar policies and procedures in place.

But in Ontario, this “effective scrutiny” is impossible. This must change. Ontario has a chance to go from the back-of-the-pack to a position of leadership in transparency.

First, the province must begin proactively disclosing all contracts valued at more than \$10,000. These should be disclosed monthly.

Second, the province must learn from the shortcomings of other jurisdictions.

Earlier this year at a committee hearing in Ottawa, Sean Boots, an expert on these sorts of proactive disclosures, argued that within the federal system it is “hard to tell ... what a given contract is for.”

To be clear, even acknowledging these difficulties, the federal disclosure system remains incredibly valuable. A fact underlined lately by the ability of interested parties to find out how much money the federal government has been directing to global management consultancies.

Yet, Ontario can still learn from the shortcomings of the federal disclosure system. For his part, Boots recommended that the federal government adopt the open contracting data standard (OCDS). This standard has been adopted by more than 30 governments around the world. The OCDS approach covers the entire process of contracting, from tendering through to implementation.

Prof. Amanda Clarke of Carleton University has argued that being “able to follow these contracts through each stage” would allow the researchers and stakeholders to “really scrutinize what gets delivered.”

The OCDS approach requires data to be released in a consistent manner. This allows for members of the public to effectively use this data. This can only promote greater value for money, greater efficiency, and as a mechanism to reveal corruption.

Sanjay Madan may have robbed us. But we have a chance to turn his crimes into an opportunity. An opportunity not just to stop others like him, but an opportunity to turn Ontario into a leader in governmental transparency.

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