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Evaluation of the Delivery of the Common Experience Payment

Evaluation Report
July 12, 2013

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Evaluation Report

***Evaluation Directorate
Strategic Policy and Research Branch
Employment and Social Development Canada***

July 12, 2013

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List of Abbreviations

AANDC*	Aboriginal Affairs and Northern Development Canada
CEP	Common Experience Payment
HRSDC	Human Resources and Skills Development Canada
IT	Information Technology

* The Office of Indian Residential Schools Resolution Canada (OIRSC) was transferred to Indian and Northern Affairs Canada (INAC) on May 19, 2006 and became known as the Indian Residential Schools Truth and Reconciliation Commission (IRSRC) Secretariat.¹ On June 1, 2008, it was merged into INAC which is now Aboriginal Affairs and Northern Development Canada (AANDC). For clarity, AANDC has been used throughout the document to refer to this Department and related previous organizations' responsibilities for the Common Experience Payment.

¹ Treasury Board Secretariat, Population Affiliation Report – Remarks. For OIRSC: <http://www.tbs-sct.gc.ca> and for IRSRC: <http://www.tbs-sct.gc.ca>

Executive Summary

Introduction

This report presents the findings of the evaluation of the Common Experience Payment (CEP) delivery. The assessment covers the development and implementation of service delivery activities from December 2005 to September 2012, with an emphasis on the early years, up to 2009. Data were gathered using five lines of evidence, including: document review, key informant interviews, case studies, administrative cost and performance data analyses, and training data analysis.

The Common Experience Payment was established to provide a lump sum payment to former Indian Residential students to compensate for their time of residence at such schools and the impact of that residency. The CEP is one of the five components of the Indian Residential Schools Settlement Agreement.² Responsibility for this redress³ settlement was split between overall policy and eligibility (under the purview of Aboriginal Affairs and Northern Development Canada (AANDC)), and delivery (resting primarily with Service Canada).

Evaluation Findings

Relevance

The delivery of the CEP required access to service across the country as well as knowledge of and interaction with hard-to-reach populations. It therefore warranted a special initiative. Service Canada, with its extensive in-person and telephone network and experience with various client groups, was well-placed to be the “face” of government for this initiative.

Achievement of Expected Outcomes

Overall, the service delivery of the CEP was effective in reaching potential applicants, receiving applications, and authenticating identity in a challenging environment. Service Canada launched the CEP on time, despite the fact that the Settlement Agreement had received final approval only six months earlier, in March, 2007. Implementation was flexible and incorporated ongoing feedback in response to consultations with Aboriginal organizations and to legal requirements. For example, almost 60,000 applications were received in the first month, which necessitated the reassignment of personnel, and the hiring and training of new staff.

² Indian Residential School Settlement Agreement Official Court website <http://www.residentialschoolsettlement.ca>. The Agreement was agreed upon by all parties in May 2006 with court approval following in March 2007.

³ Redress programs aim to make amends for a wrong or injury. <http://www.thefreedictionary.com>

Two different performance measures were used to assess the CEP delivery. Originally, the service delivery standard focused on application processing time. This was replaced in June 2009 with an alternate standard, which was the amount of time it took to issue a cheque once the decision from AANDC had been received. According to administrative data analyses, the time to process applications surpassed the 28/35-day target⁴ due to a number of factors, including many more applications being received than anticipated, the complexity of claims, and a higher than expected rate of missing information. The second service standard of generating a cheque within one business day was easily met.

Planning assumptions and related actions were informed by Service Canada's knowledge and experience with previous service offerings, for example with application intake patterns. Significantly, by December 31, 2007, more than 83,000 applications had been received (representing 79.6% of all applications received during the service delivery period). This volume was much greater than expected and greatly exceeded planned processing capacity.

Call volumes peaked at over 100,000 enquiries logged in November 2007 and remained elevated even as application intake started to decline. The high initial application intake was compounded by missing information and the complexity and type of claim (e.g. individual, estate or personal representative), which generated an immediate backlog of claims for processing. Given this context, application processing faced significant unanticipated pressures, which required the development and implementation of solutions in real time. Indeed, performance data showed that Service Canada increased its capacity to process applications over tenfold, from 2,452 to 28,294, between October and November 2007.

Information from the document review and interviews suggested that applicants' frustrations with the processing delays were directed at Service Canada. Complicating matters further was the fact that the Settlement Agreement stipulated that external communications were under the purview of a third party. As well, the importance of maintaining published service standards was stressed, and the October 2007 *Speech from the Throne* included a formal apology for the legacy of the Residential Schools which heightened awareness of the situation. Service Canada therefore experienced a number of challenges in communicating application processing delays to applicants.

Despite these challenges, available evidence indicates that applicants were generally satisfied with the support available to help them complete the CEP form. A number of factors potentially contributed to this satisfaction, including the fact that Service Canada:

- Made an effort to anticipate client needs, such as offering access via multiple service options (e.g. in-person, outreach, phone, online, etc.);
- Hired Aboriginal language interpreters;
- Provided culturally sensitive service; and
- Assisted applicants with completing their applications.

⁴ According to foundational documents, 80% of approved CEP recipients would receive their payment within 28 days. Overall, CEP payments would be made within 35 days unless in-depth documentary research was required.

Multiple Service Canada branches collaborated with AANDC to design, develop, and implement the necessary processing systems to deliver the CEP. Based on interview and administrative data analyses, there were numerous challenges that impeded information management: for instance, observations made in the field did not necessarily reach headquarters and those making decisions for the overall initiative in a timely manner. As well, as policies and procedures changed, processing systems were also modified, which in some cases resulted in IT instability and version control issues. To keep the system running, interim solutions were devised until longer-term ones could be developed. Through collaborative efforts, Service Canada was able to overcome technical difficulties.

The complexity of the target population in conjunction with the Settlement Agreement requirements for identity authentication presented additional challenges in receiving and processing applications. For example, the use of the Social Insurance Number was not permitted for legal reasons; moreover, not all applicants had and, therefore could provide, their original birth certificate or two pieces of identification, including one with a photo. As a result, the first step in receiving applications often became helping applicants obtain the necessary identification documents. As well, Service Canada had to modify its IT systems when more schools were added to the original list of eligible schools, which required additional time and resources.

According to key informant interviews, significant efforts were made by Service Canada to prepare staff in serving the client group. Central training elements were cultural awareness and technical ability. At the time of the launch, cultural awareness training was mandatory for all client service personnel. As expressed in the course of the interviews, some staff viewed this training as a way of enhancing their own sensitivity to the needs of applicants. Because the application form was not finalized until very late in the process⁵ and due to the unstable IT environment, training efforts were challenged.

Demonstration of Efficiency and Economy

Information and data analyzed for this evaluation suggest that the initiative was delivered with a reasonable degree of efficiency and economy. Based on administrative cost data, total costs appear to be in line with budget requests and comparable with other initiatives. This result is notable given that evidence from document reviews and interviews indicating that efficiency and economy were seen as secondary goals to maximizing the CEP's reach in a culturally sensitive way. In terms of economy, the delivery design relied on existing staff and infrastructure with the use of additional resources (e.g., temporary staff), as necessary. Administrative cost data analyses indicated that resource allocation was adequate, although salary costs were underestimated and the allocation was not sufficiently flexible to adapt to the dynamic environment that characterized the delivery launch. For example, even the incremental 2009–2010 funding was only received at the end of the fiscal year, so it could not be spent in time.

⁵ The CEP application was approved September 6, 2007.

With regards to efficiency, case study analyses found that the CEP service delivery costs compared well to other redress settlements overall. A ratio analysis of administrative costs to benefits revealed that Service Canada incurred lower costs than other service delivery initiatives.

Management Response

The Common Experience Payment (CEP) is the largest out of court settlement in Canadian history. It involved the creation of a \$1.9 billion trust fund for which the Ministers of Human Resources and Skills Development Canada (HRSDC) and Aboriginal Affairs and Northern Development Canada (AANDC) were named as co-Trustees on behalf of the Crown.

In addition to the co-trustee role, HRSDC and AANDC also partnered in the delivery of the CEP with HRSDC performing outreach, receiving applications, authenticating identification and processing payments and AANDC doing school validation and approval of payment amounts.

As such, the CEP represented a unique undertaking and presents an opportunity for Service Canada to recognize lessons learned and incorporate this knowledge into future service offering design and delivery.

Service Canada delivers most programs under the responsibility of HRSDC, and also delivers a number of other programs and services which fall under the purview of other federal government departments. As a multi-party agreement ordered and supervised by provincial courts, many aspects of the delivery and implementation of the CEP were outside the control of the departments delivering the programs. The courts directed the Crown to invest considerable efforts to ensure payment to all eligible applicants, in some instances at the expense of service delivery efficiencies.

This evaluation represents the first and only assessment of the delivery of this one-time initiative. Service Canada agrees with the overall conclusions in the report. Ultimately, goals were met. Initial estimates for the total number of applications were accurate within an order of magnitude. The evaluation captured many of the challenges experienced at various stages of planning, implementation, and processing. Specifically, there was limited time to plan and launch the initiative; certain cultural barriers needed to be addressed; and operations required a high degree of human interaction and sensitivity. These considerations meant that a more modern delivery design – for example an Internet-based client interface and electronic applications – was not suitable for the initiative.

A number of operational challenges were experienced. Service Canada undertook intensive training efforts at the beginning of the initiative with the aim of covering as many staff as possible. An extensive online reference tool was built to support the concepts and processes that were learned in training. It is recognized that consistency is important in this area as staff need to have the information and knowledge to most effectively serve citizens. Some information technology issues posed particular barriers to implementing the initiative (in terms of readiness) specifically the interoperability of systems between AANDC and Service Canada. While these issues were eventually resolved, delays in application processing were experienced.

Given the complexity of the Settlement Agreement and the ongoing evolution of the service offering, changes in requirements and procedures were commonplace. As a result, management of information was a constant challenge.

Incorporating cultural awareness, delivered by Aboriginal Elders whenever possible, in the design and delivery of the initiative not only led to operational successes but also demonstrated the Crown's commitment to understanding and adapting to the needs of the clients. Similarly, a good working relationship with AANDC resulted in a collaborative partnership and facilitated the Crown's ability to address issues as they arose.

Evaluation results suggest that in areas where Service Canada exercised a degree of control, efforts were appropriate for the requirements; however, in areas where this was not the case, less could be done to yield efficiencies. The evaluation presents several important observations on the delivery of the CEP, and informs Service Canada of areas where improvements could be made in future offerings. This includes the initial negotiation stages in partnership development. In the area of authenticating identity, the use of certain documents can facilitate this stage and similarly, without the authorized use of them significant delays can ensue.

For example, the CEP lessons learned guided the development of the service delivery model for the Ex-gratia payment program to families of the victims of Air India Flight 182, given the high degree of similarity between the two programs. For that program, a more lenient approach was taken with respect to requirements for applications and identity, given the compensatory nature of the program and the situation of the applicants.

The CEP experience also re-enforced the importance of determining service standards commensurate with specific program requirements rather than based on standards used for other programs or initiatives and of circumscribing those standards around Service Canada's area of responsibility.

Service Canada was recognized, including by the Honourable Warren K. Winkler, Chief Justice of Ontario and Kerry Eaton, Court-assigned Monitor for the implementation of the IRSSA for successfully administering the CEP. Overall, Service Canada designed and implemented a strong service offering for the delivery of the CEP; which appropriately acknowledges the legacy of the effects of the Indian Residential School system in Canada. Although improvements could have been made, the guiding principle of addressing this legacy was a critical factor in the development of service design and delivery.

1. Introduction

This report presents the results of the evaluation of the service delivery portion of the Common Experience Payment (CEP). The evaluation was conducted by the Strategic Evaluation Division, Evaluation Directorate, Human Resources and Skills Development Canada. The purpose of the evaluation was to examine the relevance and performance of the CEP's service delivery using the core issues outlined in the 2009 Treasury Board *Policy on Evaluation*.⁶ At the time of writing this evaluation report Aboriginal Affairs and Northern Development Canada was not planning to undertake an evaluation of the CEP from a policy perspective.⁷

1.1 Background

1.1.1 Background on Indian Residential Schools and the CEP

The Indian Residential School system dates back to the 1870s and operated across most provinces.⁸ By the mid-1970s, most residential schools had shut down and the last one closed in 1996. An independent assessment estimated that approximately 80,000 individuals alive had resided at Indian residential schools.⁹

Stemming from the 1996 *Royal Commission Report on Aboriginal Peoples*, a Statement of Reconciliation¹⁰ addressed the legacy of the Indian residential schools. In June 2001, Indian Residential Schools Resolution Canada (now AANDC) was created to centralize federal resources. In response to a class action law suit, the Government of Canada, legal counsel for former students, Churches, the Assembly of First Nations, and Inuit Representatives¹¹ negotiated the Indian Residential School Settlement Agreement (the Settlement Agreement), which received preliminary approval on May 10, 2006. The final court approval¹² followed on March 21, 2007.

⁶ Annex A: *Directive for the Evaluation Function*, TBS of Canada, April 1, 2009.

⁷ Aboriginal Affairs and Northern Development Canada, Five-Year Plan for Evaluation and Performance Measurement Strategies 2012–13 to 2016–17 Appendix B: AANDC Evaluation Universe, <http://www.aadnc-aandc.gc.ca>

⁸ Truth and Reconciliation Commission of Canada, Residential Schools, <http://www.trc.ca>

⁹ Aboriginal Affairs and Northern Development Canada, (2008), Evaluation of the Advocacy and Public Information Program (APIP) — Appendix A: Comparative Analysis of Estimate Residential School Attendees and Common Experience Payment. <http://www.aadnc-aandc.gc.ca>

¹⁰ Indian and Northern Development Canada (1997) *Gathering Strength: Canada's Aboriginal Action Plan* <http://www.ahf.ca>

¹¹ Indian and Northern Affairs Canada, Indian Residential Schools Settlement Agreement, January 2010.

¹² "Courts" means collectively the Quebec Superior Court, the Superior Court of Justice for Ontario, the Manitoba Court of Queen's Bench, the Saskatchewan Court of Queen's Bench, the Alberta Court of Queen's Bench, the Supreme Court of British Columbia, the Nunavut Court of Justice, the Supreme Court of the Yukon and the Supreme Court of the Northwest Territories. (2006). Settlement Agreement, pp. 11–12. <http://www.residentialschoolsettlement.ca>

The CEP was one component of the Settlement Agreement.¹³ Other aspects of the Settlement Agreement included: an Independent Assessment Process, which provided compensation for abuse at residential schools; funding to facilitate regional and national commemoration initiatives that addressed the residential school experience; funding to support healing programs and initiatives; and the establishment of the Truth and Reconciliation Commission, which aimed to promote public education and awareness about the Indian Residential School system and its legacy, as well as provide former students, their families and communities an opportunity to share their experiences of residential schools.

The CEP was designed to compensate former students for their common experience at an Indian residential school. Compensation amounts were determined based on the formula of \$10,000 for the first year or partial year of attendance, and \$3,000 per year for every subsequent year. Any former student who lived at a recognized Indian residential school and was alive as of May 30, 2005 or for a student who attended the Mohawk Institute and who died on or after October 5, 1996 was eligible for the CEP.¹⁴ Exact compensation amounts were determined based on records confirming the identity and residence of individuals at recognized institutions. Applicants aged 65 or older could apply for an advanced payment of \$8,000 in May 2006, which was later deducted from the total CEP amount awarded.¹⁵

In finalizing the Settlement Agreement, the court appointed external firms to monitor its implementation¹⁶ and to develop and implement the external communication strategy.¹⁷

1.1.2 The Settlement Agreement

The Settlement Agreement divided the roles and responsibilities for the design and delivery of the CEP between Service Canada and AANDC. These roles and responsibilities were outlined in the Memorandum of Understanding (MOU) between the two organizations, but it was expected that the specific mechanisms to implement the CEP would be developed as needed. The roles and responsibilities are summarized in Figure 1.

¹³ The Indian Residential School Settlement Agreement. (2006) <http://www.residentialschoolsettlement.ca>

¹⁴ The Settlement Agreement responded to several class actions. The Cloud Class Action was recognized by name in the Agreement. <http://www.residentialschoolsettlement.ca>

¹⁵ The Advance Payment program was delivered directly by AANDC.

¹⁶ Indian and Northern Affairs Canada. (2008). Indian Residential Schools Resolution Canada Report on Plans and Priorities 2008–09. p. 16. <http://www.tbs-sct.gc.ca>

¹⁷ Hilsoft Notifications Residential Schools Class Action Litigation Settlement Notice Plan Phase I — Hearing Notice Phase II — Opt out/Claims notice. February 26, 2007. <http://www.residentialschoolsettlement.ca>

Responsibility for delivering the initiative rested primarily with Service Canada. This included managing the \$1.9 billion Trust Fund, issuing the cheques and validating the applications. However, AANDC was responsible for determining the eligibility and corresponding payments of the individual applications. This division of responsibilities also divided the legal authorities to control and spend public funds between two Departments.¹⁸ See Figure 1 for a more detailed breakdown.

Following the initial decision letter sent by Service Canada, applicants who were not satisfied with the decision had three levels of appeal.¹⁹ For the first two levels of appeal, AANDC sent the decision to Service Canada, who then mailed a notice of the decision and payment, as appropriate. For the first level, the applicant could ask for a reconsideration, upon which AANDC reviewed the original decision and examined any new information. If the applicant was not satisfied with the reconsideration decision, they could move to a second level of appeal. The claim would then be sent to the National Administration Committee (NAC)²⁰ to review the material and make a decision. At the third appeal level, a judge reviewed the NAC decision and made a final ruling.

¹⁸ Department of Justice, *Financial Administration Act*, Chapter F-11, Current to May 14, 2010.
<http://laws.justice.gc.ca>

¹⁹ The Settlement Agreement included two levels of appeals. Reconsideration was the first level if the applicant was not satisfied with their claim decision. If they were also not satisfied with the Reconsideration decision, they could Appeal to the National Administration Committee (NAC).
<http://www.aadnc-aandc.gc.ca>

²⁰ The National Administration Committee is a committee of seven made up of one lawyer from each of the following organizations: Canada Church Organizations, Assembly of First Nations, the National Consortium, the Merchant Law Group, Inuit Representatives and Independent Counsel.

**Figure 1: Division of CEP Responsibilities
Between Service Canada and AANDC**

Service Canada	Joint Responsibilities	Aboriginal Affairs and Northern Development Canada
<ul style="list-style-type: none"> • Invested with sole signing authority for FAA^a Sections 32 and 33 • Receive CEP applications, ensure they were complete and follow-up on missing information, as needed • Document and validate identification based on original birth certificate, or documents such as: driver's license, Indian Status Card, health card, Canadian Passport (one with a picture) • Process applications through specialized processing centres • Send relevant CEP application data to AANDC for decision • When AANDC decision was received, check against Advance Payments reports • Notify the applicant of the decision • Notify Public Works and Government Services Canada to issue payments, and • Provide general information using in person, outreach, call centre, web and mail channels. 	<ul style="list-style-type: none"> • Develop foundational documents • Provide briefing material related to processing CEP applications and administering the Joint Trust Fund • Develop systems and procedures to share information as needed to administer the \$1.9 Joint Trust Fund • Respond to enquiries, Access to Information and Privacy requests and correspondence • Meet CEP service standards and timelines • Ensure that the privacy of personal information is protected • Develop and establish the forms and process for CEP applications, and • Manage and mitigate risks. 	<ul style="list-style-type: none"> • Invested with sole signing authority for FAA^a Section 34^b • Provide support and information to inform and report to departmental officials and central agencies • Respond to enquiries or correspondence • Examine all documentary evidence available to corroborate attendance at an Indian Residential School • Validate schools to be part of the CEP • Inform Service Canada of decisions to provide compensation, and • Inform Service Canada monthly of all settled and outstanding appeals.

^a *Financial Administration Act*

^b Service Canada sub-delegated its responsibilities for Section 34 to AANDC.

1.2 The Service Delivery Development Context

As a court ordered settlement, the service delivery of the CEP was developed in consultation with stakeholders and was subject to legal approval prior to implementation. Service Canada began planning the implementation in December 2005, although efforts did not intensify until the final court approval was received on March 21, 2007. The Settlement Agreement specified an opt out period, including a communication ban, ending on August 19, 2007, followed by launch of the CEP 30 days later.²¹ This timeline challenged Service Canada to meet deadlines.

The CEP target population presented a unique set of challenges with regards to service delivery. To help build applicants' trust in the CEP process, the service delivery mechanism focused on mobile outreach to bring the service to communities. Recognizing that many former students are now over 45 years old, the communication strategy targeted individuals over 25 to include family members.²² Many elderly applicants in particular spoke an Aboriginal language but were not necessarily fluent in either official language, which complicated communication. In addition, some applicants had less formal education and some showed a tendency to be more geographically mobile than the general population. Finally, there was also the possibility that some former students carried past hurts into the CEP application process, as a result of their residential school experiences.²³

1.3 Purpose of the Evaluation

The scope of this evaluation, in accordance with the 2009 Treasury Board *Policy on Evaluation*, covers only the service delivery aspects of the CEP as a one-time initiative.²⁴ As well as fulfilling accountability requirements, the evaluation identifies lessons learned and best practices for future similar initiatives. CEP foundational documents stipulated that Service Canada was “responsible for evaluating the service delivery performance of the CEP”²⁵ while AANDC was responsible for the CEP policy.

²¹ According to the Settlement Agreement, Section 4.1.4, potential applicants could “opt out” of the provisions to seek compensation in court instead. If more than 5,000 eligible recipients had opted out during the 150-day opt out period, the Agreement would have been rendered void. In total 1,288 individuals opted out of the Settlement Agreement. Section 11 of the Agreement specified that opting-in to the CEP released the parties from future legal action outside of the Agreement. Individuals who opted in could claim compensation for attendance at a residential school via the CEP, and for abuse via another component of the Agreement, namely the Independent Assessment Process; this latter process was not considered in this evaluation and Service Canada did not deliver this service. Claimants who opted out could pursue legal proceedings but would not be paid from the CEP Trust Fund. The opt out period ended August 19, 2007 and so the CEP service delivery launched 30 days later, as defined in Article 1 of the Agreement.

²² Hilsoft Notifications. (2007). In re: Residential School Class Action Litigation Settlement Notice Plan, p. 7. <http://www.residentialschoolsettlement.ca>

²³ Hilsoft Notifications Residential Schools Class Action Litigation Settlement Notice Plan Phase I — Hearing Notice Phase II — Opt out/Claims notice. February 26, 2007. <http://www.residentialschoolsettlement.ca>

²⁴ See Annex A in the *Directive for the Evaluation Function*, TBS of Canada, April 1, 2009.

²⁵ “The Memorandum of Understanding (MOU) between the Department of Indian and Northern Development (DIAND) and Human Resources and Development Canada (HRSDC) Concerning the Delivery of Common Experience Payments (CEP) And Trust Administration” Section 7, p. 10.

This evaluation documented and analyzed the early planning, development and implementation of the CEP service offering focusing on both process and results. Specifically, this evaluation:

- Assessed the relevance of the Service Canada role in delivering the CEP;
- Compared planned and actual activities related to designing and delivering the CEP;
- Analyzed the variances between budgets and expenditures and calculated financial ratios to assess resource adequacy;
- Analyzed performance data to assess achievement of service standards; and
- Captured lessons learned and best practices for future initiatives.

Evaluation work began in fiscal year 2008–2009 with the supporting data representing operations between 2006 and 2011 that were collected between September 2009 and October 2012. Given this time lapse, much of the qualitative data focused on developing the service and launch between March and December 2007, while the quantitative data included operations until 2011. After January 2009, additional infrastructure was available to support the CEP application process, although ongoing changes were necessary to adapt to issues as they arose.

1.4 Evaluation Issues

The evaluation issues focus on the service delivery, the effectiveness of the design and implementation and the service delivery outcomes (see Table 1).

Table 1: Summary of Evaluation Issues	
Relevance	
Issue #1 Continued need for program	Did the implementation of the service delivery of the CEP respond to the needs of the targeted population?
Issue #2 Alignment with government priorities	Was delivering the CEP consistent with Federal government priorities and Service Canada's strategic outcome?
Issue #3 Alignment with federal roles & responsibilities	Was delivering the CEP consistent with federal roles and responsibilities?
Performance (Effectiveness, Efficiency and Economy)	
Issue #4 Achievement of expected outcomes	Was the CEP implemented as planned?
	To what extent were the processing systems effective in delivering the CEP?
	Did the CEP provide effective, integrated service delivery?
	Did the CEP training improve the service delivery?
Issue #5 Demonstration of efficiency and economy	Were adequate resources allocated to delivery?
	Was the service delivery efficient in terms of costs?

1.4.1 Out-of-scope issues

In accordance with the roles and responsibilities outlined in the foundational documents, AANDC was responsible for policy-related issues (i.e., deciding which claims were eligible for payment). For this reason, questions of policy relevance were not considered in this evaluation.

The CEP was one component of the Indian Residential School Settlement Agreement and the only component that involved Service Canada; therefore, the other components were not addressed in this evaluation. Similarly, CEP-related initiatives developed by other federal government departments, such as Correctional Services Canada, the Royal Canadian Mounted Police, and Health Canada, were also not considered.

1.5 Lines of Evidence

A combination of qualitative and quantitative lines of evidence included a review of documents, files and literature, key informant interviews, case studies, administrative cost and performance data analyses, and training data analysis. Data collection and analysis used an iterative approach, which allowed each line of evidence to inform the next. Key findings emerged from the analysis and synthesis of all lines of evidence.

1.5.1 Document, file and literature review

Five main types of documents and files were included in the review:

- CEP legal documents including the Indian Residential Schools Settlement Agreement, foundational documents, Indian Residential Schools and Common Experience Payment Court Notices and appeals;
- Government of Canada documents including the Speech from the Throne, Federal Budgets, Reports of Plans and Priorities, Departmental Performance Reports;
- Service Canada corporate documents including integrated business plans and annual reports;
- Internal Service Canada and AANDC documents on the CEP planning, design, and implementation including presentations to senior management, meeting minutes, emails, process maps, implementation and operations plans, procedure guides, training materials, quarterly status reports, and internal audits; and
- Secondary literature about the design and delivery of the CEP was used to provide additional context and supporting or diverging evidence (e.g. AANDC audits and evaluations and reports published by the National Residential School Survivors' Society and the Aboriginal Healing Foundation).

1.5.2 Key informant interviews

Key informant interviews provided a rich line of evidence for this evaluation. In total, the evaluation team interviewed 60 individuals representing Service Canada, AANDC, civil society groups and other government departments between October 2009 and January 2010. Two participants representing other government departments were interviewed together and three external representatives were interviewed together, for a total of 57 interview sessions (see Appendix 1: Summary of Interviews Conducted for details).

Interviews were conducted using an approved interview guide for each group. Some questions were common to all groups while other questions were specifically related to their respective roles and experiences.

Interview guides were sent to respondents in advance. Sessions were held in-person or by telephone, with two evaluators present, one to both conduct the interview and record responses, the other only to record responses. Individual names were removed from interview notes at a later stage, to protect privacy. A preliminary review of the data then led to the development of a coding key, and responses were coded accordingly. Finally, responses were analyzed by question and evaluation issue.

1.5.3 Case studies

Six case studies were examined using published information to compare how other compensation programs planned and administered their respective programs.²⁶

- Irish Residential Institutions *Redress*;
- Nova Scotia Compensation for Survivors of Institutional Abuse;
- Chinese Head Tax Redress;
- 1986–1990 Hepatitis C Settlement Agreement and the Pre-1986/Post-1990 Hepatitis C Settlement Agreement;
- Japanese Canadian Redress Settlement; and
- Jericho Individual Compensation Program.

A common set of questions was used to examine each case and while different information was available, comparisons on specific points were made where appropriate. Administrative cost data for the Irish Residential Institutions Redress case and the Pre-1986/Post-1990 Hepatitis C Settlement were also analyzed to provide comparison points to the administrative costs to deliver the CEP.

1.5.4 Administrative cost and performance data analyses

The administrative files revealed various performance statistics, including call volume statistics, service option usage (e.g. in-person, outreach, or mail), etc. These were analyzed and included as appropriate to respond to specific evaluation questions.

Administrative Cost Data: The administrative cost data included the budget, actual, and variance from fiscal year 2006–2007 to 2010–2011. These data were available by salary (and employee benefit plan), and non-salary. The evaluation analyzed the budget variances, estimated the administrative cost per application and calculated two ratios: the benefits paid per dollar in administrative cost, and the administrative cost per \$100 in benefits paid.

Common System for Grants and Contributions Data: Performance data were analyzed, representing 99,156 applications received between September 19, 2007 and August 31, 2009 including data on decisions as of July 12, 2011.²⁷ This represented 94% of all 105,032 applications received as of the final day for all CEP applications, on September 19, 2012. The dataset included the type of application and key dates (e.g. date received, entered, complete, approved, or rejected), which was used to calculate the processing times for key Service Canada steps using net working days to exclude weekends.

²⁶ For further details see *Case Studies of Redress and Compensation Settlements Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover).

²⁷ See the *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for full details.

1.5.5 Training results data

The results from two training-related surveys completed prior to the evaluation were analyzed.²⁸ The first was a summary of 58 responses to the *Indian Residential Schools Awareness* survey; however, the corresponding questions and methodology were not available so findings were interpreted with caution. The other data were from the *Cultural Awareness Training Survey*, which reported findings by five special observers who assessed nine training sessions.²⁹

1.5.6 Methodology strengths and limitations

The CEP evaluation collected multiple lines of evidence to corroborate findings; a key strength in this approach was the drawing together of a range of types of information. While common themes emerged from the data, some divergent views were also discovered as regional differences were observed. At the same time, ongoing organizational changes also led to inconsistencies in data availability.

Two key groups were not interviewed: CEP applicants and Service Canada Call Centre Officers. Due to privacy restrictions on interviewing Service Canada Call Centre Officers, they could not be included,³⁰ while CEP applicants were not included because of sensitive subject matter; in addition, it would have been methodologically difficult to distinguish between their experiences of service delivery, their claim decision, and their emotions throughout the process. It is recognized that applicants' perspectives presented in this evaluation represent third-party data interpretation. In addition, interview data have general limitations, for instance, the data are based on interviewees' perceptions and could be subject to self-selection bias as their participation was voluntary. There is therefore only indirect evidence of client satisfaction, as clients were not directly surveyed.

The number of training survey responses (67) was minimal. Although many individuals attended multiple training sessions each (more than 4,000 sessions were held), the response rate was low and the data were used with caution.

The processing data did not capture some details that could have contributed to understanding the length of time required to process some files. Examples include the number of applicants who had to obtain their identification papers or prove legal name changes before they could apply; whether a guarantor was required; if the applicant was homeless or living abroad; the use of the Aboriginal language information sheets; and how often Service Canada had to trace cheques and letters to ensure they reached the intended recipient.

²⁸ See the *Training Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

²⁹ Two of the observers attended three separate sessions each and the three other observers attended one session each.

³⁰ Due to Service Canada staffing procedures, call centre agents working on the Service Canada CEP designated phone line and 1-800 0-Canada are private sector employees, not public servants. Consequently the evaluation was unable to obtain permission to interview frontline telephone staff as they were not governed by the same information obligations or the privacy and protection legislation as public servants.

The evaluation was also not able to verify whether complaints about CEP call centres specifically referred to Service Canada or CEP lines operated by governmental and non-governmental organizations since interview evidence indicated that the multiple phone lines was confusing. Administrative data were not available to analyze this in detail.

The Evaluation Policy changed in 2009 after the CEP evaluation had begun. To conform to the new requirements, the evaluation questions were regrouped under the 2009 Policy's core issues. The revised evaluation focused on both processes and results related to service implementation.

Data collected for the various lines of evidence cover different periods. For example, interviews were conducted in 2009 and therefore reflect the early implementation period, while administrative cost data and performance analyses include the early and later periods of the service delivery. As such, findings from the different lines of evidence are indicative of the contexts and conditions of the reference periods.

2. Key Findings

The key findings are organized by evaluation issue, under relevance, and performance. The latter was further analyzed in terms of achievement of expected outcomes and demonstration of efficiency and economy.

Relevance

A special initiative for the delivery was warranted for this redress settlement, due to the particular needs of the target population. Much of the evidence of this is apparent from the special efforts required to achieve these goals, as will be described in the subsequent section. The evidence showed that its extensive in-person and telephone network in conjunction with experience working with diverse client groups enabled Service Canada to be the “face” of government in delivering the CEP.

2.1 Core Issue #1: Addressing the Needs of Canadians

The first Core Issue speaks to the question: Did the implementation of the service delivery of the CEP respond to the needs of the target population?

Service Canada responded to the needs of a complex target population by designing the delivery mechanisms to be as culturally sensitive as possible. Key service delivery elements included:

- In-person and telephone support;
- Outreach to people living in rural and remote areas;
- Special processes to reach specific populations (e.g. homeless, incarcerated, those living abroad, etc.);
- Processing follow-up for missing information, file maintenance, and tracking address changes; and
- A culturally sensitive approach.

By combining mandatory cultural awareness training with an emphasis on hiring Aboriginal staff and in-person services and mobile outreach to receive applications, Service Canada extended its service delivery reach, particularly in rural and remote areas. A majority of the interview respondents (36 of 57) either agreed or somewhat agreed that the CEP delivery met the objectives to extend the service in Canada and abroad, facilitate access and encourage participation.

2.2 Core Issues #2 and #3: Government Priorities and Roles and Responsibilities

This section focuses on the second and third Core Issues, responding to the questions, “Was delivering the CEP consistent with federal government priorities and Service Canada’s strategic outcome?” and “Was delivering the CEP consistent with federal roles and responsibilities?”

The 2006 budget committed the federal government to address “the legacy of residential schools.”³¹ Consequently, delivering the CEP was consistent with federal government priorities and corresponding roles and responsibilities. The Government of Canada also signed the Indian Residential School Settlement Agreement (the Settlement Agreement) on May 10, 2006 and committed Service Canada to deliver the CEP; this Agreement was finalized on March 21, 2007. To fulfill the government’s obligations, Service Canada³² and Office of Indian Residential Schools Resolution Canada (now Aboriginal Affairs and Northern Development Canada)³³ signed a Memorandum of Understanding outlining their specific individual and joint roles and responsibilities in implementing the CEP.

In the Speech from the Throne of October 16, 2007, almost one month after the CEP was launched, the government announced that the Prime Minister would offer a statement of apology in the House of Commons for the legacy of the Indian residential schools;³⁴ that apology was delivered on June 11, 2008.³⁵

2.3 Core Issue #4: Achievement of Expected Outcomes

This section focuses on the fourth Core Issue, which relates to the achievement of expected outcomes and the identification of any unintended impacts.

2.3.1 *Was the CEP implemented as planned?*

The CEP implementation was flexible to incorporate ongoing feedback from consultations and legal requirements. Plans were constantly revised which required significant effort to re-work each service delivery sub-component (e.g. application form, IT system, etc.) as CEP service delivery policies and procedures were refined and approved. This process required the implementation of cross-functional teams to create operationally feasible solutions. These teams represented multiple Service Canada branches, including Citizen Services, Processing and Payment Services, Innovation and Information Technology, and Integrity Services. Flexible implementation plans were therefore critical to respond effectively.

³¹ As specified in the 2006 Budget Plan, p. 113. <http://www.fin.gc.ca>

³² Representing Human Resources and Skills Development Canada.

³³ Representing Indian and Northern Affairs Canada (INAC).

³⁴ Canada. (2007). Speech from the Throne: Strong Leadership. A Better Canada, p. 9. October 16. <http://publications.gc.ca>

³⁵ Canada. (2007). Speech from the Throne: Strong Leadership. A Better Canada, p. 9. October 16. <http://publications.gc.ca>

Pre-launch planning

According to administrative file evidence, Service Canada started planning the CEP service delivery in December 2005 by consulting with representatives from government agencies,³⁶ Aboriginal groups and key third parties.³⁷ Feedback received indicated that it was vital to incorporate cultural sensitivity into the service design and to use outreach to reach potential applicants in rural and remote areas. In developing the delivery of the CEP Service Canada drew upon implementation information from other programs, such as the Advance Payment³⁸ (which focused on mail as the service option) and Employment Insurance (i.e., a 28 day service standard). While these models provided useful starting points, one major difference was that the use of the Social Insurance Number in CEP applications was not permitted.³⁹ An unanticipated issue related to the mail option included the incongruity of sending notification letters by certified mail, but actual cheques by regular mail (even for regions using community mailbags which were not secure, and did not ensure that cheques would reach intended recipients).

When the Settlement Agreement was finalized in March 2007, Service Canada increased the intensity of its efforts. In July, a senior project management team was introduced. Service Canada National Headquarters instituted daily teleconference calls and information sharing with the regions, as well as the internal communication practice of informing Service Canada management before sharing information with AANDC. According to interview evidence, communications were slow, but consistent.

According to files reviewed, the CEP application form was finalized on September 6, 2007, two weeks before the launch. This left insufficient time to print and ship enough forms across the country, so some regions photocopied forms to ensure the service was offered on time.

³⁶ Including, but not limited to, Indian and Northern Affairs Canada, Correctional Services Canada, Health Canada, and Canada Revenue Agency.

³⁷ For example, representatives from community groups, police, financial institutions, and private companies.

³⁸ The Advanced Payment offered early payments of \$8,000 to any CEP applicant who was over 65 years of age as of May 30, 2005. These payments were deducted from any future CEP payment. Operating between May 10, 2006 and December 31, 2006 this program disbursed approximately 10,300 payments. Indian and Northern Affairs. (2008). *Audit of the Advance Payment Program*, Indian Residential Schools Resolution Canada. p. i.

³⁹ See the following website for the permitted uses of the Social Insurance Number. Office of the Privacy Commissioner of Canada, Fact Sheet: Social Insurance Number. <http://www.priv.gc.ca>

The launch

As illustrated in Table 2, Service Canada forecasts underestimated the number of applications received immediately after the launch. As of June 2012, 105,032 CEP applications had been received or 125% of Service Canada's target of 80,000 applications. Each of the case studies reviewed for this evaluation also underestimated the number of applications received.⁴⁰

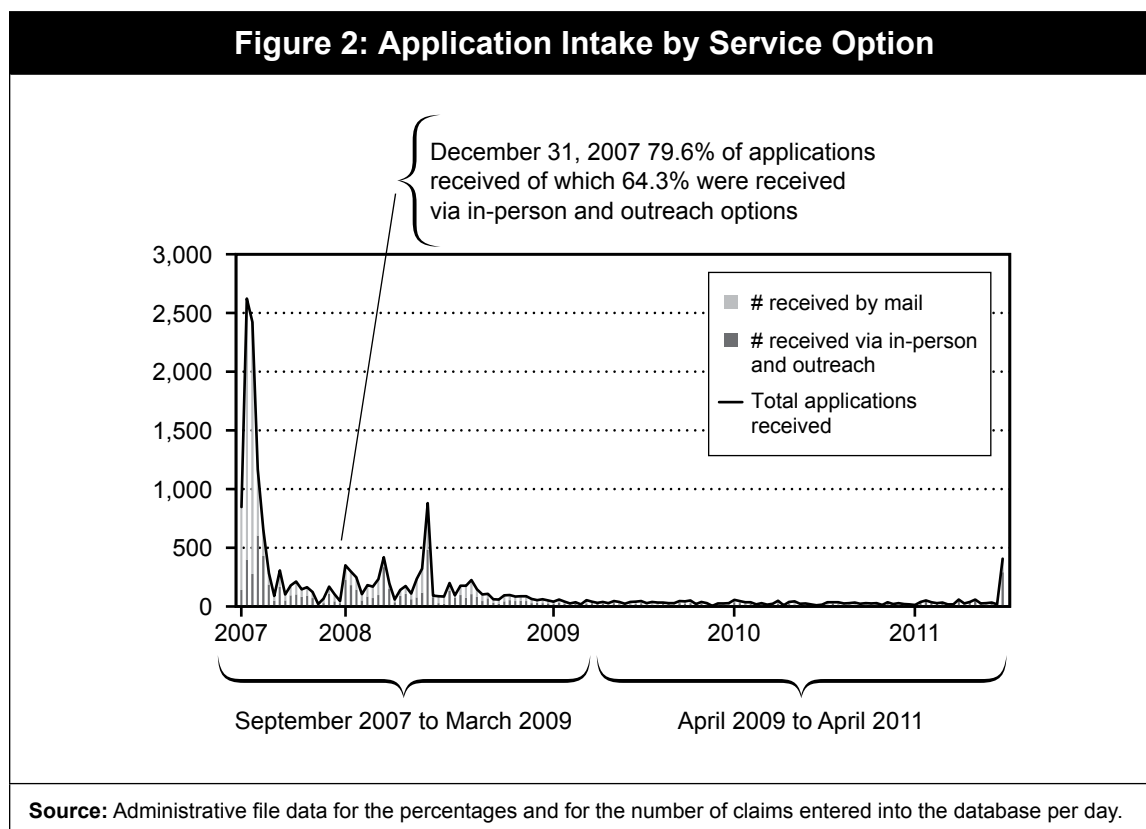
Table 2: Comparison of Expected to Actual Application Inflow						
	Planned			Actual		
	Number of Applications ^a	% of Total	Applications per day	Number of Applications	% of Total	Applications per day
Total applications received	80,000			105,032 ^b		
Applications after 42 calendar days ^c	60,000	75%	1,429	70,820	67%	1,686
Applications after 60 calendar days ^c	60,000	75%	1,000	75,909	72%	1,265
Source ^a Calculated with data from administrative files. Some documents referred to the figure of 80,000 applications as the volume of applications to be processed, while other documents indicated that 80,000 applications referred to just the number applications expected to be approved, without indicating how many applications would be rejected as an estimate of the total number of applications that would be processed. ^b AANDC, Statistics on the Implementation of the Indian Residential Schools Settlement Agreement, June 30, 2012. [http://www.aadnc-aandc.gc.ca]. ^c Planning forecasts with different assumptions were calculated: one expected application volume to reach the three quarter threshold earlier than the other. After the September 19, 2007 launch, 42 calendar days was October 31, 2007, and 60 calendar days was November 19, 2007.						

By the end of October 2007, administrative files showed that contingency plans were used to increase the capacity to receive and process applications. This included training and reallocating existing staff from statutory programs (e.g. Canada Pension Plan and Old Age Security) to CEP teams, as well as hiring and training new personnel. These actions contributed to a substantial increase in processing capacity in November 2007 (See Figure 3). According to interview evidence collected for this evaluation, regional managers and coordinators perceived that the reliance on contingency plans was an indication that feedback from consultations forecasting in that initial high take-up had not been incorporated into national plans.

⁴⁰ The smallest variance in the number of claims expected versus the number of claims received was 3.3% (486 claims) for the 1986–1990 Hepatitis C Settlement; the largest variance was 362.2% (979 claims) for the Nova Scotia Compensation for Survivors of Institutional Abuse. See *Case Studies of Redress and Compensation Settlements Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

Service options

CEP applicants could choose one of three options to submit their applications: in-person at Service Canada Centres, at mobile outreach sessions or by mail. During the initial peak period, applicants strongly preferred to submit their CEP claims in-person and at mobile outreach sessions. As illustrated in Figure 2, in-person and outreach services accounted for between 70% and 90% of applications received in October 2007. For context, in the first two weeks of service delivery, over 33,000 applications (approximately 87%) were submitted via these two service options.



By November 2007, the number of claims per day started to fall and the percentage of claims received by mail increased. Only after September 19, 2011 when applications were only received in “exceptional circumstances”⁴¹ did the mail become the preferred option (71%). By 2011, the combined year-to-date percentage for application intake via in-person and outreach was 63% compared to 37% for mail.

⁴¹ Applications could be received after the deadline in exceptional circumstances.
AANDC, Common Experience Payment: Update on the Common Experience Payments.
<http://www.aadnc-aandc.gc.ca>

Identification authentication

The CEP process authenticating identification was based on the applicant's original birth certificate (or two pieces of identification, one with the applicant's photograph).⁴² Interview evidence indicated that the identification authentication process often worked well. However, some administrative processes had to be clarified after the launch, for example, whether expired Indian Status Cards could be accepted, or whether both sides of the identification had to be photocopied. As each issue was clarified, the corresponding changes also had to be programmed into the IT system.

Evaluation interview evidence suggested that the identification authentication process worked better on reserves due to concentrated outreach and in-person activities; however, since promotional posters for some intake sessions did not specify that identification documents were required, a number of applicants arrived unprepared. Additional challenges were encountered in urban areas, where the CEP served a dispersed and sometimes homeless population.

Administrative file evidence from the first days of application intake identified the issue of applicants' lack of the required identification documents. Service Canada provided the appropriate provincial/territorial agency contact information or helped applicants complete the forms required to obtain the missing documentation. Service Canada also signed Letters of Understanding with other government departments⁴³ to verify identity, although no data were found on the usefulness of those agreements for applicants.

Guarantors

Service Canada developed and implemented a guarantor process to authenticate the identity for estate and personal representative claims, applicants who could not obtain the required identification, and to certify copies of identification documents. The process was recognized as important for applicants who had, for example, been renamed at Indian residential schools, changed names upon marriage or adoption, or used a name with various spellings. The Assembly of First Nations included an insert with the CEP application form which recognized that the requirement to document name changes had a disproportionate impact on women. A gender-based analysis of this situation could have facilitated the development of a service delivery strategy for women in these circumstances.⁴⁴

⁴² Service Canada, Common Experience Payment <http://www.servicecanada.gc.ca>

⁴³ Letters of Understanding were signed in January 2008 with Health Canada, Correctional Service of Canada (CSC); and with Indian and Northern Affairs, and Canada Revenue Agency in June 2008.

⁴⁴ For more information on gender-based analysis see <http://www.swc-cfc.gc.ca>

According to administrative file evidence, the guarantor form was approved on October 16, 2007. As a result, applications requiring guarantors prior to this date were reviewed and amended as needed to avoid delays in their processing. Additional administrative file evidence indicated that many guarantor forms were incomplete when submitted, or in some cases, the likeness of the applicant could not be validated. There were other unanticipated issues that arose; for instance, some of the acceptable professions for guarantors were less common in the communities served,⁴⁵ and some guarantors would not confirm that they were Canadian citizens. Administrative data on the use of guarantors were not available, so the prevalence of this alternate method is not currently known.

Application processes for sub-populations

Special procedures were developed to meet the particular needs of estate and personal representative claims, applicants living abroad or applicants who were homeless or incarcerated.⁴⁶ It took about eight months for corresponding processes to be approved and implemented. Administrative data on the use of these processes were not available.

When developing these processes, Service Canada considered the probability that the requirements could not be met. For applicants living abroad, for example, certified copies of birth or marriage certificates were accepted instead of originals because some jurisdictions did not re-issue originals; Service Canada also worked directly with 17 or 18 American states to verify certified copies. In other cases, Service Canada suspended the requirement that guarantors had to be Canadian citizens. Although this approach was time consuming, it minimized applicants' efforts to complete their applications.

2.3.2 To what extent were the processing systems effective in delivering the CEP?

As a new service offering, Service Canada and AANDC designed and developed both specific systems to receive and process CEP applications, and delivery options to reach the target population in a culturally sensitive manner (e.g. in-person, outreach, Aboriginal interpreters, etc.). The effectiveness of the systems improved as procedural details were refined and approved. A process audit completed in February 2008 found no deficiencies “in the intake of claims by Service Canada.”⁴⁷

⁴⁵ For example, doctors were accepted as guarantors for the CEP but nurses were not, even though many communities had nurses but no doctors.

⁴⁶ Among the incarcerated population, CEP outreach efforts focused on those in federal institutions as their terms were longer than those serving in provincial/territorial institutions. The latter group was seen as being able to apply upon their release.

⁴⁷ Crawford Class Action Services. (2008). Audit Report #1 — Indian Residential Schools Court Monitor Independent Audit of CEP Payments — Service Canada and AANDC. February. p.3.

Multiple Service Canada branches such as Citizen Services, Processing and Payment Services, Innovation and Information Technology, Integrity Services, and Finance, collaborated to design the CEP delivery mechanisms and ensure that they fit the parameters laid out in the Settlement Agreement. Each service delivery process and protocol had to be vetted and approved prior to implementation. Interview evidence indicated that this significant investment of time was critical to the CEP's success and benefitted the organization as a whole. While these efforts were most intense immediately before and after the launch, efforts continued to respond to ongoing policy refinements and unanticipated issues.

Processing and payment system

Key to the success of the processing and payment system was the flexibility and creativity of the IT teams when responding to changing requirements. Using formal and informal communication options, they modified the computer code two to three times a day to keep the system current with revised specifications; according to administrative files, there were over 50 updates in the first 18 months. Eventually, the Service Canada and AANDC IT systems achieved a measure of interoperability which facilitated data sharing; however, this environment led to unavoidable work-arounds and version control issues for communications and training materials, which in turn caused confusion until the problem was identified and a solution implemented.

Once the initial urgency surrounding the launch had subsided, ongoing issues emerged, such as the addition of new schools or, for applicants who used a driver's license as one of their pieces of identification, duplicates among driver's licence identification numbers from different provinces. Without a field to indicate the province, the database quality control rejected the second instance as an invalid number.⁴⁸ An interim solution was devised to ensure that application intake and processing could continue.

Joint Trust Fund Account Administration

Service Canada submitted quarterly status reports to track the administration of the \$1.9 billion Trust Fund. These reports were based on internal monitoring controls and regular reconciliations that traced all transactions in the CEP account. Service Canada also developed procedures to track address changes, to receive returned cheques and track cheques that had not been received by the intended applicant. These systems managed financial accuracy, procedures for unreported address changes, as well as accounting for Advance Payment recipients, often manually. Special arrangements were made with the Receiver General that allowed Service Canada to hold a returned cheque while they searched for the applicant's new address.

⁴⁸ The Social Insurance Number could not be used to authenticate identity for the CEP. For legislated uses of SIN see: <http://www.priv.gc.ca>

Additional policies and procedures were developed as the CEP end date approached in 2012, including a mechanism to handle the fund surplus/deficit. The Settlement Agreement stipulated that a surplus would be divided between applicants, based on the percentages of applicants who self-identified their background according to predetermined categories.⁴⁹ However, interview evidence indicated that neither Service Canada client service personnel nor applicants were aware of why these data were being collected; instead, applicants were told that this information was required to facilitate research into their claim.

Service Canada developed the necessary mechanisms to control the Trust Fund and payments, although they encountered some challenges in this regard. For example, a key issue was the lack of an identifier to link applicants who had received an Advance Payment⁵⁰ to their CEP claim. To ensure quality control, Service Canada reviewed AANDC files manually to verify the payment amount.

The Service Canada database generated a CEP identifier for each application that was entered. However, according to interview evidence, this unique identifier was not shared with applicants unless a formal letter (e.g. to request missing information) was sent, and so applicants could not use it to facilitate retrieving their claim when contacting Service Canada.

A 2011–2012 internal review revealed that Service Canada’s processing accuracy for the CEP improved from 99.5% to 100% during that fiscal year.⁵¹

Protection of Privacy

The March 2008 Office of the Privacy Commissioner Privacy Impact Assessment⁵² concluded that while some moderate privacy risks related to performance assessment, notice, data matching and privacy breach notifications were identified, no high risks to privacy were found. Interview comments also showed that data-sharing protocols and procedures were designed to protect applicants’ privacy.

⁴⁹ The following categories were used: Status Indian, Non Status Indian, Metis, Inuit (Nunavut), Not specified, Non-Aboriginal, Inuit (Québec), Inuvialuit.

⁵⁰ AANDC was solely responsible for the Advance Payments. Service Canada used the list of Advance Payment recipients to deduct payment received from that program from their eligible amount as determined by the CEP formula. This process was complicated by the lack of a unique identifying number to link the Advance Payment files to the CEP files.

⁵¹ Quality Services, Common Experience Payment Program — 2011–12 Processing Accuracy Review: Report of Findings. May 2012. p. 9.

⁵² Canada Privacy Services (2008), Service Canada Common Experience Payment: Privacy Impact Assessment. March 31. p. 4.

2.3.3 Did the CEP provide effective, integrated service delivery?

A 2010 study indicated that applicants appreciated the supports available to complete the CEP form;⁵³ thus, suggesting that the CEP provided effective and integrated service to CEP applicants. Key enabling factors included Aboriginal language interpreters and the availability of in-person and outreach services. Some interview comments cited examples of service delivery that was not as culturally sensitive as would have been ideal. For example, having outreach sessions in the local school as it was the only large room in the community could have recalled difficult memories for some.

Separate Service Options

Interviewees all agreed that the provision of mail, in-person, outreach, phone, and Internet service options was important to serve the highly complex target population well. The role of outreach was especially well received, with manager and client service personnel interviews recommending that Service Canada use it as a standard delivery option. One regional team won national recognition for the excellence of their service, and in particular outreach.

To minimize language barriers, Service Canada hired Aboriginal language interpreters to serve applicants who were not fluent in either official language. Applicants who did not have a phone in or near their home had the option to travel to the nearest phone, the closest outreach session, or mail their application. Due to an administrative error an incorrect address was printed on the early forms, so applicants who used the mail-in option experienced delays. Additionally, some applicants mailed their forms to Canada Post, which required forwarding to the Service Canada processing centre.

Applicants' Perceived Level of Satisfaction

In 2010, the Aboriginal Healing Foundation published findings based on 281 interviews with applicants on their experiences of the CEP process, including service delivery.⁵⁴ The Foundation's research provided the only direct evidence of applicants' level of satisfaction with the service offering, since this evaluation did not include interviews with applicants. The 281 interviews represent about one-quarter of one per cent of all CEP applicants.⁵⁵ As illustrated in Table 3, almost half of the interviewees (47%) found

⁵³ Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p. 65

⁵⁴ Non service delivery issues raised in this report were not considered in this evaluation. There were 281 semi-structured key informant interviews conducted with First Nations, Inuit, and Métis from 17 of the 20 selected communities across Canada. Participants had either been accepted, rejected or had initiated the reconsideration process between June 2008 and April 2009. Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p. 9.

⁵⁵ In total, 105,032 CEP applications were received (281/105,032=0.0026 or 0.26%).

the application process to be easy and straightforward. According to this study, the respondents were under the age of 60, fluent in an official language, and had Service Canada or other assistance with their forms.⁵⁶

Table 3: Experiences of applying for the Common Experience Payment	
CEP Application Process	% of Respondents^a
Application was easy, straightforward	47%
Application was difficult, frustrating, costly	36%
Long wait time for confirmation/payment	28%
Source: Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p. 28. ^a See report for the detailed interview methodology. http://www.ahf.ca	

The Aboriginal Healing Foundation report also highlighted positive anecdotes about the assistance provided by Service Canada, especially in rural and remote regions. Communities that had requested outreach services to complete applications reported positive experiences.⁵⁷ Evaluation interview evidence from client service personnel concurred with these findings; according to one interviewee, “85% [of applicants] wanted to be walked through the applications”.⁵⁸

Evaluation interviewees agreed that they received excellent feedback and that in general, applicants appeared to be mostly satisfied with the in-person and outreach service, although some did not distinguish between the service and the decision on their claim. Evaluation interview comments from client service personnel also recognized the value-added by the many private citizens who volunteered to assist applicants in completing the forms. Without access to training materials, these volunteers eventually developed contacts among Service Canada personnel to clarify issues prior to applicants submitting their forms.⁵⁹

Administrative files indicated that the information sheets in eight Aboriginal languages were well received as a gesture of goodwill. However, since Aboriginal writing systems are not widely used, their actual usefulness was uncertain and administrative data on their use were not available.

⁵⁶ Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p. 29.

⁵⁷ Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p. 65.

⁵⁸ See *Key Informant Interview Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover). p. 43.

⁵⁹ See *Training Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

Further details from the Aboriginal Healing Foundation report indicated that applicants who lived further north and in remote communities reported lower levels of satisfaction, possibly because there was less access to Service Canada Centres or other assistance.⁶⁰ Based on 132 responses, Service Canada received the highest helpfulness rating from respondents in rural areas (54.7%), whereas respondents in urban areas were more likely to rate the service as “not helpful” (44.4%), as shown in Table 4 below.

Table 4: Service Canada Supports by Type of Geographical Community						
	Respondents				% of total respondents (n=132)^a	% of total group (n=281)*
	Isolated and Semi-isolated	Rural	Urban	Totals		
Service Canada supports – helpful	12	29	12	53	40%	19%
Service Canada supports – not helpful	5	5	8	18	14%	6%
<p>Source: Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p.168.</p> <p>^a The percentage of total respondents reflects the number of participants who responded to that particular question because not all interview participants responded to all questions. See report for the detailed methodology.</p> <p>http://www.ahf.ca</p>						

External representatives interviewed for the evaluation agreed that applicants were generally satisfied with the service delivery, that the process was simple and that many local band councils were instrumental in facilitating outreach efforts. They also suggested the implementation of even more outreach activities, as well as the hiring of additional local staff and interpreters to further enhance the service. The same interviewees raised concerns about the lack of awareness regarding possible emotional triggers which could arise in the course of the CEP application process. As demonstrated by Service Canada's cultural awareness training, efforts were made to be sensitive to applicants' needs and preferences; however, it was not possible to foresee all circumstances or situations that might have impacted on applicants' experiences of the CEP's delivery.

⁶⁰ Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, p. 65.

Application Intake and Processing

The initial application intake significantly exceeded the planned capacity to receive and process applications. By December 31, 2007, 79.6% of the applications (83,620 claims) had been received;⁶¹ application intake started to taper off by mid-November 2007. Demand for application processing and call operators, however, continued unabated until mid-2008.

Service Canada's Processing Role

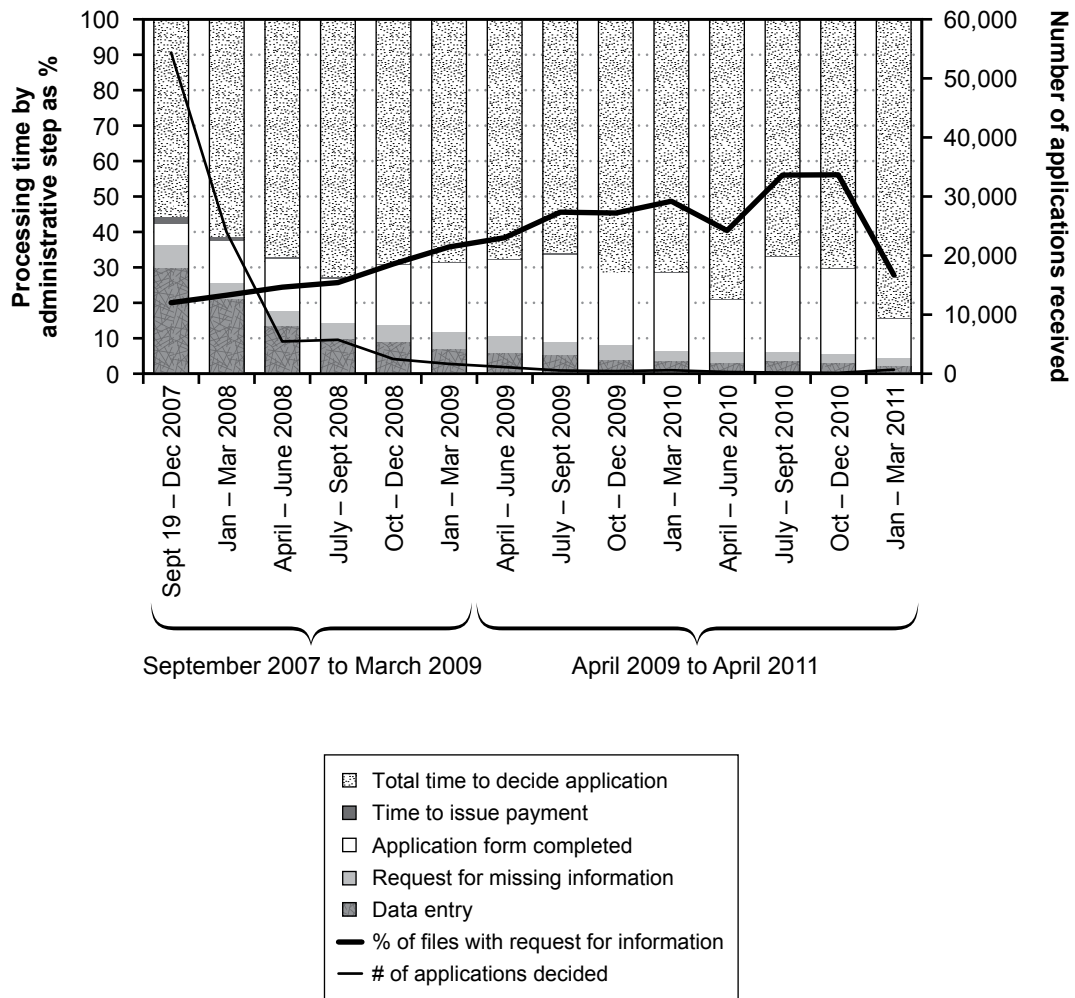
Service Canada's role in processing CEP applications focused on the following administrative steps:

- Application intake (including authenticating identification);
- Data entry;
- Request for missing information (as required);
- Verification of the application's completeness; and
- Distribution of notifications and/or cheques.

The time required to complete each step of application processing was determined by calculating the difference between the dates for the two steps. For example, the number of days to enter data was calculated as the difference between the "Application received date" and the "Data entry date." Since not all entries included an official request for information, the average time to request information was multiplied by the percentage of missing information requests for that specific quarter to avoid overstating the time required for this step. The individual steps are shown as a part of the total processing time as a percentage in Figure 3.

⁶¹ According to performance data analyzed 83,620 applications had been received by December 31, 2007. A total of 105,032 applications were received by September 2012.

Figure 3: Number of Days to Process Applications by Administrative Step



Source: Calculated from the total number of claims in the administrative performance data of 97,598. The total number of claims in the administrative data was 99,156, less the 1,558 pending claims to calculate the time to decide a claim. Applications were received between September 19, 2007 and August 2009. See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

The time required for each administrative step varied over the course of delivering the CEP. Between September 2007 and March 2009, data entry was initially a significant element due to the high application intake, combined with the use of a paper application which had to physically be sent to the processing centre before the information could be entered. In the latter period, the time to complete applications increased with the percentage of files that required a request for information. Figure 3 also clearly shows the increasing number of requests for missing information as the service delivery continued. As well, Service Canada encountered challenges in processing operations in later years of the CEP's delivery due to required updates to the IT system to meet the additional demands created by the reconsideration process.

Processing capacity

As shown in Figure 4 below, initial application intake was very high and processing capacity quickly increased in response. According to performance data analysis, about tenfold the number of applications were processed in November 2007 (28,294) compared to the previous month (2,452).⁶²

Call volumes increased from about 8,500 calls in September 2007 to almost 45,000 one month later, and that number more than doubled to over 100,000 calls in November. The single busiest day was December 10, 2007 when 6,214 calls were logged. Even in 2010 and 2011, the average number of CEP-related calls exceeded 1,300 calls per month compared to an average of 477 applications received per month according to official data.

According to client service personnel interviews, both callers and call operators were frustrated by the high call volumes, language barriers, and the requirement to reiterate the published 28/35-day service standard.⁶³ Conditions were further exacerbated by operators' inability to update applicants' status, due to data access restrictions that were designed to protect privacy. The existence of multiple CEP phone lines resulted in a lack of clarity with regards to which number to call to find specific information. This confusion also limited the evaluation's ability to assess the conduct of Service Canada call operators as comments relating to the quality of service of "operators" could not be conclusively linked to the Service Canada line. In addition, there were no administrative data on the number of dropped calls or call wait times. Interview comments from client service personnel indicated that applicants were sometimes "on hold for hours" and that some call operators were not courteous.⁶⁴

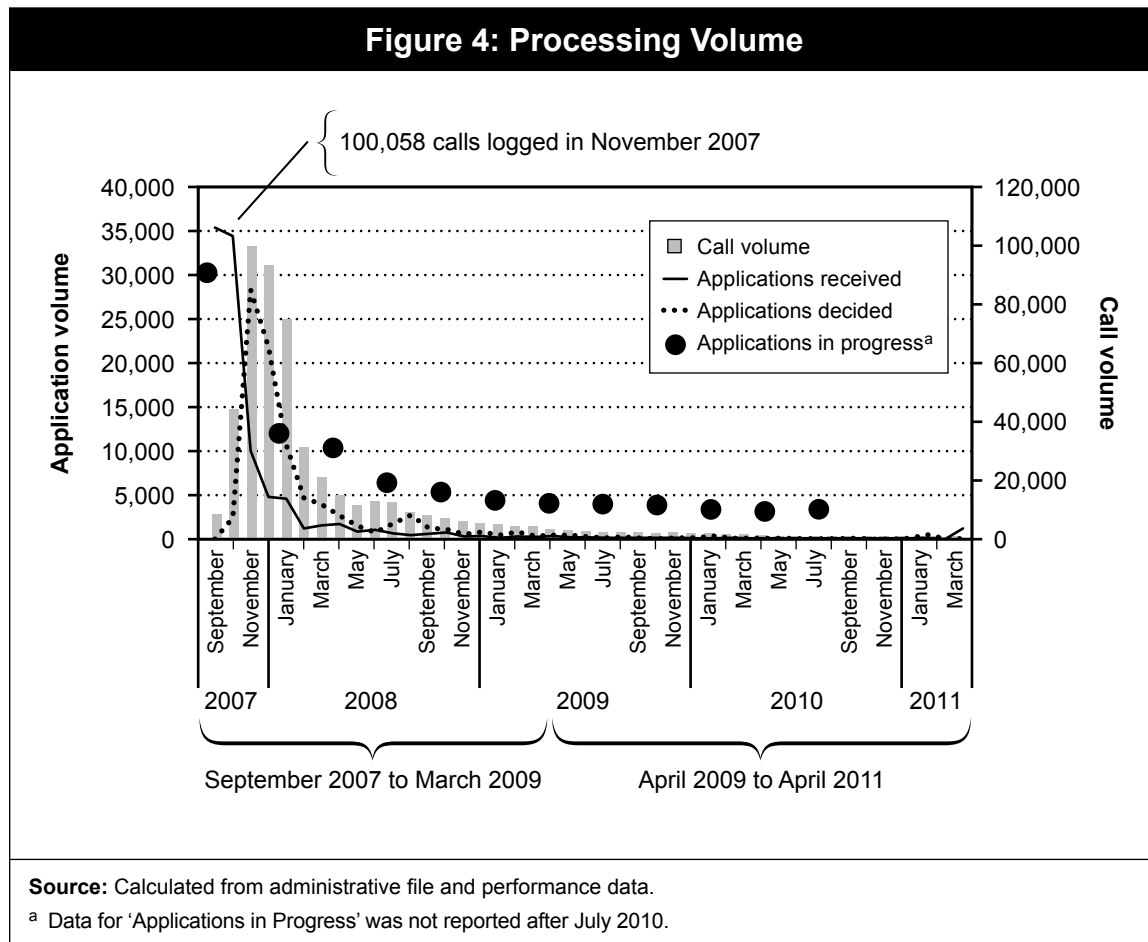
⁶² See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

⁶³ According to foundational documents, 80% of approved CEP recipients would receive their payment within 28 days. Overall, CEP payments would be made within 35 days unless in-depth documentary research was required.

⁶⁴ See *Key Informant Interview Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover). pp. 43-45.

As call wait times lengthened, call operators tried to handle calls quickly, which callers could have perceived as the operators exhibiting a lack of attention to their inquiries.⁶⁵ At times, the direct telephone number to the processing centre was shared so the caller could reach the same processing agent to facilitate continued work on the file. However, these telephone numbers were occasionally posted in band offices, which generated more calls than anticipated.

Figure 4: Processing Volume



⁶⁵ Note: Key sources for applicants' satisfaction level included: (1) Aboriginal Healing Foundation. (2010). The Indian Residential Schools Settlement Agreement's Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients, The Aboriginal Healing Foundation Research Series, Chapter 6; (2) Aboriginal Healing Foundation. (2007). Lump Sum Compensation Payments Research Project: The Circle Rechecks Itself, The Aboriginal Healing Foundation Research Series, Foreword; and (3) *Key Informant Interview Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover).

Applications in progress

Figure 4 also shows the ongoing number of applications in progress. These numbers are due to a combination of factors, including missing information, complexity of the claim, and type of claim (e.g. individual, estate or personal representative).

To find missing information, processing agents attempted to contact applicants directly before mailing an official request. However, since only the formal contact was captured in the database, the 13,477 formal requests for missing information understated the extent of this challenge. Claims that required an official, mailed request took an average of 134.2 working days to decide.⁶⁶ Combined, estate and personal representative files accounted for 10.6% (1,431) of claims with missing information, although only 3.4% of total claims. Further evidence of the level of effort involved in processing these more complex claims was included in a quarterly status report from March 2011. At that time, 1,551 letters had been sent requesting missing information, in a final attempt to complete these applications. That number was a decrease from the number of incomplete files that had been reported in the previous year (1,636).

Whether a file was deemed to be simple or complex was also not captured in the performance data. However, four quarterly status reports between October 2009 and September 2010 included this breakdown and the corresponding processing times, although they did not specify the level of effort for Service Canada and AANDC, respectively. During this period, complex claims accounted for over half (57.3%) of the claims received and had an average processing time of 254.3 days, compared to an average of 114.3 days for simple claims. Interview and administrative file evidence indicated that more complex claims were received later in the project's lifetime.

The CEP had three types of claims: individual, estate and personal representative.⁶⁷ Accounting for 96% of the claims, individual claims took on average 78.4 days to process. As indicated by interview evidence, estate claims (2.8%) and personal representative claims (0.6%) were fewer in number but more complex, and so took an average of 189.7 and 283.9 days, respectively, to process.

⁶⁶ Data covered the period between September 19, 2007 and August 30, 2009. See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) Appendix E: Table D: Only Application Missing Information for details.

⁶⁷ Individual claims were filed directly by the applicant. Estate and Personal Representative claims were filed by a third party on behalf of an applicant and represented a small percentage of the claims received at 2.8% and 0.6%, respectively.

Performance measures

Two performance indicators were used at different times to measure achievement in the delivery of the CEP. The first, adopted in foundational documents, focused on application processing time and the second, adopted in June 2009, focused on whether or not cheques had been issued within one business day of receiving the decision from AANDC.

1. Application Processing Time Standard

According to foundational documents, the CEP service standard was that payments would be made within 35 days unless in-depth documentary research was required. Moreover, 80% of approved CEP applicants would receive their payment within 28 days, and all those approved would be notified of the decision within 60 days of the entitlement determination.⁶⁸ This standard was based on experience with the Employment Insurance Program and did not integrate the many differences between the service delivery mechanisms. According to analysis of the performance data, 14.2% (10,372) of approved claims met the 28-day standard, and 28.1% (20,558) of approved claims met the 35-day standard.⁶⁹ For approved and rejected claims, 67.3% (65,635 claims) met the 60-day standard for notification.⁷⁰

Since the first external communication about processing delays occurred on November 1, 2007,⁷¹ well after the backlog had become apparent, applicants expected that the 28/35-day service standard would be met. Factors that contributed to the delays in communication included, for example, increased pressure to retain the published processing time standard.

Service Canada client service personnel interviewed for this evaluation indicated that they responded to many frustrated applicants. A National Residential School Survivors' Society report reiterated applicants' frustration about the delayed communication and indicated applicants' clear preference to be kept informed about issues.⁷² For Service Canada, communicating these delays was further complicated by the fact that external communications was the primary responsibility of an external firm.⁷³

⁶⁸ The processing time was calculated from the date the CEP application was received by Service Canada to the date that the decision on payment was forwarded to Public Works and Government Services Canada.

⁶⁹ See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

⁷⁰ See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

⁷¹ Crawford Services. (2007). Information Advisory. <http://www.classactionsservices.ca>

⁷² National Residential School Survivors' Society. (2007). A Preliminary Report Regarding The Implementation of the Indian Residential Schools Settlement Agreement, November 28. P.9.

⁷³ See Annex O: Settlement Agreement Communication Strategy in the Indian Residential School Settlement Agreement.

2. Speed of Authorizing Payments

In June 2009, Service Canada adopted a new performance measure: the percentage of CEP payments issued within one business day of receiving the claim decision. The initial target of 100% success was changed to 95% in July 2009. With only 6,853 claims received between June 2009 and August 2012, the target was exceeded, with 97.9% of payments issued within one business day.⁷⁴ In comparison, 70,519 applications were received between September 19, 2007 and October 31, 2007, and 88.5% of CEP payments were issued in one business day.

Service standards for other Government of Canada programs

According to published statistics, Canada Pension Plan (85%) and Old Age Security (90%) continued to meet their service standards during the CEP service delivery.⁷⁵ Employment Insurance (80%) met its target 79.1% of the time in 2008. While interview and administrative file evidence indicated that Service Canada clients for non-CEP services faced longer lines, no supporting administrative data were found.⁷⁶

2.3.4 Did the CEP training improve the service delivery?

The CEP training contributed to improving service delivery by increasing client service personnel's overall knowledge of Indian residential schools, which many training participants credited with improving their understanding and attitude towards delivering the CEP. Technical training was also considered to be important to ensure that processing agents were equipped with the necessary skills to perform this work.

In-person and outreach workers required different skill sets than those processing applications. Sometimes the two groups were trained separately, while at other times, training took place collectively. This inconsistency resulted in diverse and often contradictory feedback on the training material and its quality. It was suggested that separate class times be implemented to more effectively target the different needs of each group, and also that assigned reading material be more easily accessible. In addition, some training needs were unanticipated, such as the direct contact processing personnel would have with clients to obtain missing information.

A CEP process audit concluded that the Service Canada "staff were well trained, meaningfully engaged in the execution of their duties, and systems were well documented according to the terms of the Settlement Agreement."⁷⁷ One manager who was interviewed

⁷⁴ See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details. Note: Data for the last month the CEP accepted applications (September 2012) was not available.

⁷⁵ Performance status was compiled from data reported in Departmental Performance Reports between fiscal year 2007–2008 and 2010–2011.

⁷⁶ See *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details.

⁷⁷ Crawford Class Action Services. (2008). Audit Report #1 — Indian Residential Schools Court Monitor Independent Audit of CEP Payments — Service Canada and AANDC.

for this evaluation echoed a commonly expressed sentiment that they were “very proud of the excellent job [done by] Service Canada staff [in] delivering CEP in a respectful and effective manner.”⁷⁸

Cultural awareness training

Cultural awareness training was mandatory immediately before and after the CEP launch to ensure that everyone had a minimum knowledge of the Indian residential school history and its impacts. About half (13 of 25) of the interview comments concurred with survey responses that this training improved the service delivery by enhancing understanding, skills and attitudes towards delivery of the CEP. Some regions tailored the cultural awareness training to reflect a greater understanding of local Aboriginal communities, so descriptions of the same or similar training varied (e.g. with or without Elders present), as did the duration of training for similar positions (varying from one to five days). Training sessions that included local Elders and cultural ceremonies such as Aboriginal opening prayers were appreciated most.⁷⁹ Though largely in-class, some cultural awareness training was delivered online for increased flexibility.

2.3.5 Ability to interact effectively with applicants

The cultural awareness training included a module on how to interact effectively with clients. However, evaluation interview comments corroborated a specific complaint cited in the 2010 Aboriginal Healing Foundation report that described the CEP toll-free lines as “intimidating” and “exasperating”.⁸⁰ Since multiple CEP telephone lines were offered by other organizations, specific comments about CEP telephone lines could not necessarily be attributed to Service Canada. Client service personnel also specified that training did not cover how to respond to frustrated callers with regards to delays, the need for callers to verify their identity,⁸¹ or with regards to the fact that their application status could not be updated to protect applicants’ personal information.

⁷⁸ See *Key Informant Interview Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* p. 30

⁷⁹ Note: The arrangements for each training session varied so some included Elders and cultural ceremonies (e.g. Aboriginal music and circle) while others did not.

⁸⁰ Aboriginal Healing Foundation. (2010). *The Indian Residential Schools Settlement Agreement’s Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients*. P.63.

⁸¹ In conjunction with extended time waiting to talk to a call operator, callers perceived that the need to prove their identity on the phone was perceived to be a continuation of the negative Indian residential schools experience; call operators seemed poorly equipped to explain why it was necessary. Reimer, G., Bombay, A., Ellsworth, L., Fryer, S., Logan, T. (2010). *The Indian Residential Schools Settlement Agreement’s Common Experience Payment and Healing: A Qualitative Study Exploring Impacts on Recipients*, The Aboriginal Healing Foundation Research Series. p.xiv.

Technical training

Some of the CEP processing agents had experience processing other Service Canada applications (e.g. Employment Insurance, Canada Pension Plan, etc.) so they only received CEP-specific training. This reduced the required technical training.

The technical training was primarily completed online, although some sessions were held in a classroom setting. The technical training sessions faced some early challenges because the IT system and the application form were still being developed, and the translation into French was described as “awkward.” Initial training sessions⁸² therefore had no application form to use, and as the service delivery parameters were modified, version control issues arose. As a result, the exam’s initial pass rate was only 6% because the training material did not match the online exam responses. The exam was adjusted and the success rate improved to 68% the day prior to the CEP launch.⁸³ Regular information updates were issued to client service personnel to clarify the procedures for receiving and processing applications but it remained difficult to ensure that information was kept constantly up to date.

2.4 Core Issue #5: Efficiency and Economy

This section focuses on the fifth Core Issue, that being the demonstration of efficiency and economy.

2.4.1 *Were adequate resources allocated to delivery?*

Examination of the total variance analysis reveals that the administrative cost resources allocated to deliver the CEP appeared adequate, although there was little flexibility to adjust the funding allocations to meet revised operational timelines and unanticipated levels of demand. Table 5 shows the variance analysis for salary and non-salary costs for fiscal years 2006-2007 to 2010-2011. Lapses are shown as positive values while shortages are shown as negatives in parentheses.

⁸² The application was approved September 6, 2007 and training started in August 2007.

⁸³ See *Training Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) Figure 3 for details.

Table 5: CEP Budget Variance Analysis 2006–2007 to 2010–2011							
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	Total	
	Develop service	97,792 applications received		3,484 applications received		2006-2011	2007-2011
Salary ^a	77.6%	13.8%	(136.6%)	28.8%	(3.7%)	15.5%	(1.0%)
Non-Salary	83.8%	50.5%	(42.7%)	42.0%	18.2%	46.4%	41.4%
Total	79.8%	34.9%	(94.6%)	33.1%^b	4.8%	30.9%	21.3%
<p>Source: Expenditures for 2006-2007 to 2010-2011 were determined using a combination of extraction from the Corporate Management System using relevant project codes and models.</p> <p>Notes: Shortages in funds are shown as negatives in parentheses. Lapses are shown as positive values. Each variance (Salary, Non-salary, and Total) was calculated as follows: $([\text{Budget} - \text{Expenditure}]/\text{Budget}) * 100$.</p> <p>^a Salary cost included Employee Benefit Plan (EBP) expenditures calculated at 15.71% in 2006–2007, 16.72% in 2007–2008, 15.49% in 2008–2009, 17.45% in 2009–2010 and 16.84% in 2010–2011. Funding for EBP is calculated at a standard rate of 20%.</p> <p>^b The 33.1% lapse for 2009–2010 included incremental funding that increased the original funding planned for this fiscal year (\$1,282,000) by 45.1% (\$1,471,000) for a total of (\$2,753,000). See <i>Administrative Cost and Performance Data Technical Report</i> in support of the <i>Evaluation of the Delivery of the Common Experience Payment</i> (under separate cover) for details.</p>							

Funding for the 2006-2007 fiscal year was uncertain since the CEP final court approval did not occur until March 21, 2007. As a result, there was a \$6.8 million (79.8%) lapse in 2006-2007. According to official documents, AANDC was to have transferred \$8.6 million in 2006-2007 to cover Service Canada's systems development, service delivery coordination, communications, staffing/staff training and call centre preparation. However, while administrative files showed that Service Canada continued to request the transfer, no evidence confirming receipt was found.

Since final approval did not occur until March 2007, the originally scheduled launch date of June 2007 was postponed to September 2007. However, the planned funding was not adjusted accordingly, which resulted in a budget lapse of about one-third (34.9%). This \$11.4 million lapse would have more than covered the \$3.8 million shortfall in 2008-2009 had Service Canada been allowed to roll over the funds.⁸⁴ The variance for this year was re-estimated using the original June launch date, combined with the actual expenditures per month (\$3.3 million), resulting in an 8% lapse. However, upon closer examination, had the CEP launched in June, the salary budget would have been about \$3 million short.⁸⁵

Between 2007-2008 and 2010-2011 when Service Canada received direct funding for the CEP, there was an overall shortage of 1% for salary costs, even though only two of four years registered shortages in funding. By comparison, the non-salary budget lapsed 41.4% in the

⁸⁴ See the *Administrative Cost and Performance Data Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details

⁸⁵ The budgeted salary amount for 2007-2008 was \$13,976,000. Using on the actual percentage spent on salary (56%) and the revised expenditure amount (\$30,231,000), the revised salary cost was estimated at \$17,015,000. The difference between \$17,015,000 and \$13,976,000 is \$3,039,000.

same period. As a result, the balance between salary and non-salary funding did not reflect operational requirements. Overall, for a new initiative it can be concluded that the project was roughly on budget during the years 2007-2008 to 2010-2011. Although variances have been noted above, the order of magnitude is reasonable. It is recognized that the current year's (2012-2013) activity of maintaining the 1,500 outstanding claims is unfunded.

2.4.2 Was the CEP service delivery efficient in terms of costs?

The efficiency of the CEP service delivery was analyzed in relation to its administrative costs.

Administrative costs

Administrative costs were analyzed based on three specific measures: the estimated administrative cost per application; the benefits paid per dollar of administrative cost; and the administrative cost per \$100 of benefits paid. The administrative costs analyzed only considered Service Canada's role in processing CEP applications; AANDC's costs associated with deciding claimants' eligibility were not considered in this evaluation.

Subject to data availability, comparisons were made to the following programs:⁸⁶

- **Alternate Dispute Resolution:** A voluntary and confidential process to resolve validated physical and sexual abuse claims, including wrongful confinement claims, outside of the litigation process;
- **Irish Residential Institutions Redress:** Compensation for individuals who had resided in state residential institutions as children and may have been abused; and
- **Hepatitis C: Pre-1986/Post-1990 Settlement:** Compensation for those who had been infected by tainted blood before 1986 or after 1990 when the tests to detect Hepatitis C in blood were available in Canada, but not used by the Red Cross.

Each of the cases assessed had different delivery structures corresponding to needs of their specific target populations. For example, Service Canada partnered with another government department to deliver the CEP, whereas single organizations delivered the Irish Redress and the Hepatitis C. Due to these differences, no direct comparisons could be made to the CEP, though some indirect comparisons were possible.

2.4.3 Estimated administrative cost per application

The estimated administrative cost per application was calculated using only the applications that had been processed to minimize the risk of double counting. The pre-launch budget (\$1.7 million) was added to the costs for 2007-2008 to fully account for the CEP administrative costs. The level of effort to process claims varied substantially which therefore impacted the actual cost of any one claim. Another point of comparison to other

⁸⁶ See the *Case Studies of Redress and Compensation Settlements Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details on the Irish Redress and the Hepatitis Settlement.

programs was provided by using the average administrative cost per claim. In addition to the change in the volume of claims, Service Canada maintained service delivery and upgraded its IT system, which also put upward pressure on per unit costs.

Table 6 shows the budget, number of applications processed and the estimated administrative cost per application for the CEP, Irish Residential Institutions Redress Settlement and the Hepatitis C: Pre-1986/Post-1990 Settlement.⁸⁷

Table 6: Administrative Cost per Application			
	Actual Administrative Expenditures	Number of Applications Processed ^a	Administrative Cost per Application
Common Experience Payment			
September 19, 2007 to March 2008	\$23,129,110	78,186	\$296
2008-2009	\$7,828,260	25,572	\$306
2009-2010	\$3,292,524	16,498	\$200
2010-2011	\$2,154,132	4,319	\$499
Total	\$36,404,025	124,575	\$292
Irish Residential Institutions Redress Settlement ^b			
Total (2003 to 2010)	\$86,527,622	14,388	\$6,014
Hepatitis C: Pre-1986/Post-1990 Settlement ^c			
Only administrative costs	\$20,000,000	17,235	\$1,160
Administrative, legal costs and taxes	\$57,790,000		\$3,353
Sources CEP: Calculated from administrative file and financial data. Irish Redress: Data compiled from Irish Residential Institutions Redress Annual Reports 2003 to 2010. http://www.rirb.ie Hepatitis C: Health Canada. (2007). Key Characteristics of the pre-1986/post-1990 Hepatitis C Final Settlement Agreement. Only budgeted costs were available. http://www.hc-sc.gc.ca . Pre-1986/Post-1990 Hepatitis C Settlement Agreement, Update # 61 — July 3, 2012. http://pre86post90settlement.ca . Notes: Calculations may differ due to rounding.			
^a The CEP Applications processed included: Applications Approved, Rejected Applications and Reconsiderations Processed. As a result, some applications were processed twice so the number of applications processed exceeds the total number of applications received. Applications that were still in progress were excluded to avoid counting them twice.			
^b The Irish Redress and Hepatitis C included full responsibility for receiving application, authenticating identity determining eligibility and processing payments.			

⁸⁷ See *Case Studies of Redress and Compensation Settlements Technical Report* in support of the *Evaluation of the Delivery of the Common Experience Payment* (under separate cover) for details regarding the Irish Redress and the Hepatitis C cases.

In excess of two-and-a-half times more CEP applications were processed in the six months between September 2007 and March 2008, than all applications received between April 2008 and March 2011. As processing continued, the corresponding estimated administrative cost per application fell, except in 2010–2011 when the cost increased from \$200 in the previous year to \$499, due to fewer files being processed, increased file complexity and the need to upgrade IT infrastructure to accommodate the demands of the reconsideration process.

The Irish Redress and the Hepatitis C settlement both included the administrative cost of determining the eligibility for payment whereas the Service Canada's partner, AANDC, assumed these costs to deliver the CEP. Due to this difference, the average estimated administrative cost per application for the CEP (\$292) was much smaller than the average administrative costs reported for the Irish Redress (\$6,014) or the Hepatitis C (\$1,160, administrative costs only, or \$3,353 including legal costs and taxes).

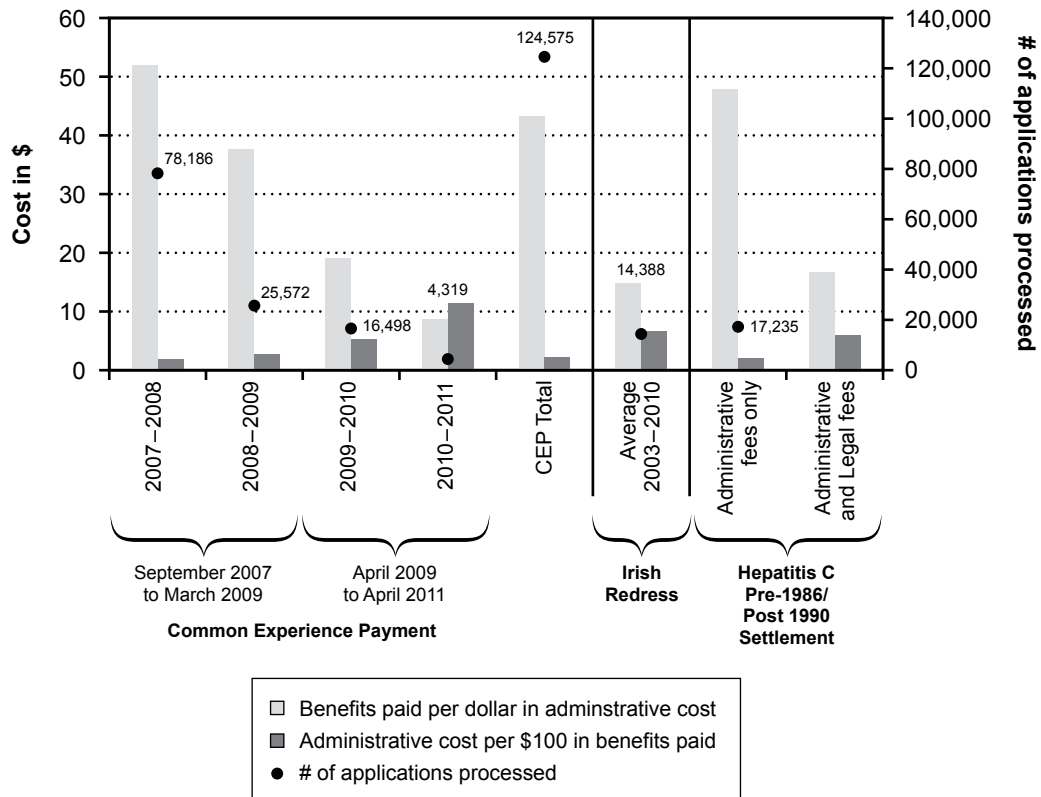
Ratio analyses and service delivery comparisons

The benefits paid per dollar of administrative costs and the administrative cost per \$100 of benefits paid were calculated to provide common points of comparison. The CEP administrative costs were compared to the Irish Residential Institutions Redress and the Pre-1986/Post-1990 Hepatitis C Settlement. Qualitatively, the administrative costs of the Alternate Dispute Resolution were reported to have been four times higher than the settlement benefits paid.⁸⁸

As shown in Figure 5, the benefits paid per dollar of administrative costs steadily dropped with the volume of claims, until 2010 when it increased with the administrative cost per \$100 in benefits paid.

⁸⁸ Hagen, Greg. (2005). Commentary: on ADR for residential schools claims.
<http://www.lawyersweekly.ca>

Figure 5: Comparison of Administrative Costs to Benefits



Sources

CEP: Quarterly status reports for September 19, 2007 to September 30, 2011.

Irish Redress: Compiled from Annual Reports from 2003 to 2010. <http://www.rirb.ie>. Currency converted using the corresponding annual average and rates found at: <http://www.bankofcanada.ca>

Pre-1986/Post-1990 Hepatitis C Settlement: Health Canada. (2007). Characteristics of the pre-1986/post-1990 Hepatitis C Final Settlement Agreement. <http://www.hc-sc.gc.ca>

Between 2007–2008 and 2010–2011, the CEP paid an average of \$43.37 in benefits per dollar in administrative costs, and \$2.31 in administrative costs per \$100 in benefits. In 2010–2011, the administrative cost-benefit ratio exceeded the administrative cost per \$100 benefits paid, which reflected the rising administrative costs to maintain services for a low level of demand and make required IT upgrades.

Since the Irish Redress and the Hepatitis C cases both assumed the costs for deciding claims as well, the benefits paid per dollar of administrative costs for the Irish Redress (\$14.81) and the Hepatitis C settlement (\$16.65 including legal fees) were lower than the CEP. Conversely, the administrative costs per \$100 of benefits paid were both about triple, at \$6.75 and \$6.01 (legal fees included), respectively.

Each of the cases that were examined responded to the needs of their specific target population and adopted delivery structures that corresponded to them. Due to these differences, no direct comparisons could be made, although, based on the ratio analysis, Service Canada had lower administrative costs.

3. Conclusions

This evaluation found that the delivery of the Common Experience Payment achieved its goals; however, challenges were experienced. For example, the shared responsibility between Service Canada and AANDC required interdepartmental collaboration on an operational level, including data-sharing with IT systems that were not initially interoperable. Service Canada, as the delivery agent, responded to requirements and timelines as stipulated by the Settlement Agreement. While Service Canada had experience serving diverse populations, former residential school students represented a complex population in that they were, for example, geographically dispersed, had variable rural-urban needs, and language preferences.

Early preparation to deliver the CEP started in 2005 and included consultations, planning, training, communications, and IT support. It also included key service delivery components such as providing information in various Aboriginal languages, and ensuring the availability of Aboriginal interpreters. After the launch, evidence identified two important temporal markers: early implementation (2007-2009) and later implementation (2009-2011). Corresponding to these periods were variable demands on front-line and processing staff. In the early period, there was a dual emphasis on application intake via in-person and at mobile outreach sessions, in conjunction with intensive processing in response to the initial high uptake. Notably, administrative data for the period 2007-2011 reveal that application volume decreased after March 2009; however, demands on processing did not decline proportionately as the complexity of applications increased.

Achievement of Outcomes

One of the most significant factors in delivering the CEP was the unpredicted initial high intake application volume. The service was launched on September 19, 2007, and 38,475 applications were received in the first fourteen days, including weekends. Since this exceeded the highest forecasted volumes, contingency plans were implemented to increase operational capacity.

Service Canada responded to the high application intake volumes by quickly increasing processing and call centre capacity. High call volumes quickly followed the high application intake, going from 44,493 in October 2007 to 100,058 the following month. These levels were slow to decline. In response to this demand, Service Canada increased processing capacity over tenfold between October and November 2007. Missing information and the complexity of claims contributed to delayed processing times. To obtain missing information, Service Canada contacted applicants directly, often more than once, before mailing a formal request. A total of 13,477 claims required a formal request for information, and had an average processing time of 134.2 days. In comparison, the average processing time for all applications was 74.8 days.

An equally critical aspect of delivering the CEP was authenticating identity. According to administrative file data, Service Canada client service personnel assisted applicants in obtaining the required documentation. Authenticating identity was particularly complicated for applicants who had been formally and/or informally known by more than one name (e.g., names changed at residential schools, upon marriage, or adoption). To assist these applicants, a guarantor process was developed. Previous studies of accessing government services and benefits in various national contexts found that identity authentication can pose difficulties for some, especially women (Herd et. al., 2005; Lipsky, 1984; Wilson, 2009). While targeted strategies were developed to assist applicants (e.g. living abroad, homeless, or incarcerated) with identity requirements, this was not the case for women. A gender-based analysis of this situation could have led to a comparable strategy for women. These intricacies reflect the labour intensity required at the processing stage in order to advance files.

Efficiency and Economy

With regards to efficiency and economy in the delivery of the CEP, resource allocation in total funds appeared to be sufficient. At the same time, significant uncertainties and changes in the CEP design and delivery presented particular complexities. However, due to the uncertainty of whether the CEP would be approved, supporting funds were not received, resulting in an 80% lapse in 2006-2007. Also, in 2009-2010 when incremental funding was received near the end of the fiscal year, there was insufficient time to spend the funds, and a lapse in funding occurred. In terms of timing, the month of the launch changed from June to September 2007; however, the budget allocations for 2007-2008 and 2008-2009 were not adjusted accordingly and resulted in a 34% lapse followed by a 95% shortfall. The requirement to spend funds in the fiscal year for which they are allocated is consistent with the *Financial Administration Act*; however, the gap between the period for which funds were allocated and the actual delivery of the CEP meant that these two elements were not always easy to reconcile.

While recognizing the importance of context, evaluation studies frequently examine the administrative costs of one initiative in relation to similar ones to compare costs. Drawing on publicly available information, the evaluation examined three cases: the Alternate Dispute Resolution,⁸⁹ the Irish Residential Institutions Redress, and the Hepatitis C: Pre-1986/Post-1990 Settlement. Acknowledging that these programs varied in their service delivery requirements and complexity, a range of costs were analyzed using an average administrative cost per claim and a ratio of administrative cost to benefit method.

Service Canada's average administrative cost per application to deliver the CEP (\$292) was much less than the Irish Residential Institutions Redress (\$6,014) and the Hepatitis C Settlement (\$1,160, administrative costs only, or \$3,353 including legal costs and taxes) because unlike those comparators, it did not include the cost of determining eligibility and redress amount.

⁸⁹ The Alternate Dispute Resolution process was used for claims made under the National Resolution Framework, which preceded the Indian Residential School Settlement Agreement.

Service Canada delivered the CEP in partnership with Aboriginal Affairs and Northern Development Canada, which was responsible for determining eligibility and compensation amounts along with the associated costs. In contrast, administrative costs for both the Irish Redress and Hepatitis C Settlement included full costing analyses. For every dollar spent on administering the delivery of the CEP, an average of \$43.37 was paid in benefits between 2007 and 2011. This figure was highest at the beginning of the initiative (\$56.17 in 2007) and lowest at the end (\$8.73 in 2011). In comparison, the Hepatitis C Settlement had ratio of \$48.00 in budgeted administrative costs for every dollar of compensation paid.

Lessons Learned and Best Practices

Planning efforts took into account a number of factors such as projected volumes, regional differences, and anticipated human and financial resources. The unexpectedly initial high volume of applications revealed the need for strong contingency plans, including associated resources.

Due to a number of complexities in the implementation of the CEP, there were significant challenges over the duration of the CEP. More specifically, it was clear that the outcomes from one phase had a direct influence on subsequent phases. For example, the delay in the launch resulted in lapsed funds; at present, the capacity and flexibility to adjust funding during the fiscal year is not readily available.

Delivering the CEP with the needs of the target population in mind can be considered a best practice. The particular needs of the population were key in the design and delivery of the CEP (i.e., recognition of the need for a more culturally aware, interpersonal approach).

In serving this complex population, outreach and specialized strategies were developed to address unforeseen issues. For example, outreach brought the application intake and support services directly to the communities served, and the guarantor process was implemented to assist in authenticating applicants' identity, allowing their files to move on to the next stage of processing.

Appendix 1: Summary of Interviews Conducted

Title	Number of interview participants	Number of Interview Session Completed
Group 1		
Service Canada NHQ and Regional Coordinators	22	22
Group 2		
Service Canada Client Service Personnel		
Call Center Operators	4	29
Processing Agents	5	
In-person Agents	8	
Outreach Personnel	12	
Group 3		
Other Government of Canada Departments	4	3
External stakeholders	5	3
Total Interviews Conducted	60	57

Appendix 2: Key Reference Documents

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