**HOUSE OF COMMONS**
**CANADA**

# CHAPTER 3, "SERVICE DELIVERY," OF THE FALL 2010 REPORT OF THE AUDITOR GENERAL OF CANADA

## Report of the Standing Committee on
Public Accounts

Hon. Joseph Volpe, **P.C., M.P.**
**Chair**

MARCH 2011

**40th PARLIAMENT, 3rd SESSION**

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# THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

**TWENTY-SEVENTH REPORT**

Pursuant to its mandate under Standing Order 108(3)(*g*), the Committee has undertaken a study on Chapter 3, "Service Delivery," of the Fall 2010 Report of the Auditor General of Canada and has agreed to report the following:

**INTRODUCTION**

Service delivery is an important aspect of the work of the public service as the federal government delivers services directly to millions of individuals, ranging from issuing passports, to answering tax inquiries, to processing claims for Employment Insurance. At one point or another in their life, all Canadians require the services of the federal government, whether it be for social benefit payments or applications for Canadian permanent residency and citizenship. Canadians also expect high-quality service from their government institutions. For its part, the federal government must balance clients' service needs with policy requirements and available resources.

In Chapter 3 of its Fall 2010 Report, the Office of the Auditor General (OAG) examined service delivery in three federal organizations. The audit looked at practices used by these three organizations for service delivery and focused on a specific program or activity area for each department/agency to illustrate how it did. The audited organizations and programs were: Citizenship and Immigration Canada's (CIC) processing of applications for citizenship and requests for citizenship certificates, Human Resources and Skills Development Canada's (HRSDC) delivery of Employment Insurance income, and the Canada Revenue Agency's (CRA) delivery of child and family benefits. The practices examined were: establishing service standards, monitoring service performance, and acting to improve service performance. [1] The OAG selected the three departments mentioned above because of the volume and importance of service they provide directly to individuals. These three organizations represent different scales of operation as well as different organizational models for delivering service within the federal government.

As the House of Commons Standing Committee on Public Accounts (the Committee) believes that service delivery is important to Canadians, it held a hearing on this audit on 23 November 2010. [2] CIC was the department where areas for

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[1] Auditor General of Canada, Fall 2010 Report, Chapter 3, Service Delivery, paragraph 3.5.

[2] House of Commons Standing Committee on Public Accounts, 40th Parliament, 3rd Session, Meeting 34.

improvements were identified in the OAG audit. Therefore, the meeting focused on service delivery at CIC, and OAG and CIC officials were invited to appear before the Committee. The department was represented by Neil Yeates, Deputy Minister and Claudette Deschênes, Assistant Deputy Minister, Operations. The OAG was represented by Sylvain Ricard, Assistant Auditor General; Marian McMahon, Assistant Auditor General, and Glenn Wheeler, Principal.

## STATUS REPORT

The OAG's audit found that the three organizations examined were at different stages in developing the necessary practices for delivering high-quality service to their clients. According to the audit, HRSDC and CRA both have adequate practices already in place. CIC does not yet have adequate practices in place.

HRSDC has developed service standards that it communicates clearly to its clients and employees. HRSDC regularly monitors and reports its performance against these standards. The Committee notes that, as a result of regular monitoring, it has identified a number of service-related issues and has acted to resolve them.

CRA has also established standards for services it has determined are important to its clients and it has well-established processes for assessing its clients' needs. It regularly monitors and reports its performance against its service standards. Since the Agency's inception over 10 years ago, transactions evolved from a majority of paper-based clients to an increasing use of CRA's website or the telephone for self-serve transactions. The Agency is currently reviewing and updating its service standards in order to establish whether it is communicating, monitoring, and reporting on the right services, with the right targets in a meaningful way. The Committee notes work conducted to date by CRA on service delivery. Due to the overall positive findings on these two organizations' work with respect to service delivery, the OAG did not make recommendations to them and their officials were not asked to appear before the Committee. There is thus no need for them to prepare a status report.

On the other hand, the audit found that CIC has service standards for only 4 of its 35 services. Without such service standards in place, the department cannot measure or report on the quality of service it provides. CIC has taken initial steps towards managing the quality of its service delivery by publishing service commitments to its clients and setting preliminary service targets. The department does not yet have a comprehensive way to monitor its service performance. Instead, it was using operational data, such as intake, output, processing times, and inventories to provide some indication of performance. CIC solicited feedback from its front-line employees and also monitored service quality at its call centre to help identify service issues. However, CIC did not track client feedback and complaints systematically. The OAG did conclude that CIC had taken several steps to improve service to its clients.[3]

The OAG recommended that CIC ensure that it provides consistent information to clients on the time it takes to process applications, establish service standards for all key services, monitor and report on performance against these standards, and collect and analyze client feedback and complaints.[4] In response to the recommendation, CIC committed to improve the communication of processing times for applicants for citizenship and citizenship certificates. It also committed in its action plan to develop and implement service standards by 2013. CIC plans to monitor its progress quarterly on meeting these standards by Spring 2013. The Department also initiated a Client Feedback Mechanism project in 2009, and a client satisfaction survey will be administered in 2010-11, with an action plan to improve ongoing collection and analysis of clients' feedback to be implemented by spring 2012.[5]

The Committee notes CIC's recent efforts described above to address the issues raised by the OAG's audit. However, given the breadth and importance of the work to be carried out by CIC over the next three years, the Committee recommends:

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[3] Chapter 3, paragraph 3.65.

[4] Ibid, paragraph 3.34.

[5] Citizenship and Immigration Canada – Management Response and Action Plan to the November 2010 Report of the Office of the Auditor General of Canada, Chapter 3, Service Delivery, November 19, 2010, p. 2-3.

**RECOMMENDATION 1**

**That Citizenship and Immigration Canada provide the Public Accounts Committee with a progress report on its action plan by 31 May 2011; and that Citizenship and Immigration Canada continue to do so annually, until all elements of its action plan have been completed.**

Also, further to the findings of the OAG audit, Assistant Auditor General Sylvain Ricard made reference to the absence of standards and the consequences that this has had on CIC's evaluation of its services. Mr. Ricard told the Committee in his opening statement:

> "Citizenship and Immigration Canada has been working to develop service standards since 2007. In April 2010, the department published a preliminary set of service standards, and associated targets for four business lines. This set of standards is very limited considering that the department provides more than 35 different services. There are no standards for some major services; for example, the citizenship program. Without a complete set of standards, the department cannot comprehensively evaluate its service performance and may not be able to ensure a consistent level of service to its clients. In the absence of standards, the department was using operational data such as intake, output, processing time, and inventories, to provide some indication of performance."[6]

According to the action plan it presented to the Committee, CIC plans to have a full set of service standards and to report annually on these standards by Spring 2013, a commitment that was also reiterated by the Deputy Minister during the hearing. [7] CIC plans to achieve this by converting its processing times into service standards. During the hearing, the Deputy Minister stated:

> We're proceeding now to look at the rest of our business lines and basically phasing this in over the next two to three years. What it will mean initially is starting with our processing times, which we've been publishing for years, and basically converting them to service standards of one kind or another.

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[6] Meeting 34, 11:05.

[7] Meeting 34, 11:40.

One of the challenges we've had as a department is that we have struggled with the issue of service standards versus processing times. We're not happy with the processing times, either. We face various challenges, whether it's our immigration levels—we only take in so many cases every year, so in some of our business lines, that is a boundary for us that affects processing times and will affect service standards—or others, such as citizenship, which we were just discussing. We've had other challenges in our capacity and the processes that we've had in place.[8]

CIC initially plans to translate its processing times into service standards, even though the department is not satisfied with some of its processing times. CIC officials also told the Committee that its 'ideal wait time' for an applicant who wants to come to Canada is in the 6-12 month horizon.[9] Additionally, moving away from an open-ended system and setting limits on the number of applications by category every year will be a significant structural change for the department.[10] When developing service standards, CIC will need to undertake consultations with the recipients of its services, Members of Parliament, stakeholders, and Canadians. Both HRSDC and CRA used feedback from consultations to develop and refine their service standards, as well as gain client support.[11]  Given the considerable efforts that will be needed to implement service standards for an additional 31 services, the Committee would like to monitor CIC's progress. The Committee recommends:

**RECOMMENDATION 2**

**That Citizenship and Immigration Canada present to the Public Accounts Committee as part of its annual progress reports which new service standards are developed and finalized in each phase of its action plan.**

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[8] Meeting 34, 11:25.

[9] Meeting 34, 11:55 and 12:10.

[10] Meeting 34, 12:15.

[11] Chapter 3, paragraphs 3.37 and 3.50.

**BACKLOG IN PROCESSING TIMES FOR CITIZENSHIP APPLICATIONS**

In 2008-2009, CIC authorized 247,000 people to live in Canada, processed over 1.5 million visitors and granted citizenship to 186,000 in Canada.[12] According to CIC's Deputy Minister, these numbers illustrate a typical year for CIC.[13] Such application numbers represent a significant accomplishment, but are also a constant challenge for the department. The Committee also notes CIC's lack of control over the intake of applications. The system is open-ended and there can be sudden increases in applications, particularly when humanitarian crises occur.[14] However, one of the key issues for some Committee members is CIC's backlog in processing times for citizenship applications.

CIC's main service delivery challenge of the last several years has been the volume of applications for citizenship and requests for citizenship certificates which has significantly exceeded its ability to process them in a timely manner. This has resulted in large backlogs and longer processing times. Clients must wait longer to obtain important rights and services—for example, to vote or to apply for a Canadian passport. Delays can also hamper CIC's efficiency as it must reassign resources to deal with urgent requests and respond to numerous inquiries about the status of applications. Despite recent efforts by the department and additional funding being provided, delays in processing applications for citizenship has remained an issue.

CIC has launched a number of initiatives and activities to reduce the application processing times in some of its services as evidenced by the action plan it shared with the Committee. In his opening statement, CIC's Deputy Minister stated "This year we introduced a service declaration and service standards for four services. We will implement a second phase of service standards on April 1, 2011. The second phase will

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[12] Chapter 3, paragraph 3.7.

[13] Meeting 34, 11:40.

[14] Meeting 34,11:50.

incorporate lessons learned and feedback from applicants during the implementation of phase 1 earlier this year."[15]   The department is trying to establish more online relationships with applicants, a more mobile service, and has launched a number of activities such as a new electronic form for temporary resident visa applications.[16]

Furthermore, CIC is ensuring that applicants for citizenship and citizenship certificates receive consistent and clear information on processing times.  Officials told the Committee that the department recently made changes to the citizenship acknowledgement letter which now refers applicants to the Web for more accurate processing times, and for more accurate and timely information.[17]  CIC is also in the process of rolling out its Global Case Management System (GCMS) overseas.  This system will replace the two legacy systems and should improve processing capabilities overseas where the majority of applications are received.  The Committee believes that addressing the backlog issue and reducing processing times for citizenship applications is especially important as some new Canadians must currently wait for years before they can exercise important rights, such as the right to vote.

The Committee notes that the activities undertaken by CIC to improve service delivery should help, but the backlog remains a problem.  Some Committee members expressed concerns that CIC was "outsourcing customer services to MPs' constituency offices."[18]  CIC Officials stated that "turning MP offices into immigration offices" was not their intent and that they were aware of the fact that MPs get "a lot of inquiries on citizenship and immigration matters."[19]  The Deputy Minister also acknowledged that:

> Canada (...) has a very high rate of naturalization, so the number of people applying to us has gone up fairly significantly. Fundamentally, we've not been able to keep up with the volume of cases that has come in to us. We've had temporary funding at one time or another over the past

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[15] Meeting 34, 11:05.

[16] Meeting 34, 11:10.

[17] Meeting 34, 11:10.

[18] Meeting 34, 11:15.

[19] Meeting 34, 11:15.

few years that has allowed us to catch up somewhat, but that funding has been temporary.

So we're doing two things at the moment. One, we're working on a permanent funding fix to the shortfall we've had in our capacity. Secondly, we're focusing on the process re-engineering in terms of what it is that we do and what we're asking people for, and also on the coordination and connection to our regional offices.[20]

To continue to address the backlog issue and to reduce the demands on MPs' constituency offices and their staff, the Committee recommends:

**RECOMMENDATION 3**

**That CIC study the workload of immigration cases handled by MP constituency offices and that they present an action plan to reduce the need to seek help from MPs with respect to the department's services, and that CIC report the results of its study and its action plan by 31 December 2011.**

Notwithstanding the fact that resources have been added to deal with wait times, and that CIC is examining its process from end to end to ensure it is as efficient as possible, the Committee is of the view that the department should specify what concrete actions it will take in order to address the backlog in processing times for citizenship applications. Thus, the Committee recommends:

**RECOMMENDATION 4**

**That Citizenship and Immigration Canada clearly specify, in its progress report, due on 31 May 2011, how it plans to address the application backlog issue for its Citizenship Program.**

## ACCESS TO CITIZENSHIP AND IMMIGRATION CANADA SERVICES

Another issue raised during the hearing was the access to CIC services. The department has decided to use online tools in order to speed up some of its processes. For example, applicants will be able to track the progress of their citizenship application

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[20] Meeting 34, 11:20.

through an account that they set up on the CIC website. This enables them to obtain a status update in 'real-time' as opposed to having to obtain an acknowledgement letter from the department.[21] During the hearing, the Deputy Minister mentioned: "In May 2010, we made changes to the citizenship acknowledgment letters, which now refer applicants to our website for accurate processing times. This allows applicants to access more accurate and timely information." [22]

The Committee notes that, according to CIC, use of web-based technology helps the department speed up the application process and offers people the opportunity to check on the status of their citizenship application. While this is a step forward for some applicants, this progress does not necessarily help those individuals who do not have internet access. Nor does it mean longer opening hours of CIC offices for those that need to speak with a CIC official to obtain clarifications on their application or the process in general.[23] CIC officials told the Committee that, as an alternative to using the web-based tools, people can also access services through the CIC call centre as an alternative to the internet, or through regular mail to get a status update on an application.

The Committee also notes that these types of electronic services are nearly instant and many people develop the expectation for instant answers from government departments or service organizations, which may be unrealistic.[24]

The Committee believes that, as CIC moves to more web-based solutions for its services, it needs to ensure that fairness and equity are respected in the access to its services. This will help to ensure that all applicants have equal access to services and that information provided to them is timely and accurate.

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[21] Meeting 34, 11:10.

[22] Meeting 34, 11:10.

[23] Meeting 34, 11:55.

[24] Meeting 34, 11:35.

**CONCLUSION**

Service delivery is a key aspect of the work of the public service that delivers services to millions of Canadians. The Committee noted that Human Resources and Skills Development Canada and the Canada Revenue Agency both have adequate practices already in place. It further notes that Citizenship and Immigration Canada is at an earlier stage of managing the quality of its service delivery, and that it does not yet have adequate practices in place.

Given the fact that CIC had implemented service standards for only 4 of its 35 services, and given the breadth and importance of the work to be carried out by the department over the next three years, the Committee recommended that CIC submit an annual progress report on its action plan beginning 31 May 2011 and for subsequent years until all service standards have been developed and all elements of the action plan have been implemented. The Committee would also like CIC to provide it with the new service standards once they become available over the next three years.

The Committee also noted that CIC is aiming to establish more online relationships with applicants to provide individuals with more accurate and timely information. It also acknowledges that CIC is in the process of rolling out its Global Case Management System (GCMS) overseas where the majority of applications are received. The Committee believes that addressing the backlog issue and reducing processing times for citizenship applications is especially important because some new Canadians currently must wait a number of years before having the opportunity to exercise important rights, such as the right to vote. Ultimately, the Committee believes that CIC must specify what concrete actions it will take to address this backlog. Finally, the Committee hopes that CIC will continue to ensure that all citizens have equal access to its services.

# APPENDIX
# LIST OF WITNESSES

| Organizations and Individuals | Date | Meeting |
|---|---|---|
| **Department of Citizenship and Immigration** | 2010/11/23 | 34 |
| Claudette Deschênes, Assistant Deputy Minister, Operations | | |
| Neil Yeates, Deputy Minister | | |
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| **Office of the Auditor General of Canada** | | |
| Marian McMahon, Assistant Auditor General | | |
| Sylvain Ricard, Assistant Auditor General | | |
| Glenn Wheeler, Principal | | |

# REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings (40th Parliament, 3rd Session: Meetings Nos. 34, 42 and 51) is tabled.

Respectfully submitted,

Hon. Joseph Volpe, P.C., M.P.

Chair