EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA DETAILED ACTION PLAN

to the recommendations of the Office of the Auditor General Performance Audit of the *Benefits Delivery Modernization (BDM) Programme*

Preamble:

The continued, uninterrupted delivery of Canada's core social benefits program is of utmost importance to the Government of Canada and, over the past number of years, ESDC has undertaken extensive work to significantly reduce risks with respect to the current legacy technologies that delivery these programs to Canadians.

Through the Benefit Delivery Modernization (BDM) programme, the existing legacy technology will be replaced with a new platform consisting of modern applications on modern infrastructure. This new platform has been developed using human-centred design principles which will result in significantly improved client experience for Canadians when they apply for and receive benefits, and also provide enhanced program integrity and quicker implementation of policy changes. While the BDM programme is a very sizable investment, during the 10-year life of the programme, over $1.5 trillion in Employment Insurance (EI), Old Age Security (OAS) and Canada Pension Plan (CPP) benefits will be paid out, and the current and projected costs are consistent with similar transformations undertaken in other jurisdictions.

Work on BDM is well underway, and in June 2023, BDM was successfully deployed for over 600,000 foreign benefit recipients. The programme remains on track to go live with all remaining OAS beneficiaries by December 2024.

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		The departmental Management Response (MR) will be included in the OAG's audit report that is tabled to Parliament and posted on the OAG's website.					
Para 35	**Recommendation 1** Using its experience with the Benefit Delivery	(Final - updated Aug 23th) ESDC and TBS agree with the OAG recommendation on the need to develop and implement a more realistic and precise approach to estimating and reporting costs	**1)** ESDC, with the support of TBS, will work to improve and document the cost estimation techniques and methodologies used to create credible cost estimates for BDM, using an iterative methodology that	End of Q4 FY23-24			

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	Modernization programme, Employment and Social Development Canada should work with the Treasury Board of Canada Secretariat to: • Develop and implement a more realistic and precise approach to estimating and reporting costs for large multi-year information technology projects for use by the programme going forward and by other government	for large multi-year IT projects. This recommendation is consistent with the TBS-led Strategic Assessment. As large Information Technology transformation programmes inherently carry many risks and unknowns at initiation that are challenging to accurately cost, we will continue to work closely with TBS to implement best practices. The BDM Programme aligns to relevant TBS policies and guidance with respect to costing and estimating of large Information Technology projects. BDM will review practices from other large-scale initiatives to leverage lessons learned and strengthen costing capacity. ESDC will work with TBS to develop approaches and methodologies that will be shared to support other departments and IM/IT enabled initiatives with the help of TBS, such as through the TBS GCpedia site. The BDM Programme will maintain a risk log at the Programme and Project level to manage and mitigate risks and unknowns using industry leading tools to quantify the contingency needed to address and mitigate risks as early as possible in the	converges top down and bottom up approaches. :				
			1a) During initial programme phases, applying a top-down costing approach based on high level requirements and assumptions in alignment with Government of Canada (GC) standards and best practices. Procedures will be updated and shared with TBS as they mature to ensure ongoing continuity.		End of Q4 FY23-24	Kari Beach Director General	
			1b) In later project phases, applying a bottom-up costing approach that will refine the requirements and assumptions and will allow for greater precision and enhanced level of detail on each cost estimate. Use of Cost Estimation Tool will iterate the ROM cost and provide		End of Q4 FY23-24	Kari Beach Director General	

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	departments planning similar projects. • Ensure that any future changes (including to cost estimates or timelines) do not result in the transformation component being curtailed or eliminated In carrying out this recommendation, we encourage the department to consider approaches that have been used in	programme/project lifecycle. ESDC agrees and will protect and prioritize the transformation component of the BDM programme as we prepare for future BDM programme releases. This will be evident in our tranche and project specific plans and artifacts, which will be reviewed at the appropriate BDM governance tables.	a more accurate cost baseline and increase validity.				
			1c) As one of the pathfinder programmes, BDM will contribute their documented approach and results to TBS efforts to guide and support complex projects, namely in the [TBS] costing guidance planned in the fall 2023 for IM/IT enabled initiatives.		End of Q4 FY23-24	Kari Beach Director General	
			2) ESDC will update its risk and issue management processes and use industry leading tools to quantify contingency, and to address and mitigate risks as early as possible.	End of Q4 FY23-24	End of Q4 FY23-24	Kari Beach Director General	
			3) ESDC will implement measures to protect the transformation component of the programme such as:	End of Q3 FY23-24			

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	other types of long-term initiatives.		**3a)** Ensuring key documents such as the BDM Blueprint, Integrated Roadmap and Projects Dossier articulate the key transformation capabilities required and ensure continued focus on delivering a transformed service experience.		End of Q3 FY23-24	Aaron Jaffery Director General	
			3b) Updating the Change Control process to include the impact analysis of the change on the transformation objectives and the identification of appropriate mitigations as needed.		End of Q3 FY23-24	Kari Beach Director General	