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Report of the
**Auditor General
of Canada**
to the House of Commons

FALL

Chapter 3
Service Delivery



Office of the Auditor General of Canada

The Fall 2010 Report of the Auditor General of Canada comprises Matters of Special Importance, Main Points—Chapters 1 to 9, Appendices, and nine chapters. The main table of contents for the Report is found at the end of this publication.

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Chapter

3

Service Delivery

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Service Delivery

Main Points

What we examined

The federal government delivers a broad range of services that affect the well-being of individuals and organizations across the country and abroad. Deputy heads of federal organizations are responsible for managing the delivery of these services in accordance with their organizations' objectives, guidelines, and procedures.

We looked at the practices used by three organizations—Citizenship and Immigration Canada, Human Resources and Skills Development Canada, and the Canada Revenue Agency—to set their service standards, monitor and report on their service performance, and act on this information to improve service quality.

Audit work for this chapter was substantially completed on 31 March 2010.

Why it's important

The federal government delivers many services directly to millions of individuals, ranging from issuing passports to answering tax inquiries, to processing claims for Employment Insurance. All Canadians require the services of the federal government at one time or another, and research indicates that they expect high-quality service. At the same time, the government must balance clients' service needs with policy requirements and available resources.

What we found

- Citizenship and Immigration Canada has been working to develop service standards since 2007. It has so far established a limited number of standards, and these do not cover some of its major programs. Therefore, the Department cannot fully measure and report on its service performance. Nevertheless, it has some processes already in place that could form the basis for more comprehensive monitoring of service quality. The Department has taken action to better manage the quality of its service delivery, in line with its strategic priority of improving its service to clients.
- Human Resources and Skills Development Canada has client-oriented standards covering its main services. It uses these service standards to monitor and report on its performance. Through ongoing monitoring of performance against these service standards

and through collecting feedback from its clients, the Department has identified issues and taken action in several areas to improve service.

- The Canada Revenue Agency has set service standards for services it has determined are important to its clients and has well-established processes for assessing its clients' needs and expectations. Many transactions that were once largely paper-based are now offered by telephone and on the Internet. While service standards have been added and updated, some may not reflect clients' current priorities. The Agency is in the process of reviewing and updating its service standards, which will provide it with an opportunity to ensure that its standards reflect current client and operational needs.

The organizations have responded. The organizations agree with our observations. Citizenship and Immigration Canada's response follows the recommendation in the chapter.

Introduction

The importance of service delivery

3.1 The Canadian federal government delivers a broad range of services that have a direct impact on the well-being of individuals and organizations across the country and abroad. The services for individuals are varied, including those that might be received regularly and for an extended period, such as social benefit payments; those that might be accessed only once, such as applications for Canadian permanent residency and citizenship; or those that might be required periodically, such as renewal of a passport.

Clients—In this context, clients are individuals who use federal government programs.

3.2 Research in Canada has shown that the public wants and cares about high-quality service from their government. At the same time, government organizations must balance cost and quality, while weighing the interests of individual **clients** against broader public interests, policy requirements, and resource limitations. In some cases, how a federal organization delivers a program is defined in its legislation.

3.3 Service also matters to parliamentarians and public servants, and efforts to improve public sector service delivery have been going on since the 1970s. The Treasury Board of Canada, through its Secretariat, has led and coordinated several initiatives aimed at making the government's service delivery more client-focused; recent examples are the 1995 Quality Services Initiative and a five-year Service Improvement Initiative that began in 2000.

Service standard—The measurable level of service that clients can expect to receive under normal circumstances (for example, respond to telephone inquiries in queue within two minutes).

Service target—The degree to which an organization expects to meet a service standard (for example, respond to telephone inquiries in queue within two minutes for 90 percent of calls).

3.4 The main principles contained in the Policy Framework for Service Improvement—a key part of the 2000 initiative—are a results-based approach to achieving high-quality service. With this approach, organizations engage in public consultation to determine their clients' service priorities, develop **service standards** and **targets** and use these to measure and report on performance, and improve service as part of a continuous cycle. The Treasury Board's Management Accountability Framework sets out similar expectations for well-managed government service delivery.

3.5 Within federal organizations, deputy heads are responsible for managing service design and delivery in accordance with their organizations' mandates and organizational and program legislation. In order to achieve and maintain high-quality service, it is important for organizations to establish service standards, monitor service

performance, and take action to improve service when issues are identified.

- **Establishing service standards.** To objectively assess whether an organization is meeting its commitments to high-quality service (for example, courteous, prompt, and fair treatment), it should set service standards that reflect its clients' needs and service targets to measure the degree to which it expects to meet the standards. An organization should also communicate its service standards to clients, so they know what level of service they can expect, and to employees who deliver the service, so they know what the organization expects of them.
- **Monitoring service performance.** To identify service quality issues, an organization needs to monitor its performance by comparing actual with expected performance against the service targets it has set. An organization also needs to gather information on how satisfied clients are with the service—through means such as feedback from surveys and from compliments and complaints received. Two other useful sources of information on service performance are input from employees who deal directly with clients and results of quality controls—for example, telephone calls monitored for quality and training purposes. As well, an organization needs to report its service performance to Parliament and the public; publishing its results is important for accountability and transparency.
- **Acting to improve service performance.** By analyzing the results of monitoring service performance, an organization should check whether its service is achieving targets and, if not, determine the reason(s). The organization then needs to identify the steps required to improve its service, set priorities for action, and implement the necessary changes.

3.6 The current audit looked at how Citizenship and Immigration Canada, Human Resources and Skills Development Canada, and the Canada Revenue Agency manage the quality of service they deliver to their clients. We selected these organizations because of the volume and importance of services 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.

3.7 Citizenship and Immigration Canada. Citizenship and Immigration Canada, employing about 4,000 people, is a government department that provides a variety of services to individuals both

within Canada and abroad. It selects permanent and temporary residents, assists with immigrant settlement and integration, and offers Canada's protection to refugees. The Department also processes applications for Canadian citizenship, and it provides citizens with certificates to prove their citizenship status. In the 2008–09 fiscal year, it authorized about 247,000 people to live in Canada as permanent residents, processed applications for over 1.5 million visitors to Canada (tourists, students, and workers), and granted citizenship to about 186,000 individuals. The Department also implements special measures in response to emergencies, such as Typhoon Ketsana in the Philippines (September 2009) and the earthquake in Haiti (January 2010).

3.8 Human Resources and Skills Development Canada. Human Resources and Skills Development Canada, employing about 24,000 people, delivers some of the largest government programs providing service to individuals. In the 2008–09 fiscal year, over 8 million individuals received either the Canada Pension Plan retirement benefit or the Old Age Security pension, and over 3 million individuals applied for Employment Insurance benefits. The Department spends about \$83 billion on programs and services that benefit people directly. In 2005, Service Canada was established within the Department to provide integrated and easy-to-access service for the Department's own programs as well as for other federal government organizations. In the 2008–09 fiscal year, Service Canada received almost 10 million visitors to its in-person points of service and more than 55 million telephone calls.

3.9 The Canada Revenue Agency. The *Canada Revenue Agency Act*, 1999, gives it more autonomy than government departments for administrative matters. The Agency employs about 41,000 people. One of the objectives in creating the Agency was to provide better service to clients. In the 2008–09 fiscal year, the Agency processed more than 27 million individual and trust tax returns and distributed about \$9.5 billion in child tax benefits to almost 3.5 million families. The Canada Child Tax Benefit program is one of six federal and 20 ongoing provincial and territorial benefit programs that the Agency administers, which together reach over 20 million people. In the 2008–09 fiscal year, there were over 79 million visits to the Agency website, and the Agency handled more than 25 million public inquiries.

3.10 Previous audit findings. Between 1996 and 2000, the Auditor General conducted three audits of service delivery. Our 1996 September Report, Chapter 14—Service Quality, found that implementation of service standards was incomplete and measures of

performance were not consistently available. The 1996 Report also found that client priorities had been taken into account for only about half the services we examined and that information on client satisfaction had been gathered for even fewer services. Our 2000 April Report, Chapter 1—Service Quality, found significant improvements since 1996, but there were still gaps in performance information and insufficient client consultation. In that same report, Chapter 2—Human Resources Development Canada: Service Quality at the Local Level, we found that the Department had made progress in addressing service quality but that communication of service targets to clients was inconsistent and performance measures were incomplete.

Focus of the audit

3.11 The objective of the audit was to determine whether Citizenship and Immigration Canada, Human Resources and Skills Development Canada, and the Canada Revenue Agency have adequate practices to manage the quality of service they deliver to individuals.

3.12 We examined the corporate management practices followed by the three organizations for delivering service to individuals—that is, how the organizations set their service standards, monitor and report on their service performance, and act on the performance information to improve service quality.

3.13 In addition, to determine how corporate management practices are applied to specific programs, we selected the following key services for examination:

- processing of applications for citizenship and requests for citizenship certificates—the two main services within Citizenship and Immigration Canada’s Citizenship Program;
- delivery of Employment Insurance income benefits by Human Resources and Skills Development Canada; and
- delivery of child and family benefits by the Canada Revenue Agency.

3.14 The audit covered the practices to manage the quality of service that the three organizations deliver to individuals (not to incorporated businesses and non-profit groups). We looked at how each organization identifies systemic service issues; we did not examine specific service transactions with individuals. Each of the three organizations we examined has a different mandate, legislation, and client base, and we did not compare or contrast their management practices.

3.15 More details on the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this chapter.

Observations and Recommendation

3.16 Our observations related to Citizenship and Immigration Canada, Human Resources and Skills Development Canada, and the Canada Revenue Agency are presented separately.

Citizenship and Immigration Canada

3.17 Citizenship and Immigration Canada's services, such as granting permanent residency and citizenship, involve complex processes and a variety of screening activities to protect Canada's safety and security. The Department provides its services in Canada through about 40 local offices, 3 processing centres, and a call centre for domestic inquiries; it also has a network of over 80 points of service abroad. Applications for services are largely paper-based; however, the Department is in the process of implementing online applications and, as of December 2009, temporary resident applications within Canada can be made online. Clients can also gain access to services and find out about the status of their application by Internet, phone, mail, and email, and in person. Rather than contacting the Department themselves, clients may ask their members of Parliament to obtain application status information on their behalf. The communication channels available to members of Parliament are similar to those available to the public.

The Department has few service standards

3.18 We found that Citizenship and Immigration Canada has few service standards, and these were recently developed.

3.19 The Department has been working to develop service standards since 2007. In April 2010, it published, for the first time, a service declaration—a public commitment to, among other things, provide clients with quality services, treat clients with courtesy and respect, and publish application processing times. Simultaneously, the Department published a preliminary set of service standards and associated targets for four business lines as a step toward testing its ability to measure and report on results. We found that the Department had incorporated input from clients to clarify the wording of the new service declaration and service standards.

3.20 Considering that the Department provides more than 35 different services, this set of standards is very limited (Exhibit 3.1).

There are no standards for some major services provided by the Department—for example, the Citizenship Program. Without a complete set of service standards, the Department cannot comprehensively evaluate its service performance and may not be able to ensure a consistent level of service to its clients.

3.21 Because the Department has no service standards for its Citizenship Program, we examined how the Department communicates to clients the length of time it takes to process applications for citizenship and requests for new or replacement citizenship certificates. The Department uses information on past processing times to inform clients about how long they will have to wait for results.

Exhibit 3.1 Citizenship and Immigration Canada has service targets for only 4 of its more than 35 services

Service	Service standard and target April 2010
Opinion to Employers on Exemption from Labour Market Opinion (opinion provided to employers on whether an assessment by Human Resources and Skills Development Canada on the labour market impact of bringing in a foreign worker is needed, prior to a worker applying for a temporary work permit)	In 80 percent of responses to employers, to provide an opinion within 5 business days from the time a complete request is received.
Permanent Resident Family Class Application Overseas (spouses, common-law partners, conjugal partners, and dependent children applying for permanent residency from overseas)	In 80 percent of overseas applications, to make a final decision on the application within 12 months from the time the application is received at the Mississauga Case Processing Centre.
Initial Permanent Resident Card	For 80 percent of new permanent residents, to send their initial permanent resident card within 40 business days from the time the confirmation of permanent resident form is completed at a port of entry or at a Citizenship and Immigration Canada inland office.
Grants and Contributions (for example, funding to help immigrants settle in Canada)	To acknowledge receipt of all proposals submitted within 7 business days of the closing date of the call for proposals. To advise applicants in writing of the Department's decision pertaining to the eligibility of the applicant for further processing within 30 business days of receiving a signed and completed application form. To provide all eligible applicants with a funding decision on their application within 90 business days of confirming their eligibility for funding or to inform the applicants within that time frame of any additional processing time that may be required.

Source: Citizenship and Immigration Canada

3.22 We found that the information on processing times for the Citizenship Program varies according to the channel of communication. Clients can obtain this information in three ways: in the letter acknowledging receipt of application, on the Department's website, and by telephoning the call centre. However, these channels do not provide consistent information, which can be confusing for clients. Processing times on the website are updated from time to time; however, due to information system restrictions, the letters acknowledging applications for Canadian citizenship and requests for citizenship certificates have not been revised since 2005 and thus do not always reflect current processing times. For example, at the time of our audit, the acknowledgement letters stated that it takes five to seven months to process a citizenship certificate request, while the website stated that the processing time was 10 months. The Department identified the need to update the acknowledgement letters and planned to make these changes as part of an update to the information system scheduled for May 2010.

The Department does not have a comprehensive way to monitor service performance

3.23 We found that, in the absence of service standards for its major programs, Citizenship and Immigration Canada does not have a comprehensive way to monitor service performance. At the time of the audit, it was using operational data, such as intake, output, processing times, and inventories to provide some indication of performance. We found that the Department solicits feedback from its front-line employees and also monitors service quality at its call centre to help identify service issues. However, the Department does not track client feedback and complaints systematically.

3.24 The Department has some processes in place that could form the basis of a more comprehensive system for monitoring service quality. These include

- a central unit responsible for managing the collection, analysis, reporting, forecasting, and dissemination of operational data such as intake, output, processing times, and inventories;
- a management committee that regularly monitors the monthly operational dashboard—a consolidation of operational performance information and risks for all programs; and
- regular monthly reporting on operational data to the central unit by regional offices.

3.25 We found that the Department collects input from front-line employees on its performance to identify service quality issues and opportunities for improving service. For example, employees from regions in Canada regularly participate in a variety of national working groups on improving service. The Department also monitors the quality of service provided by its call centre agents. This information is used not only to identify areas for improvement for individual agents but also to identify systemic service issues that require broader attention—for example, training to improve call centre agents’ responses to inquiries on legislative changes.

3.26 In our examination of the Citizenship Program, we found that the Department does not have a systematic way to collect and interpret information from clients on the quality of its service delivery. Clients can provide input about information content on the website and in printed material. However, we found that the Department collects little information on clients’ satisfaction with the delivery of the Citizenship Program. Clients and members of Parliament acting on behalf of their constituents may also contact the Department to register complaints about service, but the Department does not collect this information in a way that allows for analysis. Without analyzing client feedback and complaints, the Department may receive recurring requests and inquiries that increase its workload while missing opportunities to resolve systemic service issues in a timely manner.

3.27 The Department’s published reports to Parliament and the public contain limited performance information on the quality of its service delivery. Nevertheless, we found that the Department has reported the steps it has taken to improve client service, including its progress in developing the service declaration and service standards.

Improving service is a priority of the Department

3.28 We found that Citizenship and Immigration Canada is acting to improve its service delivery. Improving client service has been a strategic priority of the Department since 2006.

3.29 In 2006, the Department created its Service Innovation Office to provide leadership and coordination for service delivery and a governance structure to facilitate decision making and priority setting. Since that time, Citizenship and Immigration Canada has made several improvements affecting the delivery of its Citizenship Program, including the following:

- modernizing its call centre,

- revamping its website, and
- improving Internet access for clients seeking information about the status of their file.

3.30 According to the Department, the Citizenship Program's main service delivery challenge is that, over the last several years, the volume of applications for citizenship and requests for citizenship certificates has significantly exceeded the Department's ability to process them in a timely manner; this has resulted in large backlogs and longer processing times. Delays in processing citizenship applications and requests for citizenship certificates mean that clients must wait longer to obtain important rights and services—for example, to vote or apply for a Canadian passport. Delays can also hamper the Department's efficiency as it must reassign resources to deal with urgent requests and respond to numerous inquiries about the status of applications.

3.31 The Department has tried to find more efficient procedures where possible. For example, it has explored options for streamlining the citizenship granting process and implementing an electronic application process. However, a new process would require computer system changes, which have been delayed due to other departmental priorities. Meanwhile, regional offices have taken steps to improve efficiency locally. For example, in some circumstances, applicants have been allowed to write their citizenship knowledge test and, if they pass, to take the citizenship oath immediately afterwards rather than attend a separate ceremony at a later date.

3.32 In addition, the Department has requested and received temporary funding to help reduce the growing backlogs in the Citizenship Program. In October 2009, it received \$4.5 million to help reduce the backlog of requests for citizenship certificates. However, despite this funding and the measures taken, the Department is still faced with an ongoing challenge of how to manage very high demand in the Citizenship Program.

3.33 During our audit, Citizenship and Immigration Canada faced a sudden increase in demand for its services as a result of the January 2010 earthquake in Haiti. The following case study describes the Department's response to this emergency and shows how it mobilized resources to take action to meet the service needs of its clients.

Case study—Acting to improve service in a crisis situation

In January 2010, a devastating earthquake hit Haiti. As a result of this international crisis, Citizenship and Immigration Canada received a significant increase in requests and inquiries for its services from the public. The Department took several actions to respond to this increase in demand while maintaining its regular operations.

It implemented measures to accelerate and set priorities for processing various immigration and citizenship applications of people affected, including special measures for adoptions in process. It also established a temporary office in Canada to provide basic services, replacing the embassy services interrupted in Haiti.

Further, the Department took immediate steps to facilitate communications with clients. It set up a separate electronic mailbox to handle correspondence on adoptions in process as well as an additional one for general inquiries on the Haiti crisis. It also adjusted the call centre voice response system to provide up-to-date information and caller priority for those affected by the crisis, and it extended its hours of operation to deal with the increased demand. In addition, the Department set up temporary outreach services in several cities in Canada to handle inquiries and requests from Haitian communities.

To manage the increase in demand, the Department monitored the situation daily to identify service issues and determine actions needed.

The Department indicated that, since the adoption of these special measures, Canada had welcomed over 2,100 Haitians as of 1 April 2010, of which more than 200 were children.

Source: Citizenship and Immigration Canada

3.34 Recommendation. Citizenship and Immigration Canada should

- ensure that all channels of communication with clients provide consistent information on the time it takes to process applications for citizenship and requests for citizenship certificates,
- establish and communicate a comprehensive set of service standards for all key services it delivers,
- monitor and report on its service performance against these standards, and
- collect and analyze client feedback and complaints to identify systemic service issues.

The Department's response. Agreed. Citizenship and Immigration Canada places a high value on client service, and progress is being made in this area, including the following:

- Work is under way and will continue to ensure that applicants for citizenship and for citizenship certificates receive consistent messaging on processing times. Changes to citizenship acknowledgement letters were made in May 2010 as part of an IT system (Global Case Management System) upgrade that included modifications to the Citizenship module and roll out to the

International Region program. Processing times that quickly became outdated have been removed from the letters, and the letters now refer clients to the Department's website for processing times. Standardizing the remaining channels of communication should be finalized in September 2010.

- The Department is committed to implementing service standards as they will enhance the Department's accountability to the public and allow it to measure its performance. The long-term goal is to have service standards in place for all key lines of business. With the benefits of lessons learned on the implementation of Phase I (Exhibit 3.1) and input received from clients, the Department is assessing business lines for Phase II in order to implement these additional service standards by 1 April 2011.
- The Department plans to monitor its progress on meeting these standards quarterly. At the end of each fiscal year, the Department will report on that progress externally.
- The Department initiated a Client Feedback Mechanism project in 2009. A client satisfaction survey will be administered in 2010–11. An action plan to improve ongoing collection and analysis of clients' feedback will be developed in 2011 and implemented by spring 2012.

Human Resources and Skills Development Canada

3.35 Within Human Resources and Skills Development Canada, Service Canada's service delivery network includes a national telephone information service (1 800 O-Canada); specialized call centres for inquiries about the Canada Pension Plan, Old Age Security, and Employment Insurance; online services; more than 300 Service Canada Centres across Canada, where Canadians can be served in person; and over 200 scheduled outreach visits annually to provide government services to rural and remote communities.

Service standards reflect the needs of clients

3.36 In 2005, the Department published a service charter for Service Canada committing to providing clients with easy-to-access, personalized service. In 2006, it introduced service standards to define the level of service clients could expect—for example, standard hours of operation for call centres and offices and standard wait times for Employment Insurance payments. In 2009, the Department reported that it had 15 service targets associated with the standards for measuring the performance of the main services. For example, an individual who applies for benefits can expect notification of receipt of

the application within seven days; Service Canada expects to meet this target for 80 percent of applicants. Exhibit 3.2 lists a selection of service standards and targets and the results achieved.

3.37 We found that the Department had sought feedback from focus groups and it had researched how public and private sector service organizations had gained client support. This assisted in developing its service standards in 2006.

3.38 We also found that the Department clearly and consistently communicates its service standards to clients at its Service Canada Centres, on Service Canada’s website, and through printed publications and public reports. The Department also clearly communicates its service standards and targets to its employees through mandatory training at the Service Canada College—the Department’s corporate learning institution. Annually, over 1,000 client service employees take the Department’s Service Excellence Certification Program. The Department also reinforces the importance of customer service through ongoing training and coaching, bulletins and communications, and incentives for employees to achieve high-quality service delivery.

Exhibit 3.2 Selected Service Canada service standards, targets, and results

Service	Service standard and target 2008–09		Result 2008–09
Service Canada provides Canadians with access to its services within 50 kilometres of where they live.	Percent of Canadians with access within 50 kilometres of where they live.	90%	95.6%
The 1 800 O-Canada call centre agents provide service from 8:00 a.m. to 8:00 p.m., Monday to Friday.	Percent of general calls answered by an agent within 18 seconds (1 800 O-Canada).	85%	87%
Service Canada accurately pays Employment Insurance claims.	Payment accuracy of Employment Insurance	95%	95.7%
Service Canada pays Employment Insurance claims within 28 days of filing.	Percent of Employment Insurance benefit payment or non-payment notifications issued within 28 days of filing.	80%	79.1%
Service Canada pays Old Age Security basic benefits and Canada Pension Plan benefits within the first month of entitlement.	Percent of Canada Pension Plan retirement benefit payment or non-payment notifications issued within the first month of entitlement.	85%	91.3%
	Percent of Old Age Security basic benefit payment or non-payment notifications issued within the first month of entitlement.	90%	92.1%

Note: The figures were not audited by the Office of the Auditor General.
Source: Human Resources and Skills Development Canada

The Department monitors service quality

3.39 We found that Human Resources and Skills Development Canada regularly monitors its performance against service standards and has several ways to collect feedback from clients about service satisfaction to identify service quality issues. Although employees provide feedback about service quality based on their interactions with clients, the Department does not have a systematic way to collect this information from employees.

3.40 Ongoing monitoring. The Department measures its service performance mainly by monthly tracking of actual results compared with planned service targets. It rates the results on whether they fall below targets, meet targets, or surpass targets in order to identify where service improvements are needed. The Department uses this information as a basis for reporting to Parliament and the public on Service Canada's service performance. We found that its corporate reports set out results clearly and consistently.

3.41 The Department's other monitoring activities include "mystery shopper" exercises, where evaluators pose as clients to gain insight into clients' service needs. The Department also checks the quality of service provided by agents during telephone inquiries and during interactions at Service Canada Centres about specific services. Managers use the resulting monitoring reports to identify where additional employee coaching and training is needed. As well, the Department tracks the in-person demand for the different services offered at Service Canada Centres. We found a good practice in one region: analyzing demand against labour market profiles (determined from the 2006 Census) to determine links between clients' occupational groups and the services they use. This helped determine where additional service delivery efforts were needed.

3.42 Client feedback. In 2005, the Department created its Office for Client Satisfaction to receive, review, and act on feedback from clients. The Office received over 3,000 complaints in the 2008–09 fiscal year. As well, the Department reported that, in the 2008–09 fiscal year, almost 23,000 clients completed comment cards giving feedback, including suggestions, compliments, or complaints, about the service they had received. Based on the Department's analysis of these and other sources, among the top complaints were wait times and insufficient staff at Service Canada Centres, problems getting through on the telephone, and the length of time it took to process an Employment Insurance claim.

3.43 In early 2009, the Department began consolidating the information from ongoing monitoring and client feedback as well as from ministerial correspondence. To complement this information, it uses the results from its periodic Service Canada client satisfaction surveys. The Department informed us that it plans to use the consolidated results to identify service quality issues but that it has not yet gathered sufficient information for analysis.

3.44 Employee feedback. Although employees provide feedback to managers about service quality issues they encounter in dealing with clients, we found that how information from employees is collected and used varies by region. The Department intends to systematically capture this information to help identify service gaps and opportunities for improvements in service delivery.

The Department has acted to improve service

3.45 We found that Human Resources and Skills Development Canada has acted on issues that it identified through monitoring service quality. Measures taken include the following:

- extending hours at some Service Canada Centres and call centres;
- automating Employment Insurance processing—the Department reported that in the 2008–09 fiscal year over 30 percent of initial claims were processed electronically;
- introducing the electronic National Workload System for processing Employment Insurance claims—enabling the workload to be distributed to employees across the country, as opposed to being distributed manually within regions, to achieve greater efficiency; and
- developing a plan to direct the routine inquiries about Employment Insurance, the Canada Pension Plan, and Old Age Security to the 1 800 O-Canada call centre, leaving the Department's more specialized agents time to deal with the more complex calls.

3.46 The following case study is an example of how the Department monitored its performance for Employment Insurance services, identified a potential service quality issue, and acted to improve its service.

Case study—Acting to improve service for Employment Insurance

Human Resources and Skills Development Canada reported that, in December 2008, it received more than 420,000 Employment Insurance claims, up almost 38 percent from November 2008 and about 32 percent from December 2007. In January 2009, the government announced Canada's Economic Action Plan, further increasing demands for service.

To avoid processing delays that could be caused by the significant spike in demand, the Department requested and received additional funding to deal with the high volume of Employment Insurance and work-sharing requests.

The Department also created a task force to manage the increased workload and set up five specialized processing centres across the country. These centres dealt with contentious claims—about a quarter of the total—that delay service delivery. At the same time, the Department reviewed Service Canada College training for new employees. It reported that it hired and trained about 3,900 new temporary employees.

Not only did the Department provide the service necessary to deal with the unprecedented increase in Employment Insurance claims, but it also achieved its service target for its speed of payment (80 percent of claims paid or notification of non-payment issued within 28 days of filing) more consistently than in the past.

Source: Human Resources and Skills Development Canada

The Canada Revenue Agency

3.47 The Canada Revenue Agency aims to make information and tools available to its clients in a manner that is best suited to their needs, abilities, and preferences; this encourages compliance with tax legislation and facilitates access to benefits to which they may be entitled. The Agency provides its service through four main channels: in person, and by mail, phone, and the Internet. A strategic goal is to have the majority of taxpayers and benefit recipients conduct their tax and benefit affairs with the Agency through self-service (by Internet or telephone) while still having access to a choice of channels.

The Agency is reviewing its service standards

3.48 The Agency commits to providing its clients with service that is accessible, prompt, accurate, fair, and professional. The Agency also published a Fairness Pledge that its service will be responsive, consistent, and impartial, while recognizing that clients have specific needs and concerns. In 2007, it introduced the Taxpayer Bill of Rights, explaining what clients can expect when dealing with the Agency. Eight of the 15 rights are service-related (Exhibit 3.3).

3.49 The Agency has established service standards and targets in areas that it has determined are important to taxpayers and benefit recipients. At the time of the audit, it had 47 service standards, up from about 30 in the 1999–2000 fiscal year. Exhibit 3.4 sets out

selected service standards and targets and performance results for the 2008–09 fiscal year (focusing on general inquiries and benefit programs as examples).

Exhibit 3.3 Taxpayers' service-related rights

Service-related rights included in the Taxpayer Bill of Rights are the right to

- be treated professionally, courteously, and fairly;
- receive complete, accurate, clear, and timely information from the Canada Revenue Agency (the Agency);
- lodge a service complaint and be provided with an explanation of the Agency's findings;
- have the costs of compliance taken into account when tax legislation is administered;
- expect the Agency to be accountable;
- expect the Agency to publish service standards and report annually;
- expect the Agency to warn about questionable tax schemes in a timely manner; and
- be represented by a person of one's choice.

Source: Taxpayer Bill of Rights, the Canada Revenue Agency

Exhibit 3.4 Selected Canada Revenue Agency service standards, targets, and results

Service	Service standard and target 2008–09		Result 2008–09
Taxpayer and business assistance			
General inquiries—telephone service	Respond to calls in queue within two minutes	80%	82%
Benefit programs			
Canada Child Tax Benefit—telephone service	Respond to calls in queue within two minutes	75%	78%
Processing benefit applications and marital status change forms—timeliness	Issue a payment, notice, or explanation within 80 calendar days	98%	97%
Processing benefit applications and marital status change forms—accuracy	Accurately process information and, if necessary, issue a payment, notice, or letter	98%	98%
Responding to benefit and credit inquiries—timeliness	Issue a payment, notice, or explanation within 80 calendar days	98%	98%
Responding to benefit and credit inquiries—accuracy	Respond to recipient written inquiries and telephone referrals from the call centres with the correct information, and process new recipient information including issuing a payment, notice, or letter accurately	98%	97%

Note: The figures were not audited by the Office of the Auditor General.
Source: The Canada Revenue Agency

3.50 We found that, as part of decision making on service standards and targets, the Agency conducts annual third-party surveys to measure clients' experiences and satisfaction with its services and programs. The results of the 2009 survey showed that 62 percent of individuals who had direct contact with the Agency to get information or receive a service gave a positive rating, while 19 percent were neutral; overall satisfaction with the Agency's performance had remained fairly stable since 2005.

3.51 However, we found that some of the Agency's standards have not been reviewed since the inception of the Agency over 10 years ago. Client satisfaction has been measured for about half of the 47 existing service standards, although the annual corporate survey measures client satisfaction with the Agency as whole. Meanwhile, the Agency has evolved from an organization whose transactions with clients were largely paper-based to one that encourages clients to self-serve using the website or telephone. While service standards have been added and updated, some may not reflect clients' current priorities. The Agency's guidelines for developing service standards (dating from 2006 and last updated in 2009) stress the importance of consultation in developing service standards to find out taxpayers' needs and expectations so that they can be balanced with the Agency's operational needs.

3.52 In mid-2009, the Agency began conducting a large-scale internal review of its service standards to determine whether it is communicating, monitoring, and reporting on the right services and the right targets in a meaningful way. This review was recommended by the Agency's Board of Management as being needed to identify and address where new standards could be implemented and where existing standards need improving, modifying, or removing in order to make service performance information more useful to clients. The Agency expects the report to be finalized in late 2010 and to contain a series of recommendations, including finding effective and efficient ways of taking client feedback into account when establishing service standards.

3.53 We found that the Agency communicates the Taxpayer Bill of Rights and service standards widely to its clients, both in its published reports and through its service channels; these channels include posters and pamphlets at Tax Services Offices, information on the Agency's website, and automated telephone messages.

3.54 The Agency communicates its service standards to its front-line employees and provides them with training on offering high-quality

service. The Agency informed us that, in the 2008–09 fiscal year, about 2,000 new call centre agents received training on technical and “soft skills.” The Agency also evaluates front-line employees’ service delivery on their annual performance appraisals. Tax Centres, Tax Services Offices, and call centres also have initiatives to help employees meet or exceed the targets.

The Agency monitors and reports on its service performance

3.55 We found that the Canada Revenue Agency regularly monitors performance across its programs to identify service quality issues. To monitor its service performance, the Agency has an automated system to compile the data from all its programs about actual performance against service targets. Once reviewed for quality, the information is used for managing the programs and improving program delivery as well as for corporate reporting.

3.56 The Agency reports annually to Parliament and the public on the results of its performance against its service standards. Published performance information on service also includes five-year trends, explanations of why service targets were not met, and proposed actions for improvement. We noted that, with a list of 47 service standards, the Agency’s reports of results are complex. Clear and concise reporting is important for transparency, as well as for managing client expectations. The Agency has observed that its service standards could be better communicated to allow its clients to more easily find and understand the standards for the services they use; for instance, the standards could be grouped by client segment—individual and business could be two such segments.

3.57 The Agency monitors complaints as an important source of client feedback. In support of the service rights outlined in the Taxpayer Bill of Rights, the Agency established a process to handle service-related complaints regardless of program or service. If an individual is not satisfied with the service received, the first step is to contact the appropriate office—the Agency employee or office the person has been dealing with—to try to resolve the issue. If dissatisfied with the solution offered from Agency staff, the person has the right to make a formal complaint, in writing, through the Agency’s Service Complaints program (launched in 2007). In the 2008–09 fiscal year, the program received about 3,000 complaints, over 2,500 of which were considered to be valid service-related ones. This represents a small portion of the more than 27 million tax returns and 25 million public inquiries processed by the Agency that year.

Taxpayers' Ombudsman—The mandate of the Office of the Taxpayers' Ombudsman is to conduct impartial and independent reviews of service-related complaints about the Canada Revenue Agency and also to identify systemic service issues.

3.58 If a person is dissatisfied with the outcome from the Service Complaints program, he or she has recourse to the **Taxpayers' Ombudsman** for a final impartial review (the first Ombudsman was appointed in 2008). In the 2008–09 fiscal year, the first year of operations, the Ombudsman reported receiving about 5,000 inquiries, complaints, and requests for assistance, many of which were not related to his mandate or were resolved by providing the taxpayer with information. Some matters were referred to the Agency or another government department. Over 500 files required further investigation by the Ombudsman's office. For about 280 of these, the Canada Revenue Agency's original action was upheld. In many other cases, the Ombudsman's investigations led to corrective responses by the Agency on individual files or changes to Agency policies and procedures when the issues were systemic. The Ombudsman's office is working to improve its system for tracking data on corrective actions resulting from its reviews.

3.59 Both the Service Complaints program office and the Office of the Taxpayers' Ombudsman track complaints received to identify systemic service issues, and the Agency may adjust its processes as a result. The Agency also encourages front-line employees to provide input on improving service delivery, based on their interactions with clients. Depending on the nature of the issues and comments, managers use employees' comments locally, regionally, or at headquarters to make service adjustments. For example, following an employee's observation, the Agency clarified the wording on a commonly used form. The Agency is currently developing a tool to allow all employees to report, for further evaluation, any issue they believe to be systemic, thus making better use of an important source of information to assist early resolution of service quality problems.

The Agency has taken several steps to improve service quality

3.60 Part of the Agency's service strategy is to encourage taxpayers to use the more cost-effective, accessible service channels for transactions, such as the Internet and the telephone. A 2001 survey of clients visiting the in-person service offices showed that the majority favoured Internet and telephone options, but there was still a demand for walk-in service. In the 2007–08 fiscal year, the Agency transformed its in-person service to service by appointment at Tax Services Offices. An agent is assigned to the file and has time to study the file and gather information for responding to the query. Since making the change, the Agency has found that the majority of clients who call for appointments can be served by telephone without the need for an office visit. However, clients may still make an appointment if they wish.

3.61 The Agency uses various other sources of information to understand clients' needs and to find ways to improve service. As well as conducting annual corporate surveys, the Agency also conducts some program-specific surveys; for example, it annually measures applicants' satisfaction with the Canada Child Tax Benefit program services. The 2008 and 2009 surveys of first-time benefit applicants and regular users found that over 90 percent of clients were satisfied with the service they received.

3.62 The Agency has implemented a program to monitor the quality and accuracy of its call centre service, and it uses the results to give feedback to individual agents, identify training needs, and examine where it needs to change key elements of a telephone call. For example, the Agency informed us that of more than 23,000 calls monitored in the 2008–09 fiscal year, about 3 percent resulted in about 300 agents being given additional coaching and training to help them deal with more complex inquiries. The Agency has also conducted studies to investigate how clients use the different service channels. For example, by determining the nature of telephone calls, the Agency identified frequent topics and also improved written products, the information on and layout of its website, and topic-specific telephone messages. It has also conducted similar studies to identify the nature of inquiries about specific programs, such as the Canada Child Tax Benefit.

3.63 The following case study is an example from the benefits programs of how the Agency acted on an identified issue to improve service quality. It illustrates that service complaints are an important source of information about systemic issues.

Case study—Acting to simplify requirements for confirming marital status for the Canada Child Tax Benefit program

In February 2009, the Taxpayers' Ombudsman began a review based on complaints that the Canada Revenue Agency was inconsistent in applying the requirements for confirming marital status and living arrangements—part of the application process for the Canada Child Tax Benefit. Complainants also alleged that the Agency failed to take into account documentation they had supplied. The Agency's Service Complaints office had also received similar complaints, which it had dealt with case by case.

In May 2009, the Agency announced that it was easing the requirements and streamlining the process. The Agency recognized that, in the context of a breakdown of a marriage or relationship, it was often difficult to obtain the other spouse's or common-law partner's information in support of the benefit recipient's claim. For that reason, the Agency simplified the review process, and benefit recipients can now assess their situation and provide all required documents in one step.

At the time of the audit, the Office of the Taxpayers' Ombudsman was monitoring the effectiveness of the changes.

Source: The Canada Revenue Agency

Conclusion

3.64 We found that the three organizations we examined are at different stages in developing the necessary practices for delivering high-quality service to their clients. We concluded that Human Resources and Skills Development Canada and the Canada Revenue Agency both have adequate practices already in place. Citizenship and Immigration Canada is at an earlier stage of managing the quality of its service delivery, and we concluded that it does not yet have adequate practices in place. We found that all three organizations have acted to improve service delivery.

3.65 Citizenship and Immigration Canada has service standards for only four of more than 35 services. Without service standards, it cannot measure or report on the quality of service it provides. The Department has taken initial steps toward managing the quality of its service delivery by publishing service commitments to its clients and setting preliminary service targets. Although the Department does not yet have a comprehensive way to monitor service performance, it has some processes in place on which it can base a system for monitoring service quality. The Department has taken several steps to improve service to its clients.

3.66 Human Resources and Skills Development Canada has developed service standards that it communicates clearly to its clients and employees. The Department regularly monitors and reports its performance against these standards. As a result of regular monitoring, it has identified a number of service-related issues and has acted to resolve them.

3.67 The Canada Revenue Agency has 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, it has evolved from an organization whose transactions with clients were largely paper-based to one that encourages clients to self-serve using the website or telephone. Although service standards have been added and updated, some may not reflect current client operational needs. The Agency is currently reviewing and updating its service standards to determine whether it is communicating, monitoring, and reporting on the right services, with the right targets in a meaningful way.

About the Audit

All of the audit work in this chapter was conducted in accordance with the standards for assurance engagements set by The Canadian Institute of Chartered Accountants. While the Office adopts these standards as the minimum requirement for our audits, we also draw upon the standards and practices of other disciplines.

Objective

The audit objective was to determine whether Citizenship and Immigration Canada, Human Resources and Skills Development Canada, and the Canada Revenue Agency have adequate practices to manage the quality of service delivered to individuals.

In this case, having adequate practices means that the three organizations

- have service standards that take into account client needs,
- monitor their service performance to identify service quality issues and report on performance, and
- act on identified issues to improve service quality.

Scope and approach

We selected these three federal organizations for audit based on the volume of direct services they provide to individuals as well as other considerations (including previous and upcoming work by the Office of the Auditor General and the nature of the services provided). The audit covered service delivery to individuals and did not include service provided to incorporated businesses and non-profit groups.

The audit included examining whether the organizations collect and use information generated from complaints as a source for monitoring performance, identifying service quality issues, and making improvements. Therefore, the Office of the Taxpayers' Ombudsman was included in the scope of the audit as part of the Canada Revenue Agency's service complaints system. The Ombudsman's mandate is to conduct impartial and independent reviews of service-related complaints about the Agency and also to identify systemic service issues.

The audit team conducted its examination work through interviews at headquarters, site-visits, and document reviews of relevant information on file. It visited selected sites, including call centres, processing centres, in-person service centres, and regional offices to interview managers and front-line employees and to "walk through" procedures. The team reviewed documentary evidence to support information obtained from interviews, including corporate strategies and plans, meeting minutes and decision information, external and internal performance reports, publications for clients, quality assurance reports, and communications to employees.

Criteria

To determine whether the federal organizations have adequate practices to manage the quality of service delivered to individuals, we used the following criteria:	
Criteria	Sources
Establishing service standards	
The federal organizations have service standards that reflect client needs (client opinions, expectations, priorities, and preferences).	<ul style="list-style-type: none"> • ISO 9000/1 Quality Management, International Organization for Standardization • Guidelines for Implementing ISO 9000 in Public Sector Organizations, Canadian General Targets Board, 2002 • Communications Policy of the Government of Canada—Policy Statement, Treasury Board, 2006
The federal organizations adequately communicate their service standards to their clients and employees.	<ul style="list-style-type: none"> • Public Sector Accounting Board Statement of Recommended Practice (SORP-2) • Communications Policy of the Government of Canada—Policy Requirement 1(i), Treasury Board, 2006
Monitoring and reporting on service performance	
The federal organizations regularly measure their service performance to identify service quality issues.	<ul style="list-style-type: none"> • ISO 9000/1 Quality Management, International Organization for Standardization • Guidelines for Implementing ISO 9000 in Public Sector Organizations, Canadian General Targets Board, 2002
The federal organizations report to Parliament and the public on their service performance.	<ul style="list-style-type: none"> • Public Sector Accounting Board Statement of Recommended Practice (SORP-2) • Guidance on the Assessment of Performance Information, Office of the Auditor General
Acting to improve service performance	
The federal organizations act on identified service quality issues to improve service.	<ul style="list-style-type: none"> • ISO 9000/1 Quality Management, International Organization for Standardization • Guidelines for Implementing ISO 9000 in Public Sector Organizations, Canadian General Targets Board, 2002

Sources common to all criteria

Organization-specific sources, including

- reports on plans and priorities
- departmental performance reports
- annual reports
- business plans and strategies
- management frameworks
- service standard documents
- management decision documents

Treasury Board of Canada sources:

- Policy Framework for Service Improvement in the Government of Canada, 2000
- Results for Canadians: A Management Framework for the Government of Canada, 2000
- Management Accountability Framework—Areas of Management for Results and Performance and Citizen-focused Service

Management reviewed and accepted the suitability of the criteria used in the audit.

Independence considerations

A family member of one of the Assistant Auditors General (AAG) responsible for this audit is a senior official of the Canada Revenue Agency. Professional standards characterize this as a close relationship with the audited entity, which could call into question the independence of the AAG. Therefore, to avoid any suggestion of bias, conflict of interest, or appearance thereof, for matters relating to the Agency, the AAG responsible for audits at the Agency assumed the role of AAG in providing assurance of audit quality and compliance with Office policies and professional standards.

Period covered by the audit

The audit covered the period between April 2007 and March 2010. However, some documents reviewed go back to 2001. Audit work for this chapter was substantially completed on 31 March 2010.

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Appendix List of recommendations

The following recommendation is found in Chapter 3. The number in front of the recommendation indicates the paragraph where it appears in the chapter. The numbers in parentheses indicate the paragraphs where the topic is discussed.

Recommendation	Response
Citizenship and Immigration Canada	
<p>3.34 Citizenship and Immigration Canada should</p> <ul style="list-style-type: none"> • ensure that all channels of communication with clients provide consistent information on the time it takes to process applications for citizenship and requests for citizenship certificates, • establish and communicate a comprehensive set of service standards for all key services it delivers, • monitor and report on its service performance against these standards, and • collect and analyze client feedback and complaints to identify systemic service issues. (3.17–3.33) 	<p>Agreed. Citizenship and Immigration Canada places a high value on client service, and progress is being made in this area, including the following:</p> <ul style="list-style-type: none"> • Work is under way and will continue to ensure that applicants for citizenship and for citizenship certificates receive consistent messaging on processing times. Changes to citizenship acknowledgement letters were made in May 2010 as part of an IT system (Global Case Management System) upgrade that included modifications to the Citizenship module and roll out to the International Region program. Processing times that quickly became outdated have been removed from the letters, and the letters now refer clients to the Department's website for processing times. Standardizing the remaining channels of communication should be finalized in September 2010. • The Department is committed to implementing service standards as they will enhance the Department's accountability to the public and allow it to measure its performance. The long-term goal is to have service standards in place for all key lines of business. With the benefits of lessons learned on the implementation of Phase I (Exhibit 3.1) and input received from clients, the Department is assessing business lines for Phase II in order to implement these additional service standards by 1 April 2011. • The Department plans to monitor its progress on meeting these standards quarterly. At the end of each fiscal year, the Department will report on that progress externally. • The Department initiated a Client Feedback Mechanism project in 2009. A client satisfaction survey will be administered in 2010–11. An action plan to improve ongoing collection and analysis of clients' feedback will be developed in 2011 and implemented by spring 2012.

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