

Minister of Public Safety



Ministre de la Sécurité publique

Ottawa, Canada K1A 0P8

MAR 16 2016

The Honourable Kevin Sorenson
Chair
Standing Committee on Public Accounts
Sixth Floor, 131 Queen Street
Ottawa, Ontario K1A 0A6

Dear Mr. Sorenson:

Please find enclosed the action plans prepared in response to the recommendations made by the Auditor General in Report 2, *Controlling Exports at the Border*, of his Fall 2015 Report.

This action plan is being provided in accordance with the motion adopted by the Committee on February 16, 2016.

A handwritten signature in blue ink, appearing to read 'R. Goodale'.

Ralph Goodale, P.C., M.P.
Minister of Public Safety and Emergency Preparedness

Enclosures: (2)



**OFFICE OF AUDITOR GENERAL OF CANADA
AUDIT OF CONTROLLING EXPORTS AT THE BORDER
MANAGEMENT RESPONSE AND ACTION PLAN**

RECOMMENDATION 1

The Canada Border Services Agency (the Agency) should ensure that it can continue to receive the timely export declaration information that it needs for export control, and that system changes at least maintain the current level of review of declarations.

MANAGEMENT RESPONSE (TO BE INCLUDED IN THE REPORT)

Agreed. The Agency will follow the Agency’s project management and service lifecycle management frameworks and work collaboratively with Statistics Canada to develop a solution for export reporting with a view to maintaining the current level of review of declarations. The intent is to complete this in advance of the decommissioning of CAED.

MANAGEMENT ACTION PLAN	OPI	COMPLETION DATE
<ul style="list-style-type: none"> 1.1 Programs Branch, in collaboration with Statistics Canada, will develop a preliminary business options analysis, recommended approach and contingency plan. 	Commercial Transformation – Land Mode Division, Commercial Program Directorate, Programs Branch	November 2015 (completed)
<ul style="list-style-type: none"> 1.2 Programs Branch will obtain approval on business options analysis and contingency plan. 	Commercial Transformation – Land Mode Division, Commercial Program Directorate, Programs Branch	November 2015 to the Portfolio Advisory Committee (completed) December 2015 to the Transformation, Innovation and Project Portfolio Committee (completed)
<ul style="list-style-type: none"> 1.3 Programs Branch will seek priority and a full funding source. 	Commercial Transformation – Land Mode Division, Commercial	August 2016



	Program Directorate, Programs Branch	
<ul style="list-style-type: none"> 1.4 Programs Branch will work with Information, Science and Technology Branch, Operations Branch and Statistics Canada to implement the new solution for export reporting. 	Commercial Transformation – Land Mode Division, Commercial Program Directorate, Programs Branch	TBD – dependent upon option chosen and funding

RECOMMENDATION 2

The Canada Border Services Agency (the Agency) should confirm the causes of targets not being examined and develop an action plan to address the issue.

MANAGEMENT RESPONSE (TO BE INCLUDED IN THE REPORT)

Agreed. The CBSA will implement a consistent process to record export targets and their examination results by December 2015 in order to confirm the causes of targets not examined. The CBSA will develop procedures and guidelines to reduce the proportion of targeted high-risk shipments not examined.

MANAGEMENT ACTION PLAN	OPI	COMPLETION DATE
<ul style="list-style-type: none"> 2.1 Programs Branch, in collaboration with Operations Branch, will issue instructions to the regions clarifying the targeting results recording process for targeted exports. 	Program Compliance and Outreach Division, Commercial Program Directorate, Programs Branch	December 2015 (completed)
<ul style="list-style-type: none"> 2.2 In coordination with MRAP 4.1 of recommendation 4, Operations Branch, in consultation with the regions and Programs Branch, will produce a report outlining front-line export examination coverage gaps including a review of targeted high-risk shipments not examined. 	Commercial and Trade Operations Division, Border Operations Directorate, Operations Branch	June 2016



<ul style="list-style-type: none"> 2.3 In coordination with MRAP 4.2 of recommendation 4, Operations Branch, in consultation with Programs Branch, will develop and implement, within existing resources, an export coverage strategy to mitigate predictable examination gaps including procedures to mitigate targeted high-risk shipments not examined. 	Commercial and Trade Operations Division, Border Operations Directorate, Operations Branch	December 2016
---	--	---------------

RECOMMENDATION 3

The Canada Border Services Agency (the Agency) should develop processes to assess risks, measure its effectiveness in acting on its priorities, and to respond to priorities and targets identified through risk assessments by Other Government Departments (OGDs).

MANAGEMENT RESPONSE (TO BE INCLUDED IN THE REPORT)
<p>Agreed. The Agency has processes in place to assess export risks related to its mandate. For the export program, it is the responsibility of the many OGDs to assess risks and provide targets to the CBSA on goods they control. The Agency will work with OGDs to improve the provision of export targets to the CBSA by March 2016. The Agency will also work with OGDs to improve reporting on results to enable them to better measure the effectiveness of the targets provided by September 2016.</p>

MANAGEMENT ACTION PLAN	OPI	COMPLETION DATE
<ul style="list-style-type: none"> 3.1 Programs Branch, in collaboration with Operations Branch, will work collaboratively with OGDs to develop a process to improve the provision of export targets. 	Program and Policy Management Division, Commercial Program Directorate, Programs Branch	March 2016
<ul style="list-style-type: none"> 3.2 Programs Branch, in collaboration with Operations Branch, will work collaboratively with OGDs to develop a plan to improve the measuring and reporting of export targets. 	Program and Policy Management Division, Commercial Program Directorate, Programs Branch	September 2016



RECOMMENDATION 4

The Canada Border Services Agency (the Agency) should take steps to ensure that gaps in coverage for export examinations are not predictable.

MANAGEMENT RESPONSE (TO BE INCLUDED IN THE REPORT)

Agreed. Working within existing resources, the CBSA will take measures to mitigate predictable gaps in coverage within its front-line operations.

MANAGEMENT ACTION PLAN	OPI	COMPLETION DATE
<ul style="list-style-type: none"> 4.1 In consultation with the regions and Programs Branch, Operations Branch will produce a report outlining front-line export examination coverage gaps with recommendations. 	Commercial and Trade Operations Division, Border Operations Directorate, Operations Branch	June 2016
<ul style="list-style-type: none"> 4.2 Operations Branch will develop and implement, within existing resources, an export coverage strategy to mitigate predictable examination gaps. 	Commercial and Trade Operations Division, Border Operations Directorate, Operations Branch	December 2016

RECOMMENDATION 5

The Canada Border Services Agency (the Agency) should develop a consistent process for identifying and examining high-risk, non-reported shipments.

MANAGEMENT RESPONSE (TO BE INCLUDED IN THE REPORT)

Agreed. The Agency will develop a consistent process for officers to identify and examine high-risk non-reported shipments within the scope of the Agency's legislative export authorities by March 2016.



MANAGEMENT ACTION PLAN	OPI	COMPLETION DATE
<ul style="list-style-type: none"> 5.1 Programs Branch, in consultation with Operations Branch, will review current operating procedures relating to the identification and examination of unreported goods and update them in order to increase consistency and clarify legislative authorities. 	Program and Policy Management Division, Commercial Program Directorate, Programs Branch	March 2016

RECOMMENDATION 6

The Canada Border Services Agency (the Agency) should conduct an assessment of how often and for how long export shipments are placed on hold, and use the results to determine whether a service standard and notification process for exporters is required to ensure that it is facilitating the free flow of goods.

MANAGEMENT RESPONSE (TO BE INCLUDED IN THE REPORT)
<p>Agreed. The Agency will conduct a review, to be completed by July 2016, of the frequency and length of time that shipments are placed in “hold” status prior to examination. The results of this review will determine whether a service standard or notification process is required, and if necessary, the Agency will develop and implement it by December 2016.</p>

MANAGEMENT ACTION PLAN	OPI -	COMPLETION DATE
<ul style="list-style-type: none"> 6.1 Programs Branch will review existing data on export “holds” and conduct a detailed six-month monitoring exercise to obtain additional data. 	Program Compliance and Outreach Division, Commercial Program Directorate, Programs Branch	July 2016
<ul style="list-style-type: none"> 6.2 Programs Branch will analyze the findings of the export “holds” review to identify trends that may require action to correct (such as a formal notification process) and develop and implement an action plan for correction, if required. 	Program Compliance and Outreach Division, Commercial Program Directorate, Programs Branch	December 2016