

Spring 2021 Report of the Auditor General of Canada
National Shipbuilding Strategy

DEPARTMENTAL RESPONSE – OFFICE OF THE AUDITOR GENERAL REPORT RECOMMENDATIONS

Para	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/ Dates)	Responsible Organization / Point of Contact
Para 36 Rec 1	The Canadian Coast Guard, National Defence, and Public Services and Procurement Canada should implement mechanisms to: - obtain complete, current, and reliable schedules to support shipbuilding projects; and - ensure that progress toward forecast targets and delivery timelines is monitored to enable timely decision making.	Agreed. Department of National Defence (DND), Fisheries and Oceans Canada / Canadian Coast Guard (DFO/CCG), and Public Services and Procurement Canada (PSPC) agree that having complete, current and reliable shipbuilding project schedules is essential for decision-making and management of the shipbuilding projects. As Integrated Project Teams (IPT) with the National Shipbuilding Strategy (NSS) selected shipyards, Departments will continue to work together and with shipyards to improve the delivery and accuracy of shipbuilding project schedules, and to ensure more disciplined reporting of progress towards targets. Current tools, such as shipyard-produced Integrated Master Schedules (IMS), and approaches, including Earned Value Management (EVM), will be further matured to ensure that overall shipbuilding project schedules are properly managed to support oversight by NSS governance committees at all levels.	Receipt of shipbuilding project schedules that are complete, current and reliable.	Q2 FY 2021/2022	<p>Key Interim Milestone A: IPTs will ensure that fulsome shipyard-produced IMS updates, supported by metrics outlining a clear critical path, are presented during recurring NSS governance committee meetings. This will be achieved by regular dialogue between DND Project Management Offices (PMO) and shipyards, with the onus resting on shipyards to present robust IMSs during NSS governance committee meetings. This will promote a collective understanding of shipyard programmatic challenges, thereby informing broader strategic decisions to manage overall shipbuilding project schedules.</p> <p>Date of completion: Q2 FY 2021/2022</p> <p>Key Interim Milestone B: IPTs will ensure that EVM is used as an analytical tool to measure shipyard-produced</p>	Mr. Troy Crosby Assistant Deputy Minister (Materiel) 613-904-5512

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					<p>IMS performance, with results presented during recurring NSS governance committee meetings. This will be achieved by the NSS Program Management Office and DND PMOs engaging contracted EVM experts to analyse periodic shipyard EVM deliverables and report summaries of their findings. This will promote a collective understanding of shipyard-produced IMS performance and serve as a data point to inform broader strategic decisions to manage overall shipbuilding project schedules.</p> <p>Date of completion: Q2 FY 2021/2022</p> <p>Key Interim Milestone C: IPTs will review new and existing shipbuilding contracts to determine whether shipyard-related schedule obligations and deliverables are appropriate and/or are being met. On an as-required basis, IPTs will</p>	

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					<p>then utilize established NSS governance to consider proposed contract amendments aimed at ensuring adequate shipyard-related schedule obligations and deliverables are included as part of shipbuilding contracts. This activity will be led by PSPC and supported by DND as a member of the IPTs. This will ensure that Canada has appropriate contractual mechanisms in place for shipyards to produce robust IMSs and for IPTs to manage overall shipbuilding project schedules.</p> <p>Date of completion: Q2 FY 2021/2022</p>	