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

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Chapter 2
Selecting Foreign Workers Under
the Immigration Program



Office of the Auditor General of Canada

The Fall 2009 Report of the Auditor General of Canada comprises Matters of Special Importance—2009, Main Points—Chapters 1 to 8, Appendices, and eight chapters. The main table of contents for the Report is found at the end of this publication.

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For copies of the Report or other Office of the Auditor General publications, contact

Office of the Auditor General of Canada
240 Sparks Street, Stop 10-1
Ottawa, Ontario
K1A 0G6

Telephone: 613-952-0213, ext. 5000, or 1-888-761-5953

Fax: 613-943-5485

Hearing impaired only TTY: 613-954-8042

Email: distribution@oag-bvg.gc.ca

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Chapter

2

Selecting Foreign Workers Under
the Immigration Program

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Selecting Foreign Workers Under the Immigration Program

Main Points

What we examined

In Canada, the federal government and the provinces and territories share jurisdiction over immigration. Citizenship and Immigration Canada (CIC) is generally responsible for the selection of immigrants and other foreign nationals and for ensuring that they are admissible—that is, that they do not present any risk to the health and safety of Canadians. The Department has also signed agreements with most provinces and territories allowing them to play an active role in selecting immigrants to meet the specific needs of their labour markets.

In 2008, Canada admitted about 250,000 people as permanent residents, including about 150,000 individuals and their immediate family members selected on the basis of attributes that would enable them to succeed in a dynamic labour market, such as education, professional experience, and official language ability. In addition, Canada allowed almost 370,000 temporary foreign workers in 2008 to fill a short-term need for labour.

We examined how CIC plans for and manages programs designed to facilitate the entry of permanent and temporary workers into Canada and the recognition of foreign credentials in Canada. In addition, we looked at the role of Human Resources and Skills Development Canada (HRSDC) in supporting the planning and delivery of these programs, including the issuance of labour market opinions by its Service Canada offices. The audit covered the period from June 2002, when the *Immigration and Refugee Protection Act* came into effect, to 30 June 2009.

Our audit did not cover how CIC assesses whether applicants are admissible to Canada or how the provinces and territories nominate candidates for selection. Nor did we examine the Canada Border Services Agency's processing of work permit applications at points of entry into Canada.

Why it's important

Immigration has played an important role in the economic, social, and cultural development of Canada throughout our history. Its role is just as important today, given our aging population and labour force.

Canada has an ongoing need for permanent workers with various skills and must compete with other countries to attract them. In addition, Canada has a need for various types of temporary workers to address short-term needs of the labour market, which vary from year to year and from region to region of the country.

It is critical that the government's programs to facilitate the entry of permanent and temporary workers be designed and delivered in a way to ensure that the right people are available at the right time to meet the needs of the Canadian labour market. The choices that are made now will affect the kind of society Canada has in the future.

What we found

- Although CIC followed a sound decision-making process in 2008 to design the Canadian Experience Class (a category of skilled foreign workers and students with Canadian work experience), the Department has made other key decisions without properly assessing their costs and benefits, risks, and potential impacts on other programs and delivery mechanisms. Program changes in recent years have resulted in a significant shift in the types of workers being admitted permanently to Canada under the immigration program's economic component. We saw little evidence that this shift is part of any well-defined strategy to best meet the needs of the Canadian labour market.
- The inventory of applications in the Federal Skilled Worker category has almost doubled since our 2000 audit and, in December 2008, represented more than 620,000 people waiting an average of 63 months for a decision on whether they would be admitted. Measures taken by CIC in 2008 to limit the number of new applications—for example, processing only those that meet new, more narrowly defined criteria—were not based on sufficient analysis of their potential effects. While it is too early to assess their full impact, trends in the number of applications received since the beginning of 2009 indicate that they might not have the desired effect, and CIC could be unable to process new applications within the 6 to 12 months it has forecast. Furthermore, CIC does not know and has not defined how much time it should take to clear the inventory of applications on hand when the measures were introduced.
- CIC and HRSDC have not clearly defined their respective roles and responsibilities in assessing the genuineness of job offers and how that assessment is to be carried out. As a result, work permits could be issued to temporary foreign workers for employers or jobs that do not exist. In addition, there is no systematic follow-up by either

department to verify that in their previous and current employment of temporary foreign workers, employers have complied with the terms and conditions (such as wages and accommodations) under which the work permits were issued. This creates risks to program integrity and could leave many foreign workers in a vulnerable position, particularly those who are physically or linguistically isolated from the general community or are unaware of their rights. Furthermore, weaknesses in the practices for issuing labour market opinions raise questions about the quality and consistency of decisions being made by HRSDC officers.

- CIC has successfully introduced a number of initiatives and tools to address some of the inefficiencies we reported in 2000 in its processing of applications in missions overseas. However, efficiency gains will be seriously limited until an information technology system that has been under development for almost 10 years is implemented in missions abroad and CIC makes effective use of available technologies. In the meantime, employees in missions abroad are still buried in paperwork and spending a great deal of their time on clerical tasks. In addition, while the Department has developed a quality assurance framework that is available to all missions, immigration program managers are not required to use it or to report on quality assurance. Therefore, CIC still has little assurance that overall, decisions by visa officers are fair and consistent.

The entities have responded. The entities agree with all of the recommendations. Their responses follow each recommendation throughout the chapter.

Introduction

Overview of the Canadian immigration program

2.1 Immigration plays an important role in the economic, social, and cultural development of Canada. According to Statistics Canada, immigration accounted for two thirds of Canada's population growth in 2006. At the same time, the existing population is aging and the working population, a diminishing proportion of the total, could become too small to respond to the economic and labour market needs of the country. The federal government has determined that immigration is part of the solution, both now and in the future. However, in attracting economic immigrants, Canada must compete with many industrialized countries facing similar circumstances.

2.2 Meeting these challenges requires legislation, regulations, and programs that can attract foreign workers to fill Canada's needs without compromising the health and safety of its citizens.

2.3 Mandate and authority. The *Immigration and Refugee Protection Act* (IRPA) that now governs immigration in Canada came into effect on 28 June 2002, replacing the *Immigration Act* of 1976. Among other objectives, the IRPA is intended to

- support the development of a strong and prosperous Canadian economy, in which the benefits of immigration are shared across all regions of Canada;
- support, by means of consistent standards and prompt processing, the attainment of immigration goals established by the Government of Canada in consultation with the provinces and territories;
- facilitate the entry of visitors, students, and temporary workers for purposes such as trade, commerce, tourism, international understanding and cultural, educational, and scientific activities; and
- work in cooperation with the provinces and territories to secure better recognition of the foreign credentials of permanent residents and their more rapid integration into society.

2.4 Citizenship and Immigration Canada (CIC) is a key player in the application of the IRPA. Under specific immigration programs, the Department

- develops Canada's policy on selection of applicants for permanent and temporary residency,

- sets the conditions under which they may enter and remain in Canada,
- screens applicants to determine whether they present any risk to Canadians,
- processes applications from foreign nationals for either permanent or temporary residency, and
- assists with settling them in Canada and integrating them into society.

2.5 Human Resources and Skills Development Canada (HRSDC) is responsible for the design, management, and delivery of those elements of temporary foreign worker programming that fall under its Minister's responsibility, including the issuance of labour market opinions to employers and to CIC. It delivers services through its Service Canada offices in all regions of Canada. HRSDC is also involved in the federal efforts to facilitate the recognition of foreign credentials.

2.6 A number of other federal entities, including the Canada Border Services Agency (CBSA), are also involved in the delivery of the immigration program.

2.7 Under the *Constitution Act*, immigration falls under the leadership of the federal government but responsibility is shared with the provinces and territories. Successful management of the immigration program therefore requires effective collaboration between the federal and the provincial and territorial governments. Under the IRPA, the Minister of Citizenship, Immigration and Multiculturalism has the authority to sign immigration agreements with the provinces and territories.

2.8 The Canada-Quebec Accord, signed in 1991, grants Quebec the authority to set its own target levels for immigration each year and to select the immigrants who will go to the province. CIC also has agreements in place with most other provinces and territories for a provincial nominee program; these agreements give the province or territory the authority to pre-select and nominate individuals who fill a specific need in its labour market. However, CIC remains responsible for the final selection decision.

2.9 In the 2008–09 fiscal year, CIC had an annual budget of \$1.32 billion, of which \$434.7 million was for operating expenditures; funding for grants and contributions accounted for the balance. The Department had about 3,600 employees (full-time equivalents), including about 260 posted overseas. Immigration services abroad are provided through 89 offices in Canadian **missions** where, in addition to

Mission—An office of the Government of Canada outside Canada. This includes an embassy or high commission, consulate general, and consulate.

Canadian employees, more than 1,260 locally engaged staff work. In 2008, about 247,000 immigration visas, as well as 1,261,000 temporary resident visas, and work and study permits were issued.

2.10 Planning of immigration levels. The *Immigration and Refugee Protection Act* (IRPA) requires the Minister of Citizenship, Immigration and Multiculturalism to table a report on immigration in Parliament before 1 November each year. This annual report gives the number of newcomers who were admitted to Canada during the previous year and announces Canada's immigration plan and target levels for the following calendar year. These levels are set for permanent residents only. There is no limit established for temporary residents.

2.11 The Department plans immigration levels in consultation with the provinces and territories, certain federal departments, and national and local organizations with a particular interest in immigration. The Department also considers factors such as Canada's capacity to absorb new immigrants, trends in international migration, and its own capacity to process immigrants' applications. Based on its analysis of the information it has gathered, the Department recommends to the Minister the immigration levels to be set. The annual immigration levels are then approved by the government before they are announced in Parliament.

2.12 Annual target levels have remained essentially the same in recent years—from a minimum of 220,000 in 2004 to a minimum of 240,000 in 2009, broken down into various classes (Exhibit 2.1). The targeted number of immigrants to be admitted includes both the principal applicants and their dependants.

2.13 Selection of foreign workers. Foreign workers can come to Canada under four categories of the Economic class to become permanent residents (Exhibit 2.2). As permanent residents, they are authorized to live and work in Canada as long as they retain their status.

2.14 Foreign workers can also come to Canada to work on a temporary basis. Temporary foreign workers have access to four streams (Exhibit 2.3):

- Skilled workers,
- Occupations requiring lower levels of formal training (pilot project),
- Live-in caregivers, and
- Seasonal agricultural workers.

These foreign workers must obtain a work permit, unless exempted under the IRPA. Usually, a work permit is valid only for a specified job and length of time. In 2008, almost 370,000 work permits were issued.

Exhibit 2.1 Annual target immigration levels have changed little since 2004 (thousands)

Class	2004	2005	2006	2007	2008	2009
Economic	132.0–148.0	132.5–148.0	126.0–143.0	141.0–158.0	139.0–154.0	140.3–156.6
Family	52.5–55.5	51.5–56.8	61.0–65.0	67.0–69.0	68.0–71.0	68.0–71.0
Protected persons	29.4–32.8	30.8–33.8	32.8–40.3	25.9–30.8	26.0–31.8	23.6–27.2
Others	6.1–8.7	5.2–6.4	5.2–6.7	6.1–7.2	7.0–8.2	8.1–10.2
Total	220.0–245.0	220.0–245.0	225.0–255.0	240.0–265.0	240.0–265.0	240.0–265.0

Economic class—Persons selected as permanent residents for their skills and ability to contribute to Canada's economy.

Family class—Close relatives of a Canadian citizen or permanent resident who may be sponsored to immigrate to Canada. Relatives are primarily spouses, partners, dependent children, parents and grandparents, but other family members may be eligible in certain circumstances.

Protected persons—Persons abroad or in Canada who have been determined to be Convention refugees (United Nations Convention Relating to the Status of Refugees and Protocol to the Convention) or in need of protection as defined in the *Immigration and Refugee Protection Act*.

Others—Persons who, in exceptional circumstances, are granted permanent status even though they would ordinarily not qualify. For example, cases where there are strong humanitarian and compassionate considerations.

Source: Citizenship and Immigration Canada reports on plans and priorities and annual reports to Parliament on immigration.

Exhibit 2.2 Categories of the Economic class under which foreign workers may apply for permanent residency*

Category	Description
Federal Skilled Worker (FSW)	The FSW category selects immigrants for their skills. This category stresses education, English or French language abilities, and work experience in some occupations included in categories O (managerial), A (professional), and B (technical and skilled trades) of the National Occupational Classification (NOC) system. Applications are assessed against a point system.**
Canadian Experience Class (CEC)	The CEC selects skilled temporary workers with Canadian work experience and international students with Canadian degrees and Canadian work experience; they may apply for permanent residency without leaving the country.
Quebec Skilled Worker (QSW)	The <i>Canada-Quebec Accord</i> grants Quebec the authority to set annual immigration targets and the responsibility for selecting skilled worker immigrants. (Our audit did not include this category.)
Provincial Nominee Program (PNP)	The PNP allows provincial and territorial governments to pre-select and nominate applicants based on their own selection criteria. However, Citizenship and Immigration Canada is responsible for the final selection decision.

* The Economic class also includes the business categories of investors, entrepreneurs, and self-employed applicants, none of which were included in our audit. Live-in caregivers may also become permanent residents but they are first admitted to Canada as temporary foreign workers.

**For information on the point system, visit Citizenship and Immigration Canada's website at www.cic.gc.ca.

Source: Citizenship and Immigration Canada annual reports to Parliament on immigration, and *Immigration and Refugee Protection Regulations*

2.15 Operating environment. Our last audit of the immigration program's economic component was published in our April 2000 Report. Since then, there have been major changes in the delivery of immigration programs. In particular, the IRPA was enacted in 2002; the Canada Border Services Agency (CBSA) was created in 2003 and took over all enforcement and control activities from CIC. Both of these events generated implementation challenges.

2.16 In addition, Canada's economic growth in recent years substantially increased the demand for temporary foreign workers and the number of temporary foreign worker applications.

2.17 In 2006, the government recognized the need to more closely align immigration policies with labour market needs while addressing local shortages, through greater use of the Provincial Nominee Program and by encouraging skilled temporary foreign workers with Canadian work experience to apply for permanent residency. Finally, in 2008 the government committed to \$124 million over a five-year period to modernize the immigration system and make it more competitive and responsive.

2.18 CIC's performance, among others, is measured by its success in achieving the annual target immigration levels. As shown in Exhibit 2.1, these target levels have increased only slightly since 2004.

Exhibit 2.3 Temporary foreign worker streams

Streams	Description
Skilled workers	Employers may wish to hire foreign workers to work temporarily in occupations or sectors of the economy that require workers with a high level of formal education or training included in categories O (managerial), A (professional), and B (technical and skilled trades) of the National Occupational Classification (NOC) system. These usually require a college or university degree.
Occupations requiring lower levels of formal training (pilot project)	This stream allows employers to hire temporary workers for lower-skilled occupations included in categories C and D of the NOC system, which typically require at most a high-school diploma or a maximum two years of job-specific training. This is a pilot program that was introduced in July 2002.
Live-in caregivers	Live-in caregivers are admitted to Canada on a temporary basis and may apply for permanent residency from within Canada after being employed as a caregiver for two out of three years.
Seasonal agricultural workers	The seasonal agricultural worker stream allows for the organized entry of temporary workers from Mexico and a number of Caribbean countries into Canada to meet the seasonal needs of agricultural producers when Canadian workers are not readily available.

Source: Citizenship and Immigration Canada annual reports to Parliament on immigration, the Temporary Foreign Worker Program Integrated Results-Based Management and Accountability Framework, and the Risk-Based Audit Framework

CIC's resource base in missions abroad, which handle most applications for permanent and temporary residency, has also remained relatively constant during a period when temporary foreign worker applications increased significantly. Nonetheless, CIC has been able to achieve the annual immigration target levels with the sole exception of 2007, when 236,758 immigrants were admitted, slightly below the 240,000 minimum target.

Focus of the audit

2.19 We examined how CIC and HRSDC plan for and manage programs designed to facilitate the entry of permanent and temporary workers into Canada. We also examined how applications are processed and what is being done to facilitate the recognition of foreign credentials in Canada. We did not examine how CIC determines applicants' admissibility in terms of health, safety, and security. Nor did we audit the Canada Border Services Agency's processing of work permit applications at Canadian points of entry or how the provinces and territories nominate candidates for selection.

2.20 We carried out our audit work at CIC offices in Canada and in eight missions overseas, and in HRSDC offices in Canada.

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

Observations and Recommendations

Strategic planning and programming

2.22 Canada has an ongoing need for permanent and temporary workers with various skills and must compete with other countries to attract them. It is therefore critical that the government's programs to facilitate the entry of these workers to Canada be designed in such a way that the right people are available at the right time to meet the needs of the Canadian labour market.

2.23 As outlined further in this chapter, a number of important changes have been made to existing programs, and new programs have been introduced in recent years. We examined whether these modifications were based on a clear vision of the type and number of foreign workers to be admitted to Canada under each program in order to meet the needs of the Canadian labour market.

What each program should contribute to meeting Canadian labour market needs has not been defined

2.24 Annual target levels for the Economic class as a whole have changed little in the last six years, ranging from a minimum of 132,000 in 2004 to 140,300 in 2009. However, there has been a significant shift in the number of immigrants Canada will admit under each category within that class (Exhibit 2.4).

2.25 For example, between 2004 and 2009, increased economic activity in a number of provinces and lengthy delays in processing Federal Skilled Worker applications resulted in an increase of almost 471 percent in the minimum target levels for the Provincial Nominee Program (PNP) category. During the same period, minimum target levels for the Federal Skilled Worker (FSW) category dropped 31 percent.

2.26 We also noted that the immigration targets for the Economic class are influenced more and more by the movement of some temporary workers and international students who, after two years in Canada, have access to permanent residency through the Live-in Caregiver category and the recently created Canadian Experience Class category. There are no limits on the number of temporary foreign workers and international students being admitted each year. Consequently, target levels for the Live-in Caregiver and the Canadian Experience Class categories need to be adjusted each year to take into account the expected number of permanent residency applications to

Exhibit 2.4 A significant shift has occurred in recent years in the number of immigrants that Canada planned to accept under each category of the Economic class

Category	Planned target levels, including dependants (thousands)					
	2004	2005	2006	2007	2008	2009
Federal Skilled Worker	98.2–112.7	86.0–97.5	78.5–89.0	90.0–100.5	67.0–70.0	68.2–72.0
Quebec Skilled Worker	21.3–22.8	26.5–27.0	26.5–27.0	26.0–27.5	25.0–28.0	28.1–29.1
Federal/Quebec Business	6.0–6.0	9.5–10.5	9.0–11.0	9.0–11.0	11.0–13.0	11.0–12.0
Provincial Nominee Program	3.5–3.5	8.0–10.0	9.0–11.0	13.0–14.0	20.0–22.0	20.0–26.0
Live-in Caregiver	3.0–3.0	2.5–3.0	3.0–5.0	3.0–5.0	6.0–9.0	8.0–10.0
Canadian Experience Class*	N/A	N/A	N/A	N/A	10.0–12.0	5.0–7.5
Total Economic class	132.0–148.0	132.5–148.0	126.0–143.0	141.0–158.0	139.0–154.0	140.3–156.6

*New category introduced in 2008

Source: Citizenship and Immigration Canada's annual reports to Parliament on immigration and reports on plans and priorities

be received from these temporary residents. For example, the significant increase in the number of work permits issued for live-in caregivers in recent years has made it necessary to almost triple the minimum target level for this category since 2004.

2.27 Citizenship and Immigration Canada (CIC) has made a number of projections regarding the target levels that could be required in future years for each category of the Economic class, if no changes are made to current programs or to the target for the Economic class as a whole. These projections indicate a significant change in the types of foreign workers that could be admitted to Canada in the next three years (Exhibit 2.5). For example, the Provincial Nominee Program category could soon become the largest source of economic immigrants in Canada, while the target level for the Federal Skilled Worker category could be as low as 18,000 in 2012, down from a minimum target level of 68,200 in 2009.

2.28 Such change could have a significant impact on the ability of the immigration program to meet Canada's labour needs. Although the *Immigration and Refugee Protection Act* (IRPA) requires that immigration levels be set on an annual basis, in our view, it would be important for CIC to have a clear vision of how many immigrants

Exhibit 2.5 CIC projections indicate a significant change in the immigration target levels of each category within the Economic class

Category	Immigration target levels (thousands)		
	2009 (minimum of the range)	2012 (projected)	Average Variation +/- %
Federal Skilled Worker	68.2	18.0	-73.6%
Quebec Skilled Worker	28.1	28.0	-0.4%
Provincial Nominee Program	20.0	40.0	100.0%
Federal/Quebec Business	11.0	11.0	0.0%
Live-in Caregiver	8.0	10.0	25.0%
Canadian Experience Class	5.0	26.3	426.0%
Total	140.3	133.3	-5.0%

Source: Citizenship and Immigration Canada's (CIC) 2008 Annual Report to Parliament on Immigration and the Office of the Auditor General's analysis on projections

should be selected under each category over a multi-year planning horizon, for example three years. The Department has yet to determine this.

2.29 A longer-term vision to the setting of target levels would bring many benefits. For example, any program changes required to influence the mix among various categories could be made on a more timely basis. We also noted that some provinces are planning their immigration levels on a multi-year basis. Not doing so at the federal level could hinder CIC's ability to meet provincial/territorial expectations regarding the number of provincial nominees that could be admitted to Canada. Furthermore, communicating information on planned target levels on a multi-year basis could generate informed discussions among parliamentarians and various stakeholders on the overall direction of the immigration program.

2.30 In its 2004 Annual Report to Parliament on Immigration, CIC committed to developing a national immigration framework in order to improve coordination with the provinces and territories and other stakeholders and ensure a flexible immigration program that meets Canada's objectives. The Department reiterated in its 2005–06 Report on Plans and Priorities that it would “work with partners to build upon the foundation created in recent years and, beginning in 2005–06 . . . develop a new immigration framework for the future.”

2.31 The Department's intent for the national framework it proposed was to provide a strategic roadmap for the future of the immigration program. This roadmap would facilitate the assessment of the potential impacts of proposed changes in immigration legislation, policies, and programs. In addition, it would enable the immigration program to respond more effectively to future challenges and address the challenges of the current delivery system, including rising inventories and delays in processing applications.

2.32 Although we found that CIC has put in place an elaborate structure to coordinate immigration with the provinces and territories, including bilateral and provincial nominee agreements and regular federal-provincial/territorial meetings, it has not yet developed the strategic roadmap it was contemplating.

2.33 In our view, such a strategic roadmap for the future of the immigration program would help to set a clear vision of what each program is expected to contribute toward meeting the objectives for

the Economic class and to ensure that CIC's program mix is optimal and closely aligned with that vision.

2.34 Recommendation. To strengthen its strategic planning, Citizenship and Immigration Canada should

- develop, in consultation with provinces and territories, a strategic roadmap for the future of the immigration program including a clear vision of what each category is expected to contribute, on a multi-year basis, toward achieving the objectives of the Economic class; and
- take the necessary steps to ensure that its programming is optimal and closely aligned with that vision.

The Department's response. Agreed. Work is already underway that will contribute to the vision and future of the immigration program. A notable example is the Department's work on the broader modernization of the immigration program, including measures that have policy, operational, and service improvement and technological components. In addition, the evaluation of the Federal Skilled Worker program and work on regulatory changes to the Temporary Foreign Worker Program to address concerns around program integrity are two more current areas of activity that support the modernization of the immigration system. Taken together, this work will lead to the development of an immigration roadmap, which will be developed in consultation with our provincial and territorial partners over the next two years.

In terms of the balance between categories in the Economic class, Citizenship and Immigration Canada launched a process in November 2008 with provinces and territories to develop a common approach for understanding how various programs under the Economic class, such as Federal Skilled Worker and Provincial Nominee contribute to meeting the economic objectives for immigration, such as responding to labour-market needs. Part of this effort involves achieving an appropriate balance among programs.

Evaluations of the programs we audited are dated or have not been carried out

2.35 We expected that programming decisions would be supported by timely and accurate information on the performance of existing programs. In Chapter 1 of this Report, Evaluating the Effectiveness of Programs, we note, "The government views evaluation as the primary source of neutral and systematic information on the ongoing relevance and performance of policies and programs."

2.36 We found that evaluations of the programs we audited are either dated or have not been carried out. For example, CIC last evaluated the Federal Skilled Worker program in 1998, despite the significant changes made to this program following the introduction of the IRPA in 2002. Furthermore, CIC has never evaluated the Provincial Nominee and the Live-in Caregiver programs. The Department's draft evaluation plan provides for an evaluation of the Federal Skilled Worker program in the 2009–10 fiscal year as well as evaluations of the Provincial Nominee Program and the Canadian Experience Class in the 2010–11 fiscal year. CIC informed us that an assessment of the Live-in Caregiver program will be included as part of a joint CIC/HRSDC evaluation of the Temporary Foreign Worker Program (TFWP). CIC also informed us that regulatory and policy obligations to evaluate grant and contribution programs on a priority basis delayed the evaluation of its other programs including those covered by our audit.

2.37 We also found a lack of timely program evaluation for the TFWP. For example, in 2002, Human Resources and Skills Development Canada (HRSDC) committed to the government to develop an evaluation framework for this program. In 2007, CIC and HRSDC further committed to conduct a formative evaluation in the 2009–10 fiscal year and a summative evaluation in the 2011–12 fiscal year. An evaluation strategy for this program was finalized in August 2008. In April 2009, HRSDC informed the Treasury Board of Canada Secretariat that each of these evaluations will be postponed one year to allow for a more complete assessment of the program, taking into account recent and upcoming changes.

2.38 Consequently, not only are CIC and HRSDC unable to determine the extent to which these programs are meeting their objectives and achieving their expected outcomes, they are missing valuable information that could be used when making changes to programs or designing new programs.

2.39 Recommendation. Citizenship and Immigration Canada and Human Resources and Skills Development Canada should carry out evaluations of permanent and temporary foreign worker programs according to their approved evaluation plans.

The departments' response. Agreed. The departments have initiated work on a joint, comprehensive evaluation of the Temporary Foreign Worker Program that will provide results in 2010–11. CIC is currently carrying out a comprehensive evaluation of the Federal Skilled Worker program; other programs in the permanent stream will be evaluated according to the CIC evaluation plan.

Federal Skilled Worker category

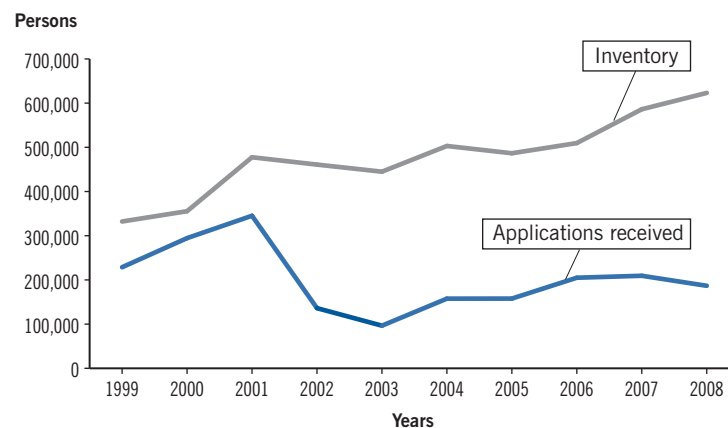
The inventory of Federal Skilled Worker applications almost doubled since 2000

2.40 One of the great challenges facing Citizenship and Immigration Canada (CIC) today is managing the large inventory of applications under the Federal Skilled Worker (FSW) category. Until recently, CIC had no means to control the number of applications submitted and it was required by the *Immigration and Refugee Protection Act* (IRPA) to process them all to a final decision. When the number of applications received in a year exceeds what is required to meet the target level for the category, applications can sit in an inventory for long periods before prospective immigrants receive a decision. In such cases, Canada risks losing good candidates to other countries that make more timely decisions.

2.41 In addition, long delays can hamper efficiency, as information submitted by applicants needs to be updated and numerous requests about the status of an application must be dealt with. Long delays also create uncertainty for applicants and prevent a timely response to the needs of the labour market.

2.42 Since our last audit, the number of applicants awaiting a decision has almost doubled (Exhibit 2.6). At 31 December 1999, about 330,000 people—skilled workers and their families—were waiting to have their applications processed; the average waiting time was around 25 months. At 31 December 2008, more than 620,000 people in this category were waiting and the average processing time was 63 months.

Exhibit 2.6 The inventory of applications of federal skilled workers awaiting a decision has increased significantly since the end of 1999



*The Office of the Auditor General has estimated the inventory from 1999 to 2003 based on data obtained from Citizenship and Immigration Canada (CIC).

Source: CIC International Region statistical reports as of 31 December of each year

2.43 The size of the inventory and the average processing times vary significantly from mission to mission. At the end of December 2008, 10 missions accounted for 81 percent of the inventory; processing times in these missions ranged from 25 months in Buffalo to 87 months in Accra (Exhibit 2.7).

Exhibit 2.7 Ten missions account for 81 percent of the inventory of federal skilled workers waiting for their applications to be processed

Missions	Inventory (people)	Average processing time* (months)
New Delhi	133,406	75
London	85,394	41
Manila	69,866	66
Islamabad	47,387	73
Damascus	44,280	76
Hong Kong	33,701	34
Singapore	28,378	50
Buffalo	24,410	25
Accra	21,179	87
Beijing	16,021	45
Subtotal (81%)	504,022	61
All missions overseas (100%)	623,075	63

*Average number of months required to complete 80 percent of cases.

Source: Citizenship and Immigration Canada International Region statistical reports as of 31 December 2008

2.44 Several factors have contributed to the growth of the inventory. The new *Immigration and Refugee Protection Act* had a significant impact on the inventory of applications for the Federal Skilled Worker category. As Exhibit 2.6 shows, in 2000 and 2001, following the announcement that legislative changes were planned, there was a significant increase in the number of applications submitted before the new legislation came into effect. This was followed in the next two years by a drastic decline in applications, when it became apparent that the new selection criteria were more stringent.

2.45 During the same period, perceived unfairness in the processing of applications caught in the transition between acts led to litigation by some prospective immigrants, resulting in a court injunction

against CIC. While the injunction remained in effect—from June 2003 to April 2005—no applications received prior to the introduction of IRPA could be rejected on the basis that they did not meet the new criteria set in the Act. These applications could not be finalized and remained in the inventory. In addition, the Department became concerned that given the steep decline in new applications, it would not be able to meet target levels in 2004 and 2005. Consequently, in September 2003, in order to attract more applicants, the Minister of Citizenship and Immigration announced that the passing mark for selection under this category had been reduced. As a result, the number of applications received after 2003 increased, adding to the inventory. The significant reduction in the target levels for the FSW category in recent years was also a key factor in the growth of the inventory.

Measures have been taken to reduce the size of the inventory

2.46 We examined whether the Department ensures that applications are processed within what it considers to be a reasonable period of time.

2.47 We found that since 2004, CIC has considered various strategies to manage its inventory and reduce the number of applications received. For example, it considered seeking regulatory changes to allow it to impose limits on the intake of new applications. In 2006 it also considered increasing the passing mark for selection under the Federal Skilled Worker category. In 2008, it finally proposed amendments to the IRPA to support a new inventory management strategy.

2.48 In June 2008, the IRPA was amended, removing the requirement that all completed applications received be processed to a final decision. The amendments also authorized the Minister to give instructions for processing applications, including establishing the number to be processed in any given year and the order in which they are to be processed.

2.49 The first ministerial instructions were issued on 28 November 2008; they established eligibility criteria for all FSW applications received after 26 February 2008, the date on which the intent to amend the IRPA was announced. To be eligible for processing, applicants must have one year of experience in one or more of **38 occupations** identified by CIC; or have been in Canada legally for one year or longer as a temporary foreign worker or an international student; or have an offer of arranged employment. The main objectives of these eligibility criteria were to reduce the number of new

For a list of the 38 eligible occupations, visit Citizenship and Immigration Canada's website at www.cic.gc.ca.

applications and their processing times, and to ensure a better link between the selection of skilled workers and the needs of the labour market. Previously, all occupations under the National Occupational Classification O, A, or B (351 occupations) were deemed eligible for processing.

2.50 The Department expected that with significantly fewer occupations now eligible, the number of new applications would drop, and not all of them would be found eligible for processing. This would allow it to process all new applications as they came in, and it forecast that applicants would wait only 6 to 12 months for a decision. Operational instructions clearly indicate that eligible applications received on or after 27 February 2008 are to be processed as soon as possible and be given priority over older applications.

2.51 The Department also expected that with fewer new applications to process, it could reduce the inventory of older applications by 33 percent over five years. This was based on the assumption that at least 70 percent of annual target levels set for the FSW category would be met by processing applications already in the inventory.

2.52 In the 2008–09 fiscal year, the Department also took other administrative measures to reduce the inventory—for example, contacting applicants already in the inventory to offer a refund of their processing fee if they decided to withdraw their application rather than continue waiting for a decision; and coding all applications received in its computerized system so that provinces could have the opportunity to contact applicants who could qualify under their provincial nominee programs. Additional resources were also allocated to help missions with larger inventories. However, these measures had little success in reducing the inventory of applications received prior to 27 February 2008.

The inventory reduction strategy is not based on sufficient analysis

2.53 CIC could not provide us with evidence of sufficient analysis to support the choice of the criteria set out in the ministerial instructions for assessing the eligibility of a FSW application. For example, it could not show us how it settled on reducing the number of admissible occupations as a criterion for eligibility, or any analysis of the extent to which this criterion would help reduce the number of new applications. Nor did it provide us with any analysis of its associated risks and its potential impact on the delivery of the program.

2.54 In addition, the Department could not show us any analysis for selecting as an eligibility criterion the applicant's legal presence in Canada for one year or longer as a temporary foreign worker or an international student.

2.55 Finally, the implementation of the ministerial instructions created some challenges for CIC. Between 27 February 2008 and 28 November 2008, applicants continued to apply without knowing that the list of eligible occupations would be reduced from 351 to 38. More than 59,000 applications were received during that period. The assessment of these applications started in December 2008, and CIC informed us that it will be completed by the end of March 2010. The Department expects that many of these applications will be found ineligible. Since processing fees are collected when the application is submitted, refunds to these applicants all over the world have to be made. CIC has estimated that it will have processed almost 45,000 refunds by the time this process is completed, which is now expected by the summer of 2010.

2.56 Recommendation. In developing future ministerial instructions, Citizenship and Immigration Canada should ensure that selected strategies are supported by strong policy, program, and operational analysis.

The Department's response. Agreed. The Department agrees with the importance placed on strong policy analysis in the issuance of future ministerial instructions.

To this end, the Department is working on several initiatives, including ensuring that diagnostic and analytical tools are in place for the monitoring and evaluation of the current ministerial instructions, improved analytical capacity around labour market information, and the exploration of options for expert advice to be regularly available to Citizenship and Immigration Canada regarding Canadian labour markets and current and projected occupational shortages.

Trends in the number of eligible applications need to be monitored very closely

2.57 It is too early to assess the full impact of the new eligibility criteria and to determine whether and to what extent they will reduce the number of new applications to be processed and their processing times. By the end of June 2009, however, the Department was experiencing only a slight decrease in the number of FSW applications received monthly compared with previous years, and close to 80 percent of them appeared eligible to be processed.

2.58 If the eligibility criteria do not serve their intended purpose of lowering the number of new applications to be processed, CIC will need to react quickly and consider alternative strategies to achieve this objective. Failure to do so could result in the creation of a new inventory of applications submitted since the ministerial instructions came into effect—and the Department would be unable to process new applications within the 6 to 12 months it has forecast.

2.59 In 2008, CIC estimated, based on a number of assumptions and the information available at the time, that the inventory of applications on hand at the end of February 2008 might not be eliminated for another 8 to 25 years. At the time of our audit, CIC had not revised its estimates to take into account information currently available and its experience to date with the new eligibility criteria. The Department was therefore unable to determine when this inventory will likely be eliminated nor has it defined what would be a reasonable timeframe to do so. CIC's ability to reduce this inventory could be significantly impaired if the number of new applications to be processed is not reduced. The situation will be compounded if the target levels for the FSW category continue to be reduced.

2.60 At the end of February 2008, there were 635,233 people (including dependants) in the old inventory of FSW applications. As of 30 June 2009, this inventory has been reduced to 451,948 people. However, such reduction was possible only because very few of the applications received since the ministerial instructions came into effect have been processed so far. Target levels for 2008 were met by processing only old applications. In future years, CIC will give priority to new applications and might process only a small percentage of old applications.

2.61 As of 30 June 2009, the total inventory including both old and new applications amounted to 594,122 people, a reduction of 6.5 percent since the effective date of the ministerial instructions. This reduction, however, is mainly explained by the high refusal rate of applications received between 27 February 2008 and 28 November 2008 when eligibility criteria were unknown to applicants.

2.62 Recommendation. Citizenship and Immigration Canada should closely monitor the impact of the new eligibility criteria on the number of applications to be processed under the Federal Skilled Worker category and on the effectiveness of its inventory reduction strategy.

The Department's response. Agreed. The Department has introduced measures to ensure timely and comprehensive monitoring of the impact of the ministerial instructions. First, using existing data sources, the Department regularly tracks and analyzes data relating to, among other things, application intake rates, acceptance rates, and outcomes at key decision points throughout the processing continuum (i.e., from the Centralized Intake Office to processing and visa issuance at overseas missions). Second, the Department has introduced (effective June 2009) monthly reporting templates for overseas missions to capture more qualitative information on how the ministerial instructions are affecting the Federal Skilled Worker category. Taken together these initiatives will inform the need to revise ministerial instructions as appropriate.

Strong structures and processes are needed to support the identification of priority occupations

2.63 The significant reduction in the number of occupations eligible for the FSW category represents a return to an approach driven by occupations in demand, similar to the approach in place before the *Immigration and Refugee Protection Act* (IRPA) was enacted. Identifying occupations in demand is a key mechanism chosen by the government to ensure a better link between the needs of the labour market and the selection of federal skilled workers. In our view, it is important that strong structures and processes support this mechanism.

2.64 In our 2000 Report, we identified some deficiencies in the structures and processes in place to define what the Department called at the time “occupations in demand in Canada.” We noted then that the list of occupations that was used to select potential immigrants had not been updated for seven years and therefore might not be a true reflection of the Canadian labour market's needs.

2.65 In this audit, we found that CIC held extensive consultations with various stakeholders, including HRSDC and provinces and territories, before the ministerial instructions were issued. However, CIC has not determined the process and mechanisms needed to ensure that the list of occupations in demand remains up-to-date and reflects the needs of the labour market. In comparison, we noted that other countries carry out regularly scheduled, expert-based reviews and updates of listed occupations in demand.

2.66 Furthermore, the majority of occupations listed under the ministerial instructions are regulated professions. Successful applicants admitted to Canada for those occupations will need to have their

credentials recognized by appropriate provincial boards or professional associations. Difficulties in obtaining that recognition could limit an applicant's ability to find employment in the occupation for which he or she was allowed to apply for permanent residency.

2.67 Whether there was a reasonable prospect of foreign credential recognition was taken into account in identifying priority occupations. However, given the importance of foreign credential recognition to the successful integration of immigrants into the labour market, sustained effort and coordination of ongoing federal initiatives will be required. (Some of the federal initiatives are described under "Recognition of foreign credentials" paragraphs 2.130 to 2.138).

2.68 Recommendation. Citizenship and Immigration Canada, in consultation with key partners, should put in place structures and processes to ensure that the selected eligible occupations remain relevant to the changing needs of the Canadian labour market.

The Department's response. Agreed. Timely and accurate labour market information is an important component of ensuring that the ministerial instructions help meet the Government of Canada's goal of improving the labour market responsiveness of the immigration program. Over the next two years, Citizenship and Immigration Canada will work with key partners to explore options for structures and processes to better ensure the instructions meet their objectives. Part of this work includes exploring options for an external advisory body, such as the U.K.'s Migration Advisory Committee.

Limited analysis was carried out to support the creation of the Centralized Intake Office for Federal Skilled Worker applications

2.69 In conjunction with the ministerial instructions issued in November 2008, the Department decided that the intake of Federal Skilled Worker applications would be centralized in Canada. Applicants are now instructed to send their application to the Centralized Intake Office (CIO) in Sydney, Nova Scotia. The Department informed us that the CIO was created as a pilot project to test assumptions surrounding CIC's long-term vision for client service, including centralizing the front-end processes of file creation in Canada. An initial budget of \$7.9 million over two years has been allocated for the CIO, with an additional \$18 million over three years to be reassessed as information becomes available on its effectiveness.

2.70 The CIO receives applications without supporting documentation, creates files and enters data, collects processing fees, and pre-screens applications to determine whether an application

appears to be eligible under ministerial instructions. The information provided by applicants is not validated at this stage. When an application does not meet the eligibility criteria, the CIO informs the applicant and refunds the fees.

2.71 If an application appears to meet the eligibility criteria for processing, the file is transferred electronically to the appropriate mission abroad and the applicant is instructed to resubmit his/her application with all required supporting documentation directly to the mission.

2.72 While part of a broader initiative to modernize the immigration system, the CIO is meant to provide for consistency in implementing ministerial instructions and to facilitate the management of all fees. It is expected to reduce the workload of missions, since they would not have to process ineligible applications or manage fees.

2.73 In 2008, however, many applications to which the ministerial instructions would apply retroactively had been received in missions before the instructions were issued and before the CIO opened. Missions were therefore variously involved in managing these files. While some missions created files, collected fees, and completed preliminary eligibility assessments, others sent those files to the CIO in Sydney when it opened, for eligibility review or management of fees.

2.74 Given the investment involved and the potential impact on CIC's program delivery mechanisms, we expected that the decision to establish the CIO would be based on a sound analysis of its costs and benefits, risks, and potential impacts on program delivery. We found that although a number of options were considered, this was not the case.

2.75 We also found that the Department encountered many problems in managing application fees when it centralized the intake of the FSW applications. The CIO accepts payments in Canadian currency only. However, a number of applicants did not have access to Canadian funds in their countries. In addition, the CIO was unable to reimburse applicants in eight countries where cheques issued by the Canadian government were not accepted.

2.76 The Department has recognized that it will need to evaluate the CIO's cost effectiveness in light of experience gained over the first two years of its operation, and that assumptions surrounding its long-term vision for client service—including centralizing the front-end processes of file creation in Canada—might need to be modified.

2.77 As of June 2009, results indicate that most files received in the CIO appear to be eligible for processing and are referred to missions abroad. This and the fact that CIC is considering electronic methods of payment for applicants could call into question the cost effectiveness and added value of this office, given its current mandate.

2.78 Recommendation. Citizenship and Immigration Canada should evaluate, after the first two years of operations, the cost-effectiveness of the Centralized Intake Office and the extent to which it is meeting its objectives.

The Department's response. Agreed. The Department intends to continue to move on its modernization agenda as quickly as possible with the support of the roll-out of our Global Case Management System. Within our vision of moving some work back to Canada and working in a more virtual network, the Centralized Intake Office operations will be evaluated and a decision made on its cost-effectiveness and its support to meet CIC overarching objectives. The evaluation of the Centralized Intake Office is included in the Department's Evaluation Plan in 2010/2011.

Provincial Nominee Program category

2.79 The Provincial Nominee Program (PNP) enables provinces and territories, using their own selection criteria, to nominate candidates for admission as permanent residents to meet their specific labour market needs. Agreements with provinces and territories commit Citizenship and Immigration Canada (CIC) to process all provincial nominee applications as expeditiously as possible.

A number of issues require attention

2.80 Provincial nominees are not subject to the requirements of the point system applicable to the Federal Skilled Worker (FSW) category, nor does CIC impose any minimum selection threshold for these candidates. Provincial nominee programs have become highly diverse and complex over time, with selection criteria that vary substantially from one province to another. At the time of our audit, they included more than 50 different categories, each with its own selection approach and criteria. PNP agreements do not require provinces and territories to obtain CIC's approval when they create new PNP categories; they are required only to inform CIC.

2.81 In our view, given their increasing diversity and significant growth in recent years, it would be time to take stock of these programs and formally evaluate them to assess the extent to which they are achieving their intended results. PNP agreements call for CIC to

negotiate evaluation plans with the provinces and territories.

The purpose is to ensure that provinces and territories will perform sufficient analysis at appropriate intervals to produce data that can be used to inform discussions about any modification that might be required to these agreements. Currently, no evaluation plans have been negotiated with the provinces and territories.

2.82 CIC officials informed us that an evaluation of the PNP from a national perspective is currently scheduled for the 2010–11 fiscal year. The Department is working with provinces and territories in an attempt to develop criteria that will be common to all evaluations, with resulting evaluation information to be shared with CIC on a regular basis. It will be important that the proposed national evaluation be comprehensive and include all provincial and territorial information to which the Department is entitled under the various PNP agreements.

2.83 CIC officials also informed us that although PNP agreements require the provinces and territories to collect information on the retention of nominees within their respective jurisdictions, the information is either absent or incomplete and not always shared with the Department. The lack of information on the retention of nominees was raised in recent reports of three provincial auditors general in which one specifically noted that this represented non-compliance with the PNP agreement.

2.84 All but one of the PNP agreements also state that CIC will consider a nomination certificate issued by a province or territory as a determination that it has conducted due diligence to ensure that the applicant has the ability and is likely to become economically established in that province or territory. However, we found that CIC has not defined what constitutes due diligence, both in terms of how new categories are established and how applications are processed by provinces and territories. Nor has it justified the basis on which it can assume that individual provinces or territories will exercise due diligence, or assessed the extent to which they have carried it out. The Department has also not determined whether provinces and territories have implemented mechanisms such as a quality assurance framework to ensure that their nomination decisions are consistent and compliant with the *Immigration and Refugee Protection Act* (IRPA) and its Regulations, and their PNP criteria.

2.85 Recommendation. Citizenship and Immigration Canada should work with provinces and territories to ensure that, for the Provincial Nominee Program,

- mechanisms are in place to collect and share appropriate information against agreed upon evaluation criteria;
- evaluation plans are prepared and implemented to assess whether provincial nominee programs are meeting the objectives set out in the *Immigration and Refugee Protection Act* and Regulations; and
- quality assurance mechanisms are in place to ensure that nomination decisions are consistent and compliant with the *Immigration and Refugee Protection Act* and Regulations and their respective Provincial Nominee Program criteria.

The Department's response. Agreed. The Department has developed an evaluation framework and logic model for an evaluation of the Provincial Nominee Program, which is in the Department's Evaluation Plan for 2010/11. Common performance measures and indicators will be drawn from the longitudinal immigration database, which will provide information related to outcomes and retention for all provinces and territories. The Department remains open and committed to working with provinces and territories on any additional information sources and mechanisms they wish to have considered.

The evaluation will assess performance of provincial nominee programs against the objectives of the *Immigration and Refugee Protection Act* and Regulations.

Citizenship and Immigration Canada agrees with the need for quality assurance mechanisms and is open to working with provinces and territories to develop them. Should there be questions related to quality assurance, CIC can substitute its own evaluation of provincial and territorial nominations.

Canadian Experience Class category

Development of the Canadian Experience Class category is a good example of how programming decisions should be supported

2.86 Studies ordered by Citizenship and Immigration Canada (CIC) in 2006 indicated that skilled workers with Canadian experience do better as permanent residents than those without it. Canadian experience before immigrating is mainly acquired through participating in the Temporary Foreign Worker Program or by working while studying in a Canadian institution. However, the CIC studies also indicated that only a small proportion of temporary foreign workers and international students apply for permanent resident status. The Department therefore believed there was a need for an effective bridge between temporary and permanent resident status.

2.87 Consequently, the Canadian Experience Class category was launched in September 2008. This category allows skilled temporary foreign workers with Canadian work experience and international students with Canadian degrees and Canadian work experience to apply for permanent residency based on specific criteria related to their work experience and their knowledge of Canada's official languages. They do not have to leave the country to apply and do not have to meet the requirements of the point system applicable to the Federal Skilled Worker category. The Department estimated that the number of successful applicants in the Canadian Experience Class category will rise from a minimum of 5,000 in 2009 to more than 26,000 in 2012 category.

2.88 We found that the work carried out by CIC to design and implement the Canadian Experience Class category included detailed options analysis, assessments of potential impacts on other programs, and a detailed risk assessment. In our view, this is a good example of how programming decisions should be supported.

The Temporary Foreign Worker Program

2.89 To address short-term regional or national shortages of skills or labour, Canada has a variety of programs designed to facilitate the entry of temporary foreign workers. These workers need to obtain a work permit from Citizenship and Immigration Canada (CIC), unless exempted under the *Immigration and Refugee Protection Regulations* (IRPR). Usually, a work permit is valid only for a specified job and length of time. There are no established limits on or target levels for the number of workers to be admitted under these programs. The number of applications processed each year depends mainly on the demand from employers. Human Resources and Skills Development Canada (HRSDC) and CIC share responsibility for the design and implementation of the Temporary Foreign Worker Program.

2.90 The number of temporary work permit applications received abroad rose from 91,270 in 2002 to 204,783 in 2008, an increase of more than 124 percent. From 2007 to 2008 alone, the increase was 26 percent. This significant increase was due mainly to increased economic activity in various parts of the country and large projects needing temporary workers, such as oil sands development in Alberta and infrastructure development in British Columbia to support the 2010 Olympic and Paralympic Games. The long delays and the criteria used in the processing of applications under the Federal Skilled Worker (FSW) category also led employers to rely on temporary workers to address their immediate labour needs.

2.91 Before offering temporary employment to foreign workers, a prospective employer must apply to HRSDC for a labour market opinion (LMO) unless exempted by the IRPR. HRSDC issues the opinion to both the employer and CIC, which can then process the application for the work permit.

2.92 Given the significant increase in the demand for temporary foreign workers, the government's 2007 Budget provided close to \$150 million in additional funding to CIC and HRSDC over five years, with \$35.5 million annually thereafter, to improve the processing of applications. The intent was to reduce delays, respond more effectively to regional labour shortages, and improve the consistency and fairness of decision-making. Close to 80 percent of the funding went to HRSDC for processing applications for labour market opinions.

2.93 Section 203(1) of the IRPR states, "On application . . . for a work permit made by a foreign national . . . an officer [of CIC] shall determine, on the basis of an opinion provided by the Department of Human Resources Development, if the job offer is genuine and if the employment of the foreign national is likely to have a neutral or positive effect on the labour market in Canada." The labour market opinion issued by HRSDC through its Service Canada regional offices is consequently the key tool used by CIC officers to make that determination. CIC officers in missions abroad must also ensure that the applicant is qualified to perform the work and intends to leave Canada when the work permit expires.

2.94 HRSDC provides functional direction, support, and guidance to its regional offices on how to deliver LMOs consistently, taking into account the particular nature of the local or regional labour market. The regional offices are responsible for processing LMO applications from employers and delivering program services in their region.

2.95 The IRPR include six factors to be considered in assessing the likely impact that the proposed entry of a temporary foreign worker will have on the Canadian labour market. Among these factors are whether an employer who applies for an LMO can demonstrate that efforts were made to recruit or train Canadian citizens or permanent residents before resorting to hiring a temporary foreign worker, that the wages offered are consistent with the prevailing regional wage for the occupation, and that the working conditions for the temporary foreign worker meet generally accepted Canadian standards. However, the Regulations are silent on the factors to be considered in assessing the genuineness of a job offer.

Human Resources and Skills Development Canada's practices do not ensure the quality and consistency of decisions when issuing labour market opinions

2.96 We expected that HRSDC would process LMO applications efficiently and that it would have mechanisms in place to ensure that decisions were uniform and in compliance with the *Immigration and Refugee Protection Act* and Regulations, and the Department's own established procedures.

2.97 We reviewed the process in place at HRSDC to issue labour market opinions, using a statistical sample of LMO applications processed between 1 October 2007 and 30 September 2008, along with the documentation provided to HRSDC by the employers. We also interviewed HRSDC employees at the Department's headquarters and in four regional offices.

2.98 We found that HRSDC has implemented a number of initiatives aimed at improving the administration of labour market opinions. For example, in Alberta and British Columbia it established a pilot project, the Expedited Labour Market Opinion (e-LMO), which significantly reduced the time it took officers to process LMO applications that were part of the pilot. Other initiatives include centralizing the processing of LMOs for live-in caregiver positions to shorten processing times and make more consistent decisions. Due to initiatives such as these and to staff increases, average processing times for LMO applications overall improved from 38 days in the 2007–08 fiscal year to 17 days in the 2008–09 fiscal year.

2.99 However, we found that directives on how to assess whether employers meet some or all of the factors outlined in the Regulations are not clear or are incomplete; interpretations vary from one regional office to another and even within the same office. For example, directives on determining prevailing wages do not provide specific guidance and are not well understood by HRSDC officers. Furthermore, each regional office uses labour market information differently to assess and determine prevailing wages. Also, until January 2009, directives on how to assess whether employers have made reasonable efforts to advertise job offers to Canadian citizens or permanent residents prior to requesting temporary foreign workers were not clear and did not provide criteria to perform such assessments. During the course of our audit, HRSDC has issued revised instructions aimed at clarifying employer requirements and providing clear and consistent evaluation criteria. We were also told by HRSDC officers that formal training was limited to an introductory course on how to assess applications for labour market opinions; it did

not include reviews or updates of procedures. HRSDC officials informed us that from March 2009 to May 2009, using updated training material, national headquarters staff conducted training sessions in the regions.

2.100 Many of the files we reviewed lacked adequate documentation to support the opinion. There is no formal quality assurance system to ensure that opinions are consistent and compliant with the Act and Regulations. Toward the end of our audit, HRSDC initiated a project to develop a national quality assurance framework aimed at ensuring greater consistency of decisions across Canada.

2.101 Recommendation. Human Resources and Skills Development Canada should

- provide clear directives, tools, and training to officers engaged in issuing labour market opinions; and
- implement a quality assurance framework to ensure the quality and consistency of opinions across Canada.

The Department's response. Agreed. The Department has already taken steps to build on the program efficiencies achieved with Budget 2007 funding that will further enhance the effectiveness of processing labour market opinions. In this regard, the Department has put in place mechanisms to strengthen coordination with regional staff to enhance integrity, operations, and service delivery. This includes working with regions to develop new directives and clearer bulletins to improve national consistency in operations and decision-making. In March 2009, an electronic mailbox was created for regional staff to seek direction and exchange information on issues related to policy and operations. The Department continues to hold annual coordination meetings and monthly teleconferences between national headquarters and Service Canada regions to discuss operational and procedural issues. In July 2009, a new monthly teleconference was launched specific to integrity issues.

In June 2009, a new team was created to develop and implement a quality assurance framework that will strengthen the responsiveness, consistency, speed, and quality of decision-making when issuing labour market opinions. This initiative will also help to improve overall program integrity. The team is working closely with headquarters and regional staff to ensure the framework is informed by an understanding of the operational realities faced in each region, and can therefore be an effective tool to support national consistency in decision-making.

The genuineness of job offers is not systematically verified

2.102 We found that HRSDC and CIC have not clearly defined their respective roles and responsibilities for assessing the genuineness of job offers and how that assessment is to be carried out. Both departments' operational manuals are silent on this matter.

2.103 Such an assessment would include, for example, ensuring that the employer exists, can afford to pay the established wages, and that there is a real need for the worker.

2.104 In some of the missions we visited, we found that CIC officers were not verifying the genuineness of job offers since they were under the impression that this was done by HRSDC when issuing an LMO. In other missions, CIC officers told us that this was a CIC responsibility but very difficult for them to perform, in light of their limited knowledge of the Canadian labour market's regional particularities, their workload, and their lack of access to employers.

2.105 Our review of the LMOs issued by HRSDC confirmed that they provide an opinion only on labour market effect and not on the genuineness of job offers. HRSDC officers informed us that, although they considered themselves better positioned than CIC officers to perform such assessments, they were under the impression they did not have the authority to do so.

2.106 This lack of systematic assessment of the genuineness of job offers creates significant risks to the integrity of the Temporary Foreign Worker Program since work permits could be issued for employers or jobs that do not exist.

2.107 Recommendation. Citizenship and Immigration Canada and Human Resources and Skills Development Canada should clarify their respective roles and responsibilities, and put mechanisms in place to ensure that the genuineness of job offers is systematically verified.

The departments' response. Agreed. The departments are working together to make improvements in these areas. The departments are also developing regulatory options to strengthen the integrity of the Temporary Foreign Worker Program including clarity around roles and responsibilities. Part of this work focuses on more structured assessments of the genuineness of both employers and jobs offered to temporary foreign workers. A new information-sharing agreement between CIC and HRSDC will enable a more active exchange of information pertinent to the assessment of the genuineness of job offers.

Additionally, new interdepartmental working groups and information-exchange mechanisms have been established to ensure better communication and coordination of program development and implementation.

Concerns remain about the integrity of the program and the protection of temporary foreign workers

2.108 Various studies and reports over the years have recognized that lower-skilled temporary foreign workers entering Canada may be vulnerable to exploitation or poor working conditions, usually because of their economic conditions, linguistic isolation, and limited understanding of their rights.

2.109 For example, the Live-in Caregiver program permits applicants to be selected for permanent residency after being employed as a caregiver for two out of three years. There is a risk that live-in caregivers may tolerate abuse, poor working conditions, and poor accommodations so as not to lose the opportunity to become permanent residents. The program's requirement that the caregiver reside in the employer's home can put them particularly at risk. A number of CIC internal reports, some dating back as far as 1994, raised serious concerns about abuse of this program by employers and immigration consultants, as well as risks to individuals.

2.110 Temporary foreign workers hired through the pilot project for occupations requiring lower levels of formal training may also be at risk of similar abuse and poor working conditions. Concerns over this vulnerability have grown with the surge in labour market opinion applications for this pilot project, which went from 12,627 in 2006 to 68,568 in 2008. Some measures were taken to mitigate these risks when the pilot was launched in 2002, such as requiring an employment contract, employer-paid transportation, and health care.

2.111 We found, however, that with the exception of e-LMOs, there has been no systematic follow-up by either CIC or HRSDC to verify that employers are complying with the terms and conditions under which the LMO application was approved, such as wages to be paid and accommodations to be provided. The e-LMO is a pilot project in which employers consent to compliance reviews in exchange for an expedited process. Employers who participate in the e-LMO pilot project are required to demonstrate adherence to wages, standards for working conditions, recruitment efforts, and other requirements. Employers that do not wish to participate in the pilot and to undergo a

compliance review have the option of applying for an LMO through the regular process.

2.112 This lack of follow-up on job offers can have implications not only for the integrity of the programs but also for the well-being of foreign workers. CIC and HRSDC officials told us that neither the IRPA nor the Regulations give them authority to conduct compliance reviews of employers who have not consented. We were informed by both departments that regulatory modifications aimed at resolving some of these issues are currently being considered.

2.113 The total number of applications received in missions overseas for the Live-in Caregiver program went from 6,178 in 2002 to 20,799 in 2008, an increase of more than 236 percent. Given such growth and the inherent risks in this program, it is difficult to understand why it has never been formally evaluated by CIC since 1992, when it replaced the Foreign Domestic Movement Program.

2.114 Furthermore, we noted that the pilot project for occupations requiring lower levels of formal training was launched with limited analysis of risks and without any formal goal, objectives, or basis on which to evaluate its success, nor has it been formally evaluated since then. It has been a pilot for seven years. Combined with live-in caregivers, temporary foreign workers under this pilot project now account for more than half of all temporary foreign workers in Canada.

2.115 We found that immigration program managers and officers we interviewed in missions abroad were concerned about the level of misrepresentation or fraud from temporary foreign workers, employers, and their representatives in relation to work permit applications. HRSDC officers told us they have the same concerns about LMO applications from employers and their representatives.

2.116 We noted that the IRPA does not provide any mechanism to impose administrative sanctions on employers or their representatives for compromising the integrity of the Temporary Foreign Worker Program. For example, an employer may submit a new LMO application even after misrepresenting a previous application. In our view, effective administrative sanctions would have a deterrent effect and could reduce the number of fraudulent applications.

2.117 Recommendation. Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC) should implement mechanisms that would better enable them to ensure the integrity of the Temporary Foreign Worker Program and the protection of individuals.

The departments' response. Agreed. The departments have already taken steps to enhance program integrity and improve worker protections. For example, HRSDC has introduced new compliance review initiatives to better detect and address instances of non-compliance with conditions specified on labour market opinions. Information-sharing agreements with a number of provinces are either signed or forthcoming to support enforcement of federal and provincial laws and standards. In the spring, new policies were introduced that limit labour market opinion validity to six months and enable the revocation of labour market opinions when the conditions that supported that opinion are found to be no longer valid. Also, in June 2009, an electronic mailbox was created at HRSDC for CIC and Canada Border Services Agency staff to seek direction on specific labour market opinions issued by HRSDC, as well as providing a mechanism for reporting possible fraud.

CIC and HRSDC continue to explore options for improving the Temporary Foreign Worker Program, including changes to the *Immigration and Refugee Protection Regulations* that would introduce enhanced monitoring of employers' compliance with program requirements and permit refusal of service in instances where the requirements have not been met.

Processing of applications

2.118 In our April 2000 Report, we identified several problems with the efficiency and quality of application processing in missions overseas. Employees in offices abroad were buried in paperwork and spending a great deal of their time receiving and recording data for immigration applications, archiving files, handling correspondence, and collecting and reimbursing fees.

2.119 We made several recommendations for improvement; the Department accepted them and outlined measures it would take to implement them. In our current audit, we therefore expected to find that the Department is now processing applications from foreign workers efficiently and has in place effective quality control and quality assurance procedures to ensure that decisions are consistent and comply with the *Immigration and Refugee Protection Act* and Regulations.

Citizenship and Immigration Canada has improved some of its practices

2.120 We found that Citizenship and Immigration Canada (CIC) has identified Client Service Modernization as one of its priorities since 2006. It developed a Client Service Improvement Framework to

guide the planning of initiatives and the development and delivery of solutions aimed at improving efficiency and client services.

2.121 In addition, CIC has successfully implemented a number of initiatives and tools to address some inefficiencies in the processing of applications abroad. These include on-line validation of education diplomas in some missions, an increased use of third party language tests, and banking arrangements that remove the handling of cash from many missions. It has also implemented Visa Application Centres (VACs) in some countries to facilitate the visa application process for temporary resident applicants. VACs are private organizations that provide services on behalf of CIC. The aim is to increase client access to service, improve the quality of applications, and improve security at the missions by reducing in-person applications. We visited three missions where applicants can choose to use the services of a VAC. Staff at these missions said they appreciated the reduced paper burden and the quality of the applications they were receiving. CIC, however, has not yet conducted a formal cost-benefit assessment of these VACs.

Delays in implementing new technologies have seriously limited efficiency gains

2.122 In our 2000 Report, we noted that outdated technology in CIC offices abroad was a serious obstacle to improving efficiency. As part of its response to our recommendation, CIC stated, “Enhancements to our IT systems and infrastructure will significantly improve our ability to do business, both in terms of increased program integrity and better client service.” It also said that it was committed to developing and implementing its Global Case Management System (GCMS) to support its client case management operations. After a failed \$80 million systems upgrade project initiated in 1994, CIC had just launched GCMS, which it viewed as the solution to support the Department’s entire client case management operations.

2.123 Our 2006 audit of large information technology projects looked at GCMS. We found that CIC had to struggle with a number of problems, including changes in the project’s scope, difficulties in accessing funds, and a lack of people with the skills needed to manage the project. Various internal reviews had shown that GCMS was more complex than expected and faced unforeseen challenges.

2.124 Although we did not re-examine the GCMS development process in this audit, we noted that in 2008 the government approved a reduced project scope focusing on Canadian immigration programs abroad. The estimated total cost of GCMS is now around \$387 million, up from an original estimate of \$194.8 million. Its implementation

in missions abroad is scheduled to begin in June 2010, almost 10 years after the initial launch of the project. We found that as a result of the delays in implementing this system, employees in offices abroad are still burdened by paperwork and spend a great deal of their time on clerical tasks.

2.125 Starting in 2011, the Department plans to implement in its overseas operations additional automated tools related to the processing of applications, including electronic applications and electronic payments. The Department told us that its goal is to create a client continuum—an electronic record that captures all immigration transactions for an individual—and shift to full electronic processing. Considering its past experience in system development, CIC will need to carefully manage all the risks associated with these projects to ensure that they will be completed on time and on budget.

2.126 In our view, efficiency gains will be seriously limited until GCMS is implemented in missions abroad and CIC makes effective use of available technologies.

A quality assurance framework has not yet been implemented

2.127 In our 2000 Report, we also raised concerns about the quality of visa officers' decisions on applications to immigrate to Canada. We stressed the need for a quality assurance framework to ensure that decisions are consistent and fair.

2.128 The Department subsequently developed a quality assurance framework that is available to all missions, but there is no requirement for immigration program managers to implement it or to report on quality assurance. Consequently, while some quality assurance is performed in some missions when time permits, it is not comprehensive, not necessarily consistent with the framework, and does not ensure the overall quality and consistency of decisions. Of the eight missions we visited, only one had recently implemented the framework.

2.129 Recommendation. Citizenship and Immigration Canada should ensure that its quality assurance framework is implemented fully and consistently in all missions.

Department's response. Agreed. Citizenship and Immigration Canada has recognized the importance of consistency in all of our program delivery. As we move to modernize our service delivery model we will ensure that quality assurance is a key objective of our program delivery and that it is applied in a consistent and risk-based fashion within two years.

Recognition of foreign credentials

The federal government is contributing to the recognition of foreign credentials

2.130 The importance of foreign credential recognition to the successful integration of immigrants into the labour market has been recognized for a long time. The *Immigration and Refugee Protection Act* provides for the federal government to work in cooperation with the provinces and territories to achieve this objective. We therefore expected that Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC) would have implemented programs to meet the government's commitments to facilitating foreign credential recognition.

2.131 Provincial and territorial governments have jurisdiction over the regulation of skilled trades and most professions. The federal government's role is to provide strategic leadership to foster the development of a consistent nationwide approach to recognizing foreign credentials.

2.132 In 2005, the federal government launched the Internationally Trained Workers Initiative, a comprehensive strategy for integrating Canadians and immigrants trained abroad into Canada's labour force. The Foreign Credential Recognition program (FCRP) was part of this initiative; this contribution program delivered by HRSDC provides funding to provinces, territories, and stakeholders such as regulatory bodies, educational institutions, and the private sector to promote the recognition of foreign credentials for targeted occupations.

2.133 The government also established a new organization within CIC, the Foreign Credentials Referral Office (FCRO), which began operating in May 2007. Its purpose is to provide internationally trained and educated individuals with access to integrated, authoritative information about the Canadian labour market and credential assessment, recognition, and licensing processes and to provide path-finding and referral services.

2.134 Exhibit 2.8 provides an overview of federal funding for these two initiatives over the last eight years.

2.135 HRSDC carried out an evaluation of the FCRP in 2008 to assess the program's relevance, impacts, and cost-effectiveness. At the time of our audit, the evaluation report was being finalized. Preliminary findings indicate that the program is consistent with federal priorities and has contributed to a greater understanding and awareness of foreign credential recognition issues among stakeholders.

2.136 The FCRO informed us that in the 2008–09 fiscal year, foreign credential recognition information has been provided to over 350,000 website visitors and that close to 38,000 in-person visits or telephone calls were made to Service Canada regional offices. The FCRO has put in place the necessary elements to carry out an evaluation of its performance, but it is too early in its operations to do so.

A nationwide framework for recognition of foreign credentials is being developed

2.137 In early 2009, first ministers and territorial leaders agreed to take specific action to develop a pan-Canadian framework for foreign qualification assessment and recognition by September 2009. In its 2009 Budget, the federal government committed \$50 million over two years to support the development and the implementation of the framework.

2.138 The Forum of Labour Market Ministers, led by HRSDC, is developing the framework. Its overall objective is to ensure that after submitting an application for licensing or registration, newcomers will receive a timely response as to whether their qualifications will be recognized or what additional requirements they must meet for registration, or they will be directed to alternative pathways commensurate with their skills and experience.

Exhibit 2.8 The federal government contributes funding to programs that foster recognition of foreign credentials (\$ millions)

Funded	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	Total
Foreign Credential Recognition Program	1.0	6.5	9.5	16.5	17.4	16.4	29.6	96.9
Foreign Credentials Referral Office*	N/A	N/A	N/A	N/A	7.3	6.4	13.9	27.6

* Includes funding provided to Human Resources and Skills Development Canada (HRSDC) for service delivery in Canada. The Office began operating in May 2007.

Source: HRSDC and Citizenship and Immigration Canada

Conclusion

2.139 Overall, we found that current practices of Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC) do not ensure that foreign worker programs are delivered efficiently and effectively.

2.140 Although the process followed by CIC to design the Canadian Experience Class category was very good, other key decisions were made in recent years without a thorough analysis of their costs and benefits, risks, and potential impacts on other programs and delivery mechanisms. Program changes have caused a significant shift in the types of workers being admitted permanently to Canada under the Economic class. Until it develops a strategic roadmap for the future and it evaluates the performance of its current programs, CIC will not be in a position to demonstrate that its programming best meets the needs of the Canadian labour market.

2.141 Managing the large inventory of applications under the Federal Skilled Worker (FSW) category is a major challenge. Measures taken by CIC in 2008 to limit the number of new Federal Skilled Worker applications were implemented without sufficient analysis. While it is too early to assess their full impact, the trends in the number of new applications received since the beginning of 2009 indicate they might not have the desired effect. CIC will have to monitor the situation closely and might need to consider other strategies to achieve this objective. Failure to do so could result in CIC being unable to process new applications within the 6 to 12 months it has forecast. In addition, the Department's ability to reduce the inventory of some 635,000 applicants on hand at the end of February 2008 could be significantly impaired.

2.142 The issues we noted in the delivery of the Temporary Foreign Worker Program pose significant risks to the integrity of the program and could leave many foreign workers in a vulnerable position, particularly those who are physically or linguistically isolated from the general community or are unaware of their rights. In particular, the fact that HRSDC and CIC have not defined their respective roles and responsibilities in assessing the genuineness of job offers could result in work permits being issued for employers or jobs that do not exist. There is also no systematic follow-up by either CIC or HRSDC to ensure that in their previous and current employment of temporary foreign workers, employers have complied with the terms and conditions (such as wages and accommodations) under which the

work permits were issued. Finally, HRSDC's practices in issuing labour market opinions do not ensure the quality and consistency of decisions.

2.143 In its processing of applications in missions overseas, CIC has successfully introduced a number of initiatives and tools to address some of the inefficiencies we noted in 2000. However, an information technology system that is key to its plans has been under development for almost 10 years. As a result, employees in offices abroad are still buried in paperwork and spending a great deal of their time on clerical tasks. In addition, the Department has not yet implemented a quality assurance framework to obtain assurance that decisions made by its visa officers are fair and consistent.

About the Audit

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

Objective

The audit objective was to determine whether Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC) efficiently and effectively handle program planning and delivery to facilitate the entry of permanent and temporary foreign workers into Canada.

Scope and approach

Our audit covered the planning and management of the following programs since the introduction of the *Immigration and Refugee Protection Act* (IRPA) in 2002:

- Federal Skilled Worker,
- Canadian Experience Class,
- Live-in Caregiver,
- Provincial Nominee Program,
- Temporary Foreign Worker Program,
- Foreign Credentials Referral Office, and
- Foreign Credential Recognition Program.

In addition, we followed up on some observations and recommendations that we made in our April 2000 report, Chapter 3, Citizenship and Immigration Canada—The Economic Component of the Canadian Immigration Program.

At CIC, we interviewed key people involved in processing applications from foreign workers, reviewed files, records, and reports, and analyzed management information databases. We also conducted audit work at the following missions abroad: Beijing, Buffalo, London, Manila, Mexico, New Delhi, Paris, and Port-of-Spain.

At HRSDC, we interviewed officers and managers in four regions—Vancouver, Edmonton, Toronto, and Montreal—and at HRSDC's headquarters, and we reviewed files, records, and reports. Furthermore, we examined a statistical sample of 99 labour market opinion (LMO) applications across Canada for the period from 1 October 2007 to 30 September 2008.

Criteria

Listed below are the criteria that were used to conduct this audit and their sources.

Criteria	Sources
Planning of programs	
We expected that Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC) would have adequately planned their programs to facilitate the entry of foreign workers into Canada.	<ul style="list-style-type: none"> • <i>Immigration and Refugee Protection Act</i>, sections 3.(1)(a), (c), and (f), and 87.3(2) • Treasury Board of Canada Secretariat, Management Accountability Framework, Round V—Stewardship (2007)
Inventory	
We expected that CIC would have managed the inventory of applications for federal skilled workers in a way that ensures processing within a reasonable time period as defined by CIC.	<ul style="list-style-type: none"> • <i>Immigration and Refugee Protection Act</i>, section 87.3 • Treasury Board of Canada Secretariat, Management Accountability Framework, Round V—Stewardship (2007)
Processing of applications	
We expected that CIC would have efficiently processed applications from foreign workers, and that HRSDC would have efficiently processed applications for labour market opinions.	<ul style="list-style-type: none"> • Treasury Board of Canada Secretariat, Management in the Government of Canada: A Commitment to Continuous Improvement (2004) • Treasury Board of Canada Secretariat, Management Accountability Framework, Round V—Stewardship (2007) • Citizenship and Immigration Canada's, operations manual, OP 1—Procedures, 5.14, Processing priorities • Treasury Board of Canada Secretariat, Service Standards: A Guide to the Initiative • Treasury Board, Policy on Service Standards for External Fees (2004)
We expected that CIC and HRSDC would have effective quality control and assurance procedures in place to ensure that decisions are consistent and in compliance with the <i>Immigration and Refugee Protection Act</i> and Regulations, and operational procedures in processing applications.	<ul style="list-style-type: none"> • <i>Immigration and Refugee Protection Act</i>, 3(1)(f) and 3(3)(d) • April 2000 Report of the Auditor General of Canada, Chapter 3, Citizenship and Immigration Canada—The Economic Component of the Canadian Immigration Program • Citizenship and Immigration Canada, operations manual FW 1 Procedures for Temporary Foreign Workers, Appendix J, page 171 • Citizenship and Immigration Canada, operations manual OP 1—Procedures, 9.2
Foreign credential recognition	
We expected that CIC and HRSDC would have implemented programs to meet the government's commitments to facilitating foreign credential recognition.	<ul style="list-style-type: none"> • <i>Immigration and Refugee Protection Act</i>, section 3(1)(j) • <i>Federal Accountability Act, 2006</i> • Budget Plan 2006 • Department of Finance Canada, Advantage Canada, 2006 • Treasury Board of Canada Secretariat, Management Accountability Framework, Round VI—Policy and programs (2008)

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

Period covered by the audit

With the exception of the Foreign Credential Recognition line of enquiry, whose period audited started at the launching of the Internationally Trained Workers Initiative in 2005, and the review of labour market opinion applications, which was based on a statistical sample of applications processed between 1 October 2007 and 30 September 2008, the period audited for this Chapter goes from the coming into effect of the *Immigration and Refugee Protection Act* in June 2002 until 30 June 2009.

Audit work for this chapter was substantially completed on 30 June 2009.

Audit team

Assistant Auditor General: Richard Flageole

Principal: Suzanne Therrien

Lead Director: Jean Goulet

Lucie Després

Marc Gauthier

Yan Lehoux

Philippe Malette

Denis Roy

For information, please contact Communications at 613-995-3708 or 1-888-761-5953 (toll-free).

Appendix List of recommendations

The following is a list of recommendations found in Chapter 2. The number in front of the recommendation indicates the paragraph where it appears in the chapter. The numbers in parentheses indicate the paragraphs where the topic is discussed.

Recommendation	Response
Strategic planning and programming	
<p>2.34 To strengthen its strategic planning, Citizenship and Immigration Canada (CIC) should</p> <ul style="list-style-type: none"> • develop, in consultation with provinces and territories, a strategic roadmap for the future of the immigration program including a clear vision of what each category is expected to contribute, on a multi-year basis, toward achieving the objectives of the Economic class; and • take the necessary steps to ensure that its programming is optimal and closely aligned with that vision. (2.24–2.33) 	<p>Agreed. Work is already underway that will contribute to the vision and future of the immigration program. A notable example is the Department’s work on the broader modernization of the immigration program, including measures that have policy, operational, and service improvement and technological components. In addition, the evaluation of the Federal Skilled Worker program and work on regulatory changes to the Temporary Foreign Worker Program to address concerns around program integrity are two more current areas of activity that support the modernization of the immigration system. Taken together, this work will lead to the development of an immigration roadmap, which will be developed in consultation with our provincial and territorial partners over the next two years.</p> <p>In terms of the balance between categories in the Economic class, Citizenship and Immigration Canada launched a process in November 2008 with provinces and territories to develop a common approach for understanding how various programs under the Economic class, such as Federal Skilled Worker and Provincial Nominee, contribute to meeting the economic objectives for immigration, such as responding to labour-market needs. Part of this effort involves achieving an appropriate balance among programs.</p>
<p>2.39 Citizenship and Immigration Canada and Human Resources and Skills Development Canada (HRSDC) should carry out evaluations of permanent and temporary foreign worker programs according to their approved evaluation plans. (2.35–2.38)</p>	<p>Agreed. The departments have initiated work on a joint, comprehensive evaluation of the Temporary Foreign Worker Program that will provide results in 2010–11. CIC is currently carrying out a comprehensive evaluation of the Federal Skilled Worker program; other programs in the permanent stream will be evaluated according to the CIC evaluation plan.</p>

Recommendation	Response
<p>Federal skilled workers</p> <p>2.56 In developing future ministerial instructions, Citizenship and Immigration Canada should ensure that selected strategies are supported by strong policy, program, and operational analysis. (2.53–2.55)</p> <p>2.62 Citizenship and Immigration Canada should closely monitor the impact of the new eligibility criteria on the number of applications to be processed under the Federal Skilled Worker category and on the effectiveness of its inventory reduction strategy. (2.57–2.61)</p> <p>2.68 Citizenship and Immigration Canada, in consultation with key partners, should put in place structures and processes to ensure that the selected eligible occupations remain relevant to the changing needs of the Canadian labour market. (2.63–2.67)</p>	<p>Agreed. The Department agrees with the importance placed on strong policy analysis in the issuance of future ministerial instructions.</p> <p>To this end, the Department is working on several initiatives, including ensuring that diagnostic and analytical tools are in place for the monitoring and evaluation of the current ministerial instructions, improved analytical capacity around labour market information, and the exploration of options for expert advice to be regularly available to Citizenship and Immigration Canada regarding Canadian labour markets and current and projected occupational shortages.</p> <p>Agreed. The Department has introduced measures to ensure timely and comprehensive monitoring of the impact of the ministerial instructions. First, using existing data sources, the Department regularly tracks and analyzes data relating to, among other things, application intake rates, acceptance rates, and outcomes at key decision points throughout the processing continuum (i.e., from the Centralized Intake Office to processing and visa issuance at overseas missions). Second, the Department has introduced (effective June 2009) monthly reporting templates for overseas missions to capture more qualitative information on how the ministerial instructions are affecting the Federal Skilled Worker category. Taken together these initiatives will inform the need to revise ministerial instructions as appropriate.</p> <p>Agreed. Timely and accurate labour market information is an important component of ensuring that the ministerial instructions help meet the Government of Canada’s goal of improving the labour market responsiveness of the immigration program. Over the next two years, Citizenship and Immigration Canada will work with key partners to explore options for structures and processes to better ensure the instructions meet their objectives. Part of this work includes exploring options for an external advisory body, such as the U.K.’s Migration Advisory Committee.</p>

Recommendation	Response
<p>2.78 Citizenship and Immigration Canada should evaluate, after the first two years of operations, the cost-effectiveness of the Centralized Intake Office and the extent to which it is meeting its objectives. (2.69–2.77)</p>	<p>Agreed. The Department intends to continue to move on its modernization agenda as quickly as possible with the support of the roll-out of our Global Case Management System. Within our vision of moving some work back to Canada and working in a more virtual network, the Centralized Intake Office operations will be evaluated and a decision made on its cost-effectiveness and its support to meet CIC overarching objectives. The evaluation of the Centralized Intake Office is included in the Department's Evaluation Plan in 2010/2011.</p>
<p>Provincial Nominee Program</p>	
<p>2.85 Citizenship and Immigration Canada should work with provinces and territories to ensure that, for the Provincial Nominee Program,</p> <ul style="list-style-type: none"> • mechanisms are in place to collect and share appropriate information against agreed upon evaluation criteria; • evaluation plans are prepared and implemented to assess whether provincial nominee programs are meeting the objectives set out in the <i>Immigration and Refugee Protection Act</i> and Regulations; and • quality assurance mechanisms are in place to ensure that nomination decisions are consistent and compliant with the <i>Immigration and Refugee Protection Act</i> and Regulations and their respective Provincial Nominee Program criteria. (2.80–2.84) 	<p>Agreed. The Department has developed an evaluation framework and logic model for an evaluation of the Provincial Nominee Program, which is in the Department's Evaluation Plan for 2010/11. Common performance measures and indicators will be drawn from the longitudinal immigration database, which will provide information related to outcomes and retention for all provinces and territories. The Department remains open and committed to working with provinces and territories on any additional information sources and mechanisms they wish to have considered.</p> <p>The evaluation will assess performance of provincial nominee programs against the objectives of the <i>Immigration and Refugee Protection Act</i> and Regulations.</p> <p>Citizenship and Immigration Canada agrees with the need for quality assurance mechanisms and is open to working with provinces and territories to develop them. Should there be questions related to quality assurance, CIC can substitute its own evaluation of provincial and territorial nominations.</p>

Recommendation	Response
<p>The Temporary Foreign Worker Program</p> <p>2.101 Human Resources and Skills Development Canada should</p> <ul style="list-style-type: none"> • provide clear directives, tools, and training to officers engaged in issuing labour market opinions; and • implement a quality assurance framework to ensure the quality and consistency of opinions across Canada. (2.96–2.100) 	<p>Agreed. The Department has already taken steps to build on the program efficiencies achieved with Budget 2007 funding that will further enhance the effectiveness of processing labour market opinions. In this regard, the Department has put in place mechanisms to strengthen coordination with regional staff to enhance integrity, operations, and service delivery. This includes working with regions to develop new directives and clearer bulletins to improve national consistency in operations and decision-making. In March 2009, an electronic mailbox was created for regional staff to seek direction and exchange information on issues related to policy and operations. The Department continues to hold annual coordination meetings and monthly teleconferences between national headquarters and Service Canada regions to discuss operational and procedural issues. In July 2009, a new monthly teleconference was launched specific to integrity issues.</p> <p>In June 2009, a new team was created to develop and implement a quality assurance framework that will strengthen the responsiveness, consistency, speed, and quality of decision-making when issuing labour market opinions. This initiative will also help to improve overall program integrity. The team is working closely with headquarters and regional staff to ensure the framework is informed by an understanding of the operational realities faced in each region, and can therefore be an effective tool to support national consistency in decision-making.</p>

Recommendation	Response
<p>2.107 Citizenship and Immigration Canada and Human Resources and Skills Development Canada should clarify their respective roles and responsibilities, and put mechanisms in place to ensure that the genuineness of job offers is systematically verified. (2.102–2.106)</p>	<p>Agreed. The departments are working together to make improvements in these areas.</p> <p>The departments are also developing regulatory options to strengthen the integrity of the Temporary Foreign Worker Program including clarity around roles and responsibilities. Part of this work focuses on more structured assessments of the genuineness of both employers and jobs offered to temporary foreign workers. A new information-sharing agreement between CIC and HRSDC will enable a more active exchange of information pertinent to the assessment of the genuineness of job offers.</p> <p>Additionally, new interdepartmental working groups and information-exchange mechanisms have been established to ensure better communication and coordination of program development and implementation.</p>
<p>2.117 Citizenship and Immigration Canada and Human Resources and Skills Development Canada should implement mechanisms that would better enable them to ensure the integrity of the Temporary Foreign Worker Program and the protection of individuals. (2.108–2.116)</p>	<p>Agreed. The departments have already taken steps to enhance program integrity and improve worker protections. For example, HRSDC has introduced new compliance review initiatives to better detect and address instances of non-compliance with conditions specified on labour market opinions. Information-sharing agreements with a number of provinces are either signed or forthcoming to support enforcement of federal and provincial laws and standards. In the spring, new policies were introduced that limit labour market opinion validity to six months and enable the revocation of labour market opinions when the conditions that supported that opinion are found to be no longer valid. Also, in June 2009, an electronic mailbox was created at HRSDC for CIC and Canada Border Services Agency staff to seek direction on specific labour market opinions issued by HRSDC, as well as providing a mechanism for reporting possible fraud.</p> <p>CIC and HRSDC continue to explore options for improving the Temporary Foreign Worker Program, including changes to the <i>Immigration and Refugee Protection Regulations</i> that would introduce enhanced monitoring of employers' compliance with program requirements and permit refusal of service in instances where the requirements have not been met.</p>

Recommendation	Response
<p>Processing of applications</p> <p>2.129 Citizenship and Immigration Canada should ensure that its quality assurance framework is implemented fully and consistently in all missions. (2.127–2.128)</p>	<p>Agreed. Citizenship and Immigration Canada has recognized the importance of consistency in all of our program delivery. As we move to modernize our service delivery model we will ensure that quality assurance is a key objective of our program delivery and that it is applied in a consistent and risk-based fashion within two years.</p>

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