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Report of the Auditor General of Canada

CHAPTER 2

Access to Online Services



Office of the Auditor General of Canada

OAG

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CHAPTER 2

Access to Online Services

Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada under the authority of the *Auditor General Act*.

A performance audit is an independent, objective, and systematic assessment of how well government is managing its activities, responsibilities, and resources. Audit topics are selected based on their significance. While the Office may comment on policy implementation in a performance audit, it does not comment on the merits of a policy.

Performance audits are planned, performed, and reported in accordance with professional auditing standards and Office policies. They are conducted by qualified auditors who

- establish audit objectives and criteria for the assessment of performance,
- gather the evidence necessary to assess performance against the criteria,
- report both positive and negative findings,
- conclude against the established audit objectives, and
- make recommendations for improvement when there are significant differences between criteria and assessed performance.

Performance audits contribute to a public service that is ethical and effective and a government that is accountable to Parliament and Canadians.

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Access to Online Services

Main Points

What we examined

The federal government delivers services to Canadians through four main channels: in person, by phone, online, and by mail. Online, individuals and businesses can connect with the government through two main websites: the Government of Canada website, which provides information about Canada, the government, and resources; and the Service Canada website, which focuses on services provided by the federal government, grouped by categories, such as activities or life events. In addition, there are 1,500 departmental websites that Canadians can access directly.

We examined whether the online services offered by federal organizations are client-focused and supported by service delivery strategies with defined and measured benefits. We also examined whether online services are secure, available, and relevant to the users. Our work focused on four large departments that each year provide over \$125 billion in programs and services directly to individuals and business: Human Resources and Skills Development Canada, the Canada Revenue Agency, Veterans Affairs Canada, and Industry Canada. We did not audit service standards.

Audit work for this chapter was completed on 24 September 2013. More details on the conduct of the audit are in **About the Audit** at the end of the chapter.

Why it's important

Use of the Internet by Canadians has increased steadily over the last decade. In 2012, a Statistics Canada survey reported that 83 percent of households had Internet access, compared to 61 percent in 2005. Advances in technology have made it easier and cheaper for people to go online to find information or purchase goods and services. Canadians rely more on the Internet to conduct business, and they expect the government to keep pace and provide them with online information and services that meet their needs.

An independent assessment in 2005 ranked Canada first as a world leader in bringing online government to its citizens. Leadership in customer service and efforts in providing its citizens with online

offerings were two of the main reasons cited for the government's success. However, United Nations studies on the development of e-government show that Canada is dropping in worldwide rankings, most notably from 3rd in 2010 to 11th in 2012 among 190 countries included in these studies.

What we found

- The government has not significantly expanded its online service offerings since 2005, though some departments have introduced new services or enhanced existing functionalities. For example, online services have expanded to include three major portals through which Canadians can access tax services. In addition, over 40 online service enhancements were added to these portals between 2009 and 2012 to increase online functionality for users. In other areas, however, there are few government services for which users can complete all the transactions online without having to resort to other channels, such as calling or visiting the department in person. For example, while individuals have been able to apply for Employment Insurance online since 2003, they must call or visit a government office to follow up on the status of their application.
- The integration of service delivery and the sharing of information among departments are limited. Individuals and businesses must work with departments separately, which frequently requires them to provide the same information multiple times. For example, departments require individuals' current address information for their programs, but this information is not centrally managed and it is not shared among departments. When individuals move, they must advise each department separately of their new address. In the case of some departments, individuals are required to separately inform each program of their change of address.
- The government has introduced services to enable individuals to interact online with departments securely. However, multiple steps are required to set up a secure account and then enrol in a program, the latter of which users must repeat for each department from which they receive services. For example, a retired veteran wishing to interact with the Government of Canada online to manage his benefits and taxes must first set up a secure account and then follow different enrolment processes with Human Resources and Skills Development Canada (Service Canada), Veterans Affairs Canada (VAC) and the Canada Revenue Agency (CRA). While he would have immediate access to his VAC account, he would have to wait 5 to 10 days to receive separate security codes in the mail for accessing his Service Canada and CRA accounts.

- While industry standards and other governments have identified that the delivery of services online is less expensive than other methods, the government does not actively analyze and report this information. There is no government-wide strategy to guide departments on how online services should be delivered, and not all departments have developed integrated service delivery strategies that have identified key factors such as costs, benefits, and consideration of client expectations. This has limited the opportunity for the government to identify and move toward cost-effective service delivery alternatives that address the expectations of Canadians.

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

Introduction

Delivering government services

2.1 The federal government delivers many services to individuals and businesses. Some people access these services regularly, such as social benefit programs, while others access services only once, or periodically, such as when they file their taxes or renew a passport.

2.2 Several different departments provide services directly to the public. These include the following:

- Human Resources and Skills Development Canada (HRSDC), which is responsible for approximately \$100 billion in payments for programs and services that support Canadians directly, such as Employment Insurance, the Canada Pension Plan, and the Old Age Security Pension. Within this Department, Service Canada is responsible for delivering programs and services.
- The Canada Revenue Agency, which administers, assesses, and collects about \$331 billion of taxes annually. The Agency directly delivers about \$21 billion of benefits, tax credits, and other services that support Canadians.
- Veterans Affairs Canada, which spends about \$3.2 billion annually in financial assistance services and disability and health care benefits. This Department provides services to approximately 215,000 veterans and survivors and is also responsible for national and international remembrance activities.
- Industry Canada, which works with Canadians to foster the economy, advance the marketplace, and support business. The Department spends about \$1.4 billion annually, of which 67 percent is in the form of direct transfers to business and industry.

2.3 The federal government delivers services through four main channels: in person, by phone, online, and by mail. The government has made providing good service to Canadians a priority, and committed to improving its services in both the 2012 and 2013 federal budgets.

Delivering services online

2.4 There are three main online entry points for individuals and businesses to connect with the federal government:

- Canada.gc.ca provides information about Canada, the government, resources, and services.

Life event—A major event that changes a person's status or circumstances, such as the birth of a child, retirement, applying for and receiving benefits, changing an address, registering a death, or managing a business.

- ServiceCanada.gc.ca focuses on available government services, grouped by category, such as activities or **life events**. The site also provides links to other government departments.
- Each department has websites that Canadians can access directly.

2.5 Use of the Internet by Canadians has continued to increase. In 2012, a Statistics Canada survey reported that 83 percent of households had Internet access, compared with 61 percent in 2005. The survey also found that nearly two thirds of Canadians (63 percent) used the Internet for visiting or interacting with the government.

2.6 Service Canada reported in its Voice of the Client 2010 Q3 Report that Canadians wanted to conduct more online transactions with the government and be able to do so more easily. Specifically, Canadians asked for a single, centralized window to all government services and transactions.

2.7 The federal government has access to data from surveys that the Institute for Citizen-Centred Service conducts on behalf of various levels of government. These Citizens First surveys, conducted approximately every three years, gather information about the experience of individuals who have interacted with the government through a range of channels, including online. The Institute conducted its first such survey in 1998 and reported that 47 percent of people using the 17 federal government services it assessed were satisfied with the service they received. At the end of the Government On-Line initiative in 2005, the Citizens First survey reported a satisfaction rating of 59 percent. This was the highest client satisfaction rating achieved by the federal government for its services. The latest survey, from 2012, shows that the government has stalled in improving service delivery, as on average only 56 percent of people were satisfied with the service they received.

Government On-Line initiative

2.8 Prior to 1999, federal departments used the Internet to deliver services to Canadians; however, the absence of a comprehensive government-wide strategy resulted in different levels of online presence. In October 1999, the government announced its Government On-Line (GOL) initiative, which was intended to address the need for a coordinated, consistent, and convenient **client-focused** online service that would deliver all key government services over the Internet by 2005. The initiative's two main goals were to ensure that the Canadian government was known around the world as the government most connected to its citizens, and to ensure that

Client-focused—Designing and delivering services from the perspectives of Canadians.

Canadians and businesses could access government information and services online at the time and place of their choosing.

2.9 In 1999, the Treasury Board of Canada Secretariat selected 34 departments to monitor and report on the progress of the GOL initiative, because their client services reflected the information and services the majority of citizens and businesses used at any given time. In addition, the departments identified 130 key services that they would bring online by 2005.

2.10 The Secretariat estimated in 2001 that it would cost about \$2 billion to put all key services online. The GOL initiative provided \$262.5 million in funding to departments to implement services online, and the remainder of these costs were to be funded by each department internally.

2.11 When the initiative ended in 2005, the government reported that Canadians could access all 130 key services online. It also stated that in 2005, online transactions accounted for 30 percent of all transactions the Government of Canada conducted with Canadians.

2.12 At that time there was recognition that despite the government's success in moving services online, service delivery remained complex and confusing for users. Specifically, the Secretariat, in its 2004 *Serving Canadians Better* report, concluded that online services were too complicated for those most likely to benefit from them, and there were too many cases of users having to supply the same information repeatedly to complete a transaction. To address these issues and respond to the needs and expectations of Canadians, the report identified visions for service delivery to provide direction to departments for transforming the government's internal processes and provide more client-focused service.

2.13 In response to the end of the GOL initiative and to continue improving the delivery of services, in 2005 the government created Service Canada within HRSDC to serve as a single window for Canadians to access government programs and services. Its mandate, however, was limited to delivering HRSDC programs. Any services that Service Canada delivers for other government departments are generally provided on a fee-for-service basis and require HRSDC to get specific legal authorities to undertake them.

Focus of the audit

2.14 The overall objective of the audit was to determine whether selected government departments offer Canadians client-focused online services. The audit examined whether

- there is a Government of Canada strategy for delivering online services;
- there is integrated service delivery among major partners;
- selected entities have designed and implemented service delivery strategies that consider cost-effectiveness and client needs and expectations; and
- selected entities deliver services in a secure, available, relevant, and cost-effective way.

2.15 While many entities deliver services, our audit work focused on four organizations that provide services directly to business and individuals: Human Resources and Skills Development Canada, the Canada Revenue Agency, Veterans Affairs Canada, and Industry Canada. We also included the Treasury Board of Canada Secretariat in our audit, because it is the central agency responsible for several initiatives relating to the subject matter.

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

Observations and Recommendations

Delivery of services to Canadians

There is limited integrated service delivery among departments

2.17 We examined online services offered in selected government departments and how these were integrated across government to improve the delivery of services to Canadians.

2.18 Efforts to improve services. We examined how the government offers services online by looking at different life events, as defined by Service Canada. These include the birth of a child, retirement, applying for and receiving benefits, changing an address, registering a death, or managing a business. The government offers online services that range from only providing information to allowing users to complete an action online from start to finish. For three of the four departments we examined, we found that the transaction services Canadians can use online have not progressed since the end of the Government On-Line initiative in 2005.

2.19 A 2010 Service Canada survey stated that 32 percent of Canadians who visited its service centres had previously used the telephone or online service delivery channels. The 2012 Citizens First Survey indicated that 81 percent of Canadians start accessing services online, but only 38 percent do so exclusively. During 2012, when the Treasury Board of Canada Secretariat consulted with Canadians about another initiative related to access to public information, it received feedback that Canadians had difficulty finding needed information on government websites.

2.20 Human Resources and Skills Development Canada (HRSDC) has focused on improvements to processing activities, such as the modernization and automation of Employment Insurance (EI) processing. The Department introduced the My Service Canada Account in 2006, which allowed Canadians to access personalized benefit information, apply for statutory programs, and make changes to their personal information. HRSDC has made incremental improvements to online services over the last six years, such as providing the ability to view records of employment, access T4E slips reporting employment insurance income, and maintain personal information for EI, Canada Pension Plan (CPP), and Old Age Security (OAS) Pension.

2.21 While these improvements have resulted in 98 percent of EI applications being filed online, an individual still cannot determine the status of their claim online. Furthermore, applications for other benefit programs, such as the CPP and OAS, cannot be fully completed online.

2.22 Employers have also been able to file their records of employment online with HRSDC since 2003; at the time of our audit, more than 70 percent of records of employment were submitted online. Since 2006, incremental improvements requested by business groups have been made to the existing services, such as the ability to make bulk changes. However, a business still cannot update its profile or change its address online.

2.23 Veterans Affairs Canada introduced the My VAC Account in 2005 so that veterans could submit their disability benefit applications online. However, the Department limited its online service offerings and focused on other methods, such as by phone, in person, and by mail, as those best suited to deliver services to its clients. In 2010, the government conducted an administrative review of the Department, and in 2011, Veterans Affairs Canada began implementing its five-year Transformation Agenda, which includes changes to how services are delivered, including online offerings such

as updating personal information. As part of this transformation, enhanced online services started to be offered in 2011, with plans to continue to do so through the 2015–16 fiscal year.

2.24 We looked at two programs with online services that Industry Canada offers to small and medium enterprises. The Canada Business Network provides information to businesses, and its website is designed to address general questions an individual or business might have on how to start and manage a business and where businesses can go to seek additional information, based on their industry sector. The Canada Business Network has partnered with the provinces to provide information and links on its website relating to government services, programs, and regulations. Corporations Canada, Canada's federal corporate regulator within Industry Canada, provides more direct services to business and has offered federal incorporation services online since 1999. Since that time, Corporations Canada has added some online services, such as the ability to file annual returns and to update corporate information. With its specific mandate, Corporations Canada's online service offerings have been focused on key activities that make up over 80 percent of Corporations Canada's business.

2.25 The Canada Revenue Agency (CRA) has continued to expand its online services to taxpayers. The CRA has three major portals through which Canadians can conduct business online:

- My Account (for individuals),
- My Business Account (for business owners to manage and monitor their tax-related activities), and
- Represent a Client (for tax representatives).

2.26 Between 2009 and 2012, the CRA added over 40 online service enhancements for an investment of just over \$6.4 million, increasing online functionality and use for both individuals and business. Over these years, the CRA reported that the My Account portal registered a 76 percent increase in annual transactions, growing from 3.8 million to 6.7 million transactions annually, while the number of transactions through the My Business Account portal has grown 329 percent from just over 350,000 to over 1.5 million each year.

2.27 Service delivery integration. We examined whether the four large departments we audited had developed ways to share information while respecting the privacy of individuals' information, in an effort to integrate and improve service delivery. The *Privacy Act* establishes the way government institutions are to collect, use, and disclose personal information in the course of providing services.

This Act is not meant to hinder information sharing, but rather to ensure effective protection and management by departments of personal information provided. Other legislation provides for the protection and use of personal information by government institutions. For example, the *Income Tax Act*, the *Excise Tax Act*, and the *Department of Human Resources and Skills Development Act* contain provisions about the disclosure of personal information.

2.28 The 2004 Treasury Board of Canada Secretariat report *Serving Canadians Better* noted that Canadians indicated they accepted that government departments should share information, but they noted they wanted to be asked for their consent before this occurs. Furthermore, they wanted to see the information the government maintains about them, in order to validate or correct it. Finally, they wanted assurance that government databases containing their information and electronic transactions are secure.

2.29 We found that two of the four large departments we audited have developed ways to share information in specific circumstances, which results in better service delivery. For example, the CRA and HRSDC have worked with each other and eight provinces to share information through the Newborn Registration Service. When a birth is registered with a province, parents can give their consent so that the province can electronically transfer the information to HRSDC to issue a Social Insurance Number and to the CRA to apply for the Canada Child Tax Benefit. Through this service, parents provide the newborn's information only once. Exhibit 2.1 illustrates how sharing information facilitates the delivery of service following the birth of a child.

2.30 While each department is responsible for delivering services specific to its mandate and programs, there are activities that are common across government. For example, departments require current address information for their programs. We found that this information is neither centrally managed nor shared among departments. If an individual moves, he or she must advise each department separately of their new address. In some departments, people must advise each program separately. For example, if a person has enrolled with EI and the CPP, he or she has to inform each program about a change of address, even though HRSDC administers both programs. This means that Canadians must know every department they deal with and advise each individually of an address change, some more than once if multiple programs are offered. Not doing so could result in a Canadian not receiving a benefit or important information regarding a program. Exhibit 2.2 illustrates different online services

Exhibit 2.1 Provincial and federal programs do work together

Parents with a new baby are eligible for various benefits. However, to apply for those benefits, they will need proof of birth documentation. Before 2006, acquiring these documents and registering for benefits required going through various provincial jurisdictions and federal departments to complete separate applications.

By selecting the “Having a Baby” life event category on the Service Canada website, new parents are directed to a page with information about the programs for which they are eligible. They are also directed to the Newborn Registration Service where they can select information by province.

Parents in eight provinces can register their child’s birth, request a birth certificate, and provide consent to the provincial vital statistics agency to send their information to Human Resources and Skills Development Canada to get a Social Insurance Number and to the Canada Revenue Agency to determine their eligibility for the Canada Child Tax Benefit.

In two of the eight provinces, Ontario and British Columbia, parents can now perform all of the above tasks online.

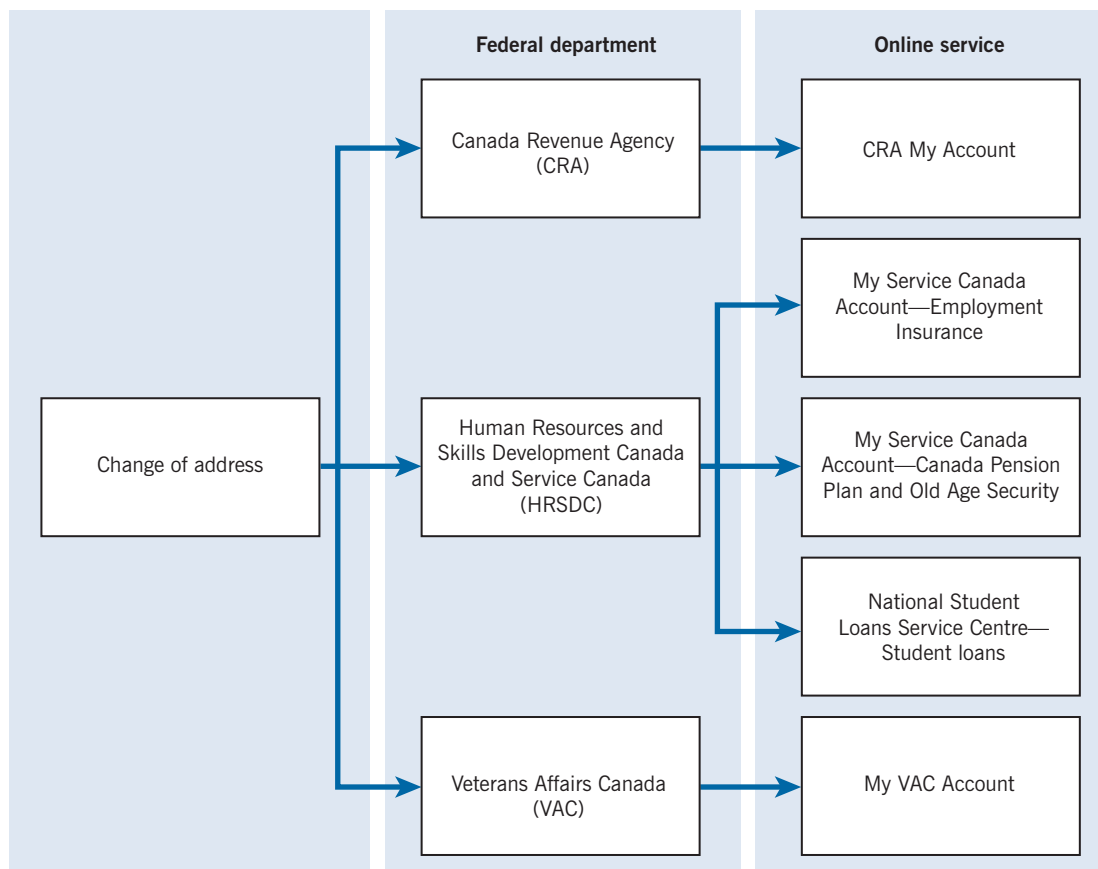
available that a Canadian can access to update his or her change of address with selected departments.

2.31 In contrast, we noted that both the Ontario and Quebec governments centrally manage changes of address online. Individuals have the option to update their information with all or selected provincial ministries at the same time.

2.32 The federal government does not coordinate other common activities. When a death occurs, for example, someone must contact each department separately and follow different processes, as this information is not generally shared and departments do not offer the ability to do this online. This makes it difficult for users who may be trying to stop the payment of certain benefits to prevent overpayments (such as veterans’ disability benefits) while trying to apply for others (such as CPP death benefits).

2.33 We also found that the instructions provided on the Service Canada website about what to do for certain life events is not complete. For example, the Life Events section on the Service Canada website regarding an address change or following a death does not advise people to contact Veterans Affairs Canada if the person is receiving benefits from this Department. Thus, Canadians following the instructions provided by Service Canada on its website may not do everything they are required to do.

2.34 Businesses have similar issues concerning common information that is not always shared among departments. When a business is federally incorporated, Industry Canada has a process through which it

Exhibit 2.2 A Canadian can advise selected departments of an address change up to five times

supplies applicant information to the CRA to facilitate the registration of a Business Number. This is a unique identifier for businesses that the CRA issues and manages, and which other federal departments and provincial and municipal governments have adopted. While the CRA has established partnerships with other levels of government to share information based on the Business Number, it has not established a partnership with either Industry Canada or HRSDC. This means each organization manages common information, such as a business's address, separately.

2.35 While we noted instances of cooperative working relationships government-wide, departments are focused on delivering the statutory programs and mandates for which they are accountable. There is no incentive for departments to share information.

There is no government-wide strategy to guide service delivery

2.36 In 1999, the Treasury Board of Canada Secretariat created the Government On-Line Initiative Project Management Office to coordinate online efforts throughout the government. Departments reported to this office annually about their progress in meeting milestones and generating benefits, resulting in an annual summary Government On-Line initiative report that showed the extent to which the initiative was progressing. Since the last report in 2006, there has been no requirement for departments to report about the number of key services offered online, the level of interaction possible, the efficiencies achieved, and the take-up by Canadians and businesses.

2.37 We examined whether there is a Government of Canada strategy for delivering online services and found that there is no government-wide service delivery strategy and that there has been no overall assessment of client needs and satisfaction since 2005. Therefore, the government has little information about what Canadians want and how they wish to be served across the departments. Although the government has identified in both Budget 2012 and Budget 2013 the importance of improving services to Canadians at a lower cost, no strategy has been implemented to establish priorities or guidance for doing so online.

2.38 In 2011, the Treasury Board of Canada Secretariat and HRSDC, working with other departments, led a review that looked at opportunities for additional savings and improving service delivery across the Government of Canada. This work consisted of surveying 11 key service departments to identify the costs of service delivery, volumes by channels, and departmental service strategies. The work was completed, but to date, no new initiatives have resulted.

2.39 We note that various studies have found that online service delivery can save money. For example, the United Kingdom's 2012 Digital Efficiency Report stated that the average cost of a digital transaction for government departments was almost 20 times lower than the cost of a telephone transaction, about 30 times lower than the cost of a mail transaction, and about 50 times lower than an in-person transaction. In 2004, the Treasury Board of Canada Secretariat reported that the government's costs were in line with large organization benchmarks of \$30 per in-person interaction, \$20 per mail interaction, \$10 per telephone interaction, and \$1 or less per interaction via Internet. As part of the government-wide review of service delivery started in 2011, the Secretariat and HRSDC found per-transaction costs among 11 selected departments were \$28.80 in person,

\$11.69 by telephone, and \$0.13 online. Having a government-wide strategy for service delivery can result in significant savings.

2.40 Recommendation. The Treasury Board of Canada Secretariat and Human Resources and Skills Development Canada, in consultation with departments, should develop a government-wide service delivery strategy to improve services to individuals and businesses and facilitate the cost-effective delivery of services across the government.

The Treasury Board of Canada Secretariat's response. Agreed. The Secretariat and Human Resources and Skills Development Canada (through Service Canada) will work with key service delivery partners toward the development of a government-wide service strategy to be released by March 2015.

Human Resources and Skills Development Canada's response. Agreed. The Department, through Service Canada, is committed to collaborating with the Treasury Board of Canada Secretariat and other departments and agencies to initiate and support the development of a single overall strategy for service delivery within the Government of Canada.

Evolving the Department's service delivery approach to cost-effectively improve service delivery to citizens remains a significant priority of its portfolio, as outlined in the 2013–14 Report on Plans and Priorities. To date, the Department, in partnership with the Secretariat, has engaged 11 key government departments in a review of their respective service delivery operations.

Building upon the lessons learned from this exercise, the Department will continue to partner with the Secretariat and other government departments with a view to developing, by March 2015, a shared strategy and work plan that will align departmental efforts in support of shared objectives.

The absence of an overall service delivery strategy is compounded by the lack of departmental strategies

2.41 We examined whether the departments we audited developed strategies that are client focused and cost-effective for the delivery of services to Canadians. We found that only the CRA has developed integrated plans and strategies for delivering services. From these strategies, the CRA has identified continued investments in its online services. For example, the CRA's Enhancing Secure Online Services initiative has identified opportunities to expand or modify existing secure

transaction online services. The CRA has identified planned spending of \$17.7 million on two new online services. It has identified benefits that include immediate savings of more than \$2.5 million, anticipated long-term savings of \$16.3 million, as well as other benefits, such as the enhanced ability for users to conduct end-to-end transactions, more taxpayer services conducted online (such as filing, payments, document submission), and improvements to user satisfaction.

2.42 Service Canada does not have an overall service delivery strategy, although it has been working on developing one since 2009. Service Canada has developed a strategic vision and multiple strategies for programs and for client-specific groups, but these do not integrate well as they have been developed over time and for different purposes. While we were able to identify some investment in online services, such as a \$9.9-million project to enhance services to those claiming benefits, these services are managed at the program level, not as part of an integrated service strategy.

2.43 Veterans Affairs Canada is halfway through its Transformation Agenda and has not yet developed a service delivery strategy. This Department has established plans and has developed partnerships, such as with Service Canada, as options to deliver services. At the time of our audit, many of the projects that form part of this agenda have not yet reported on results.

2.44 Industry Canada does not have an overall service delivery strategy. Each program within Industry Canada has its own strategies and plans. Annual business plans do contain service delivery elements, but there is no overall strategy that focuses on service delivery or online services. While the Department has identified five ongoing projects with online components totalling about \$6 million, these projects are not linked to an overall online service delivery approach in the Department.

2.45 Recommendation. Human Resources and Skills Development Canada, Veterans Affairs Canada, and Industry Canada should each develop their own integrated strategies and plans for the online delivery of services to Canadians that are cost-effective and client focused.

Human Resources and Skills Development Canada's response. Agreed. The Department, through Service Canada, will work to enhance the coherence of its existing service delivery vision (Vision 2018), which embodies strategies and plans to effectively improve services for Canadians. Electronic service delivery is a large

component of this vision and would eventually evolve into a comprehensive e-service strategy.

To further advance its service delivery vision, the Department, through Service Canada, will develop and implement by April 2015 an integrated multi-year strategic plan to manage the implementation of the service strategy, and to track and report progress on the associated projects and initiatives over time.

Veterans Affairs Canada's response. Agreed. Veterans have told the Department that they want a more hassle-free service. Therefore, through its Transformation Agenda, the Department will develop an integrated strategy for the delivery of improved, faster, one-stop service and support for veterans when they need it, and for as long as they need it. The Department will release this strategy in the 2015–16 fiscal year.

Industry Canada's response. Agreed. The Department is currently developing an integrated strategy and plan for delivery of services to business, focusing on the Department and the portfolio, and which can be expanded to include other federal organizations with a service-to-business focus. In the 2014–15 fiscal year, this departmental plan will be fully implemented.

Usability of online services

Departments are implementing government website standards

2.46 The Treasury Board's Communications Policy of the Government of Canada requires that departments coordinate and effectively manage their communications to respond to the needs of the public. This policy guides the way departments are to inform and serve Canadians. There are also several related Treasury Board directives, standards, and guidelines they are to follow, some specifically related to online presence, such as the Standard on Web Accessibility and the Standard on Web Usability. The policy and the related guidance are important for departments to implement to ensure that online information and services are accessible to all Canadians and that there is consistency across government websites.

2.47 We looked at whether departments were complying with the online language and accessibility elements of these requirements and found that they are respecting these policies and directives. Websites are available in both official languages. They also direct people who don't want to complete a process over the web to contact the government through other channels, such as by phone, in person, or by mail. We found that departments are working to fully implement the updated Standard on Web Accessibility by the end

of the 2013–14 fiscal year, as required. The Standard on Web Usability was updated on 31 March 2013 and has a target implementation date of the 2015–16 fiscal year for most elements of this new standard.

New authentication services are secure and less expensive

Authentication strategy—A plan designed to allow users to obtain a user name and password to access services online.

2.48 We examined whether the government had an overall **authentication strategy** and whether selected departments could demonstrate that Canadians have secure and cost-effective access to information and services online. We found that the Treasury Board of Canada Secretariat (TBS) had taken steps to ensure that the mandated authentication services are secure and also less expensive than prior service offerings.

Secure infrastructure—A set of hardware and software that permits information to be transmitted while protecting data confidentiality and integrity.

2.49 As part of the Government On-Line initiative, the government needed to develop and operate a single **secure infrastructure**, known as Secure Channel, which provided a single window for users to conduct online transactions safely and effectively. As we reported in Chapter 2 of our 2011 June Status Report on Large Information Technology Projects, Secure Channel cost \$377 million to develop and an additional \$598 million in operational costs over the life of the contract, from September 2004 to December 2012.

2.50 In 2010, TBS developed a Cyber Authentication Renewal Business Case, which included an options analysis to replace the Secure Channel services that departments deemed were too costly, lacked flexibility, and were difficult to update technically. The business case called for a secure infrastructure across the government to allow Canadians access to different services through standardized Government of Canada authentication options. The government expected to benefit from cost-effective access to online services that could be changed and adapted as technologies evolved.

2.51 The business case analyzed four options and recommended to Treasury Board ministers a multi-provider approach as the most cost-effective while enabling the government to remain current with evolving technology. It recognized at the same time that the CRA was to develop its own authentication service to meet its own requirements and would give feedback on lessons learned and the cost to roll out their solution government-wide. The business case was to be updated in the 2011–12 fiscal year to reflect the actual costs based on market feedback and CRA lessons learned. Although the updated information was later presented to senior management and taken into account during discussions on options, we found that the business case of the Treasury Board of Canada Secretariat was not updated.

2.52 The Treasury Board of Canada Secretariat prepared a draft Secure Channel close-out report in April 2013 that did incorporate the lessons learned, market feedback, and updated cost information, but did not include the cost of having the CRA solution rolled out government-wide. Other documentation showed that the CRA did provide this financial information to the Secretariat, but that when extended across the government, the CRA's service was expected to be more expensive than the selected services and was thus not included as an option.

2.53 In November 2012, the Treasury Board of Canada Secretariat issued the Guideline on Defining Authentication Requirements, which identified two authentication services that all government departments must offer to provide access to their services online:

- GCKey, third-party software that provides secure access (introduced in September 2012), which allows users to securely conduct online business with various government programs and services; and
- Sign-In Partner, third-party software that provides secure access (introduced in April 2012) and authenticates users through their online banking (for example, debit cards).

2.54 These authentication services have both fixed and variable costs. The total annual fixed cost for these services is expected to average \$13 million for the 2012–15 time frame based on projected user sign-up. This is significantly less than the annual cost of Secure Channel, which was \$51 million per year in the last two years of the contract.

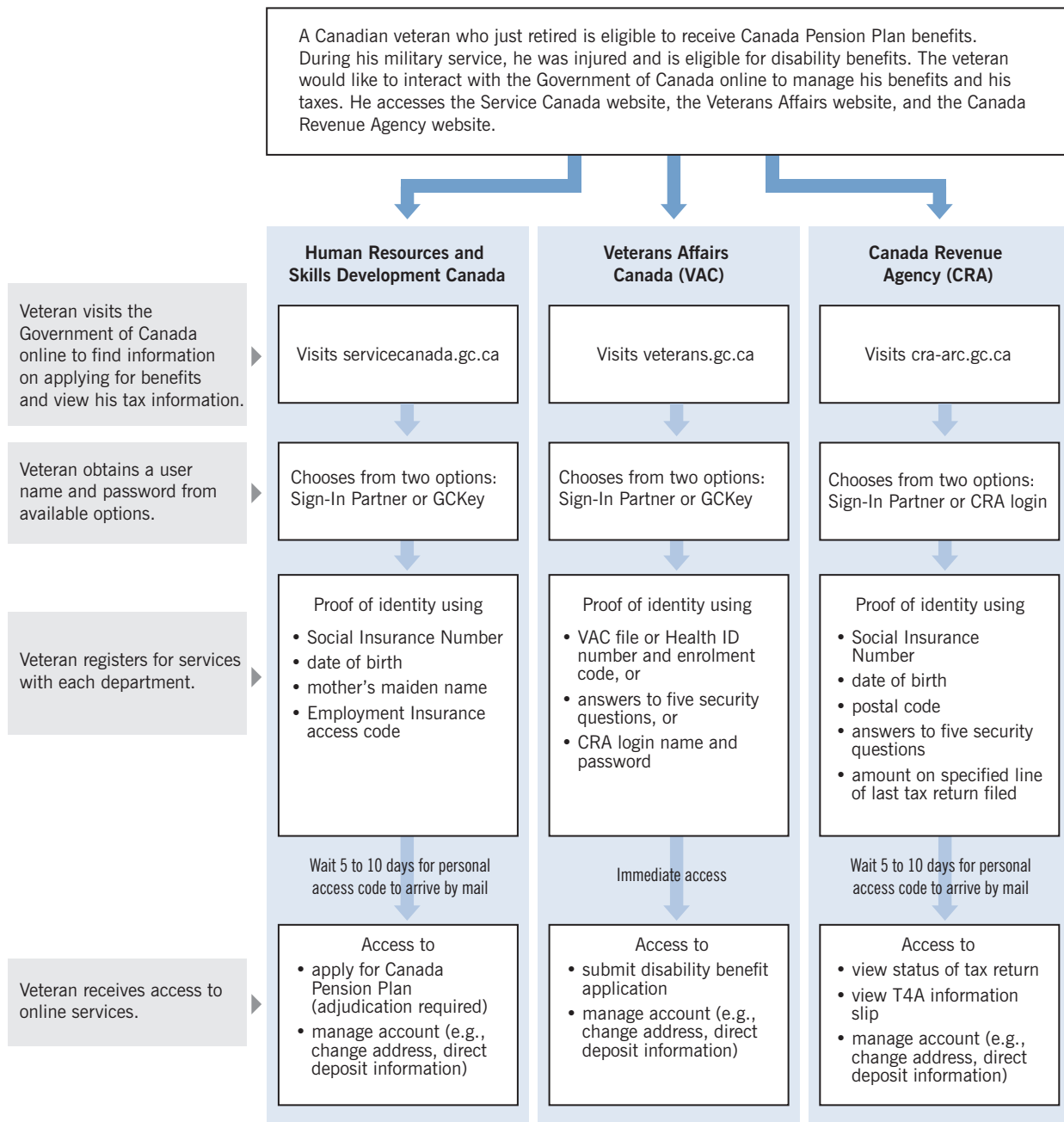
2.55 We examined whether steps were taken to assess whether GCKey and Sign-In Partner were secure. The Treasury Board of Canada Secretariat managed the process that was used to assess risks and evaluate security safeguards. We found that this process was aligned with government security standards and Secretariat officials were satisfied that security risks were acceptable prior to implementation of these authentication services.

Secure access to online services is frustrating for users to navigate

2.56 We examined whether the process by which an individual or business must authenticate and enrol themselves with the government was easy to use. We found that there are a number of steps. First they must decide which secure option to use, such as GCKey, Sign-In Partner, or CRA login services (for the CRA only). Then, to set up an account, Canadians must answer security questions (such as their Social Insurance Number and date of birth) prior to receiving a security code, which is sent

to them through the mail. Once they have received the code, Canadians can then activate their account and enrol with the department from which they want services. This enrolment process must be repeated with each department from which they receive services, and it differs for each department. Exhibit 2.3 highlights the process a Canadian veteran may follow in working online with three selected departments.

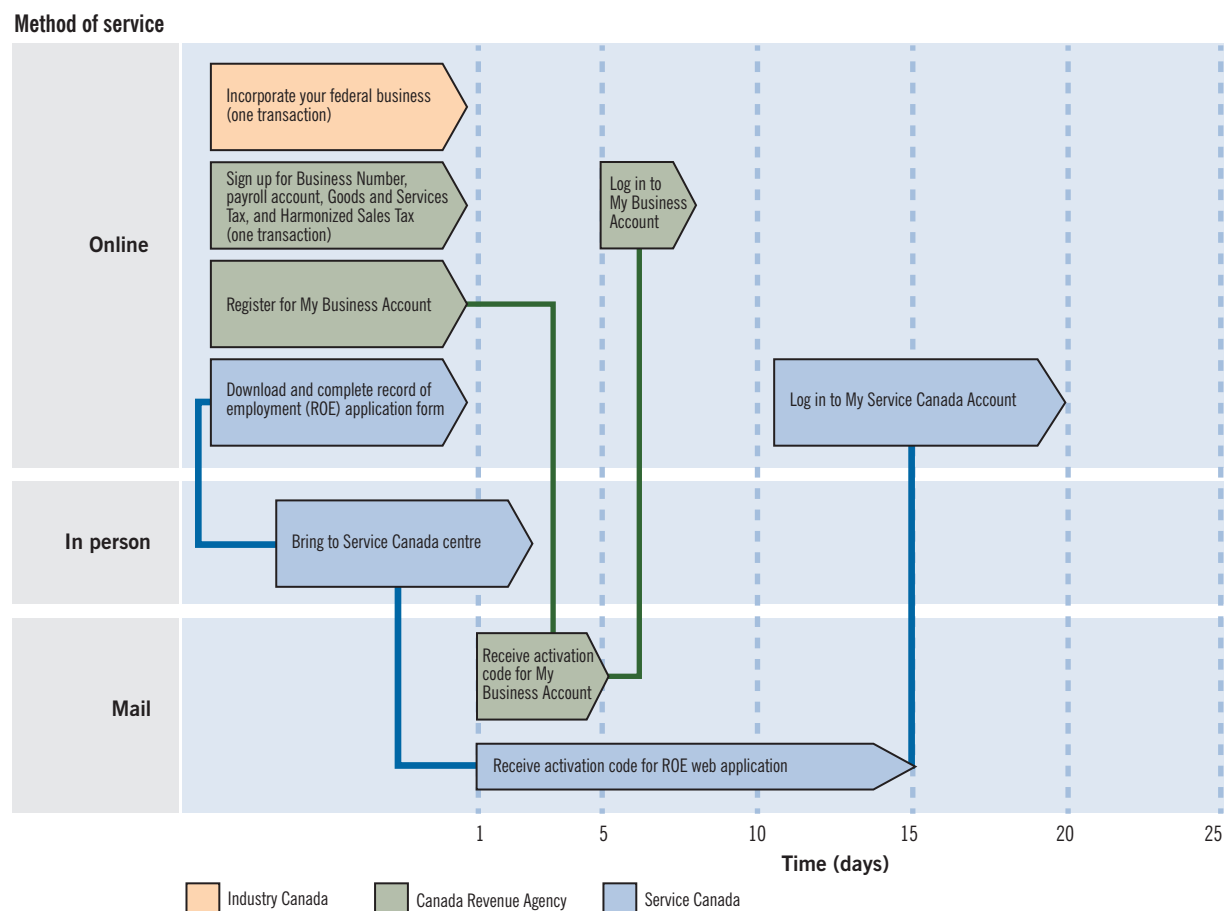
Exhibit 2.3 A Canadian veteran accessing government services must follow multiple steps to create accounts and manage his or her information



2.57 For businesses, the authentication and enrolment process is also different, depending on the department. For example, a business authenticating itself for the CRA will go through a very similar process as an individual, having to wait for an access code that takes up to 5 days to arrive by mail. The enrolment for submitting records of employment at HRSDC will take close to 21 business days, as there are multiple steps, including an in-person visit to a Service Canada counter to complete the process. However, the enrolment process at Industry Canada to federally incorporate a business can be completed the same day. Exhibit 2.4 illustrates the multiple steps and lengthy process a business would encounter working with selected departments.

2.58 The Cyber Authentication Renewal Business Case included the assumption that Canadians would want a choice about how they authenticate themselves for government services and included this as a requirement. It also assumed that the majority of clients would

Exhibit 2.4 A business must enrol with three departments and wait almost three weeks to interact online



use the Sign-In Partner service. However, this has not happened. As at 31 May 2013, less than 20 percent of new clients selected Sign-In Partner. At the time of our audit, there were only four Canadian financial institutions participating in this program. Together, they account for 15 percent of the total debit cards issued in Canada.

2.59 Furthermore, we found that there are other authentication options available to individuals and businesses. The Treasury Board of Canada Secretariat Guideline on Defining Authentication Requirements recognizes that the CRA developed its own authentication service for individuals, businesses, and tax representatives. The CRA also currently offers Sign-In Partner, but not GCKey. We also found that while Industry Canada does not offer the mandatory authentication options (GCKey and Sign-In Partner), it does offer at least two other authentication options depending on the service being accessed.

2.60 The Treasury Board of Canada Secretariat 2004 report *Serving Canadians Better* noted that Canadians indicated they wanted ease of access and convenience. They wanted to navigate between online government services without re-enrolling or remembering multiple passwords. This view has been reported in other documents, including a 2012 study of the public sector's service delivery entitled *CitizenCompass: Next Generation of eService*.

2.61 Recommendation. The Treasury Board of Canada Secretariat should work with government departments to provide a simple enrolment process for individuals and businesses to transact online securely and cost-effectively with the government.

The Treasury Board of Canada Secretariat's response. Agreed. The Secretariat will work with departments and agencies to develop consistent enrolment practices for individuals to transact online securely and cost-effectively with the government. The Secretariat will also work with departments to ensure a consistent interpretation and application of the Standard on Identity and Credential Assurance. Planned implementation is expected to be completed by 31 March 2018.

Online service planning and reporting

Departments do not consistently measure costs and benefits of online service

2.62 We looked at whether the departments we audited reported how much it costs to deliver services online and found that the departments do not report this information. We noted that while the Canada Revenue Agency (CRA), Human Resources and Skills Development Canada (HRSDC), and Veterans Affairs Canada have information on

the overall costs of delivering services in their annual departmental performance reports, the information is calculated differently by each department and is not comparable or usable across government.

2.63 Department officials informed us that they can determine the cost and benefits of delivery by service channel, but this is usually done to support specific initiatives. For example, in a government-wide review of service delivery started in 2011, the analysis of 11 selected departments identified the latest total annual costs for service delivery by in-person (\$389.3 million), telephone (\$177.4 million), and online channels (\$54.6 million).

2.64 We also found that there is no standard methodology in producing costing information. For example, in the fall of 2012, the government announced its Web Renewal Initiative to modernize the government's online communications capabilities, including websites and the use of social media. As part of this initiative, the Treasury Board of Canada Secretariat identified that there are 1,500 government websites. The Secretariat also noted that there are more than 300 web publishing teams in the government working in isolation, many of which are using old technology. The Secretariat tried to determine the current costs for website development and support, but was unable to do so as the information provided by each department used different cost methodologies and could not be compiled.

2.65 Recommendation. Taking into consideration the Treasury Board of Canada Secretariat's Guide to Costing, Human Resources and Skills Development Canada, the Canada Revenue Agency, Veterans Affairs Canada, and Industry Canada should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making.

Human Resources and Skills Development Canada's response. Agreed. The Department, through Service Canada, agrees that departments should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat's guidance on costing and sharing best practices.

The Department gained expertise in costing service delivery and established relationships with colleague departments during the conduct of its review of service delivery operations across 11 departments. This review facilitated the identification and understanding of costs of service delivery, as well as opportunities for additional savings and improvements in service delivery across the

Government of Canada. Additionally, work is under way to significantly enhance the Department's ability to cost service delivery across multiple channels.

Building on the costing expertise gained and the relationships established, the Department will share best practices with colleague departments while continuing to work on developing and implementing standardized approaches and tools aimed at promoting consistent identification and reporting of service delivery costs across various channels. The Department will use a phased approach to complete the necessary actions by the target completion date of December 2015.

The Canada Revenue Agency's response. Agreed. The Agency agrees that departments should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat's guidance on costing and sharing best practices. The Agency will develop a standard methodology for costing service delivery channels by the end of fiscal 2014–15 and apply it to all program lines by the end of fiscal 2015–16.

Veterans Affairs Canada's response. Agreed. The Department agrees that departments should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat's guidance on costing and sharing best practices. The Department will develop and implement by the 2015–16 fiscal year, in association with its federal partners, a methodology for identifying and reporting on the costs of its delivery channels that support decision making.

Industry Canada's response. Agreed. The Department agrees that by the 2015–16 fiscal year it will develop a standard methodology that can be used to identify and report on the costs of its delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat's guidance on costing and sharing best practices.

Conclusion

2.66 We concluded that few of the online services offered to Canadians by departments are client focused. For example, we found online services that were difficult for users to navigate or that could not be completed from start to finish through the online channel only. While we found examples of good practices, there is little service delivery integration among departments. Departments are focused on delivering the statutory programs for which they are accountable and share only limited information.

2.67 The government has introduced authentication services so that individuals can work with departments securely and at a lower cost to departments than the previous service offerings. However, the current enrolment processes are not simple for users, requiring multiple steps that users must repeat for each department.

2.68 Although the government has identified that delivering services online is the lowest-cost service delivery channel, there are no initiatives in place to move in this direction. There is no government-wide strategy for delivering services online, and not all departments have developed service delivery strategies that integrate important elements such as costs, planned benefits, and client expectations. The selected departments had a variety of tools and plans in place that identified costs and planned benefits and reported results. However, they did this in different ways, which makes government-wide reporting difficult.

About the Audit

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

As part of our regular audit process, we obtained management's confirmation that the findings reported in this chapter are factually based.

Objectives

The overall objective of the audit was to determine whether selected government entities offer client-focused online services.

The sub-objectives were to determine whether

- there is a Government of Canada strategy for the delivery of services with planned benefits;
- there is service delivery integration among major partners;
- selected entities have designed and implemented service delivery strategies that consider cost-effectiveness and client needs and expectations; and
- selected entities deliver services in a secure, available, relevant, and cost-effective way.

Scope and approach

Our audit covered services that government entities provided online. Because there are many entities that provide services, our detailed audit work focused on four departments: Human Resources and Skills Development Canada, the Canada Revenue Agency, Veterans Affairs Canada, and Industry Canada. These departments were selected because they

- directly provide services to individuals and business,
- collectively provide the majority of services to individuals and business, and
- administer a variety of programs.

At each entity, we examined how the department identified and considered cost-effectiveness and the needs of Canadians in designing and implementing program delivery. We also used specific life events to determine how Canadians obtain services online from the government. The life events we selected include

- for individuals: birth of a child, change of address, retirement, death, and obtaining disability benefits; and
- for business: starting a business and managing a business.

We also included the Treasury Board of Canada Secretariat in our audit because it is the central agency responsible for several initiatives relating to the subject matter.

We did not examine the processes used to establish and monitor service delivery standards.

Criteria

Criteria	Sources
To determine whether the government has developed strategies, policies, guidelines, and standards for the delivery of services to Canadians, we used the following criteria:	
The government has developed strategies, policies, guidelines, and standards for the delivery of services to Canadians.	<ul style="list-style-type: none"> • Chief Information Officer Branch Integrated Business Plan 2012–2015, Treasury Board of Canada Secretariat • A Policy Framework for Service Improvement in the Government of Canada—Guiding Principles, Treasury Board • Standard on Identity and Credential Assurance, Treasury Board of Canada Secretariat
Service Canada is a key access point for clients to Government of Canada services.	<ul style="list-style-type: none"> • Service Charter, Service Canada • 2012–13 Report on Plans and Priorities, Human Resources and Skills Development Canada
To determine whether selected entities have designed and implemented secure and available services, and relevant service delivery strategies that consider cost-effectiveness and meet client needs and expectations, we used the following criteria:	
<p>Selected entities have identified and designed program service delivery strategies that are client-focused and cost-effective.</p> <p>Selected entities can demonstrate that Canadians have secure, available, and relevant access to information and services through the online delivery channel.</p> <p>Selected entities can demonstrate that the information and services provided online are producing cost-effective results.</p>	<ul style="list-style-type: none"> • Policy on Management, Resources and Results Structures, Treasury Board, 2012 • Policy Framework for Information and Technology, including supported policies, directives, standards, and guidelines, Treasury Board • Communications Policy of the Government of Canada, Treasury Board, 2012 • A Policy Framework for Service Improvement in the Government of Canada, Treasury Board • Policy on Government Security, including referenced policies, directives, standards, and guidelines, Treasury Board • Standard on Identity and Credential Assurance, Treasury Board of Canada Secretariat • 2012–13 Report on Plans and Priorities, selected government departments

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

Period covered by the audit

The audit examined online services that departments offered from 1 April 2012 through 31 March 2013. We audited the supporting documentation relating to the development and management of these services from 1 April 2006 through 31 July 2013.

Audit work for this chapter was completed on 24 September 2013.

At the end of our examination phase, the Department of Human Resources and Skills Development Canada (HRSDC) became commonly known as Employment and Social Development Canada (ESDC). There was no impact to our audit work and findings.

Audit team

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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
<p>Delivery of services to Canadians</p> <p>2.40 The Treasury Board of Canada Secretariat and Human Resources and Skills Development Canada, in consultation with departments, should develop a government-wide service delivery strategy to improve services to individuals and businesses and facilitate the cost-effective delivery of services across the government. (2.17–2.39)</p>	<p>The Treasury Board of Canada Secretariat’s response. Agreed. The Secretariat and Human Resources and Skills Development Canada (through Service Canada) will work with key service delivery partners toward the development of a government-wide service strategy to be released by March 2015.</p> <p>Human Resources and Skills Development Canada’s response. Agreed. The Department, through Service Canada, is committed to collaborating with the Treasury Board of Canada Secretariat and other departments and agencies to initiate and support the development of a single overall strategy for service delivery within the Government of Canada.</p> <p>Evolving the Department’s service delivery approach to cost-effectively improve service delivery to citizens remains a significant priority of its portfolio, as outlined in the 2013–14 Report on Plans and Priorities. To date, the Department, in partnership with the Secretariat, has engaged 11 key government departments in a review of their respective service delivery operations.</p> <p>Building upon the lessons learned from this exercise, the Department will continue to partner with the Secretariat and other government departments with a view to developing, by March 2015, a shared strategy and work plan that will align departmental efforts in support of shared objectives.</p>

Recommendation	Response
<p>2.45 Human Resources and Skills Development Canada, Veterans Affairs Canada, and Industry Canada should each develop their own integrated strategies and plans for the online delivery of services to Canadians that are cost-effective and client focused. (2.41–2.44)</p>	<p>Human Resources and Skills Development Canada’s response. Agreed. The Department, through Service Canada, will work to enhance the coherence of its existing service delivery vision (Vision 2018), which embodies strategies and plans to effectively improve services for Canadians. Electronic service delivery is a large component of this vision and would eventually evolve into a comprehensive e-service strategy.</p> <p>To further advance its service delivery vision, the Department, through Service Canada, will develop and implement by April 2015 an integrated multi-year strategic plan to manage the implementation of the service strategy, and to track and report progress on the associated projects and initiatives over time.</p> <p>Veterans Affairs Canada’s response. Agreed. Veterans have told the Department that they want a more hassle-free service. Therefore, through its Transformation Agenda, the Department will develop an integrated strategy for the delivery of improved, faster, one-stop service and support for veterans when they need it, and for as long as they need it. The Department will release this strategy in the 2015–16 fiscal year.</p> <p>Industry Canada’s response. Agreed. The Department is currently developing an integrated strategy and plan for delivery of services to business, focusing on the Department and the portfolio, and which can be expanded to include other federal organizations with a service-to-business focus. In the 2014–15 fiscal year, this departmental plan will be fully implemented.</p>
<p>Usability of online services</p>	
<p>2.61 The Treasury Board of Canada Secretariat should work with government departments to provide a simple enrolment process for individuals and businesses to transact online securely and cost-effectively with the government. (2.56–2.60)</p>	<p>The Treasury Board of Canada Secretariat’s response. Agreed. The Secretariat will work with departments and agencies to develop consistent enrolment practices for individuals to transact online securely and cost-effectively with the government. The Secretariat will also work with departments to ensure a consistent interpretation and application of the Standard on Identity and Credential Assurance. Planned implementation is expected to be completed by 31 March 2018.</p>

Recommendation	Response
<p>Online service planning and reporting</p> <p>2.65 Taking into consideration the Treasury Board of Canada Secretariat's Guide to Costing, Human Resources and Skills Development Canada, the Canada Revenue Agency, Veterans Affairs Canada, and Industry Canada should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making. (2.62–2.64)</p>	<p>Human Resources and Skills Development Canada's response. Agreed. The Department, through Service Canada, agrees that departments should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat's guidance on costing and sharing best practices.</p> <p>The Department gained expertise in costing service delivery and established relationships with colleague departments during the conduct of its review of service delivery operations across 11 departments. This review facilitated the identification and understanding of costs of service delivery, as well as opportunities for additional savings and improvements in service delivery across the Government of Canada. Additionally, work is under way to significantly enhance the Department's ability to cost service delivery across multiple channels.</p> <p>Building on the costing expertise gained and the relationships established, the Department will share best practices with colleague departments while continuing to work on developing and implementing standardized approaches and tools aimed at promoting consistent identification and reporting of service delivery costs across various channels. The Department will use a phased approach to complete the necessary actions by the target completion date of December 2015.</p> <p>The Canada Revenue Agency's response. Agreed. The Agency agrees that departments should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat's guidance on costing and sharing best practices. The Agency will develop a standard methodology for costing service delivery channels by the end of fiscal 2014–15 and apply it to all program lines by the end of fiscal 2015–16.</p>

Recommendation	Response
	<p>Veterans Affairs Canada’s response. Agreed. The Department agrees that departments should develop and use a standard methodology to identify and report on the costs of their delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat’s guidance on costing and sharing best practices. The Department will develop and implement by the 2015–16 fiscal year, in association with its federal partners, a methodology for identifying and reporting on the costs of its delivery channels that support decision making.</p> <p>Industry Canada’s response. Agreed. The Department agrees that by the 2015–16 fiscal year it will develop a standard methodology that can be used to identify and report on the costs of its delivery channels to support decision making, taking into consideration the Treasury Board of Canada Secretariat’s guidance on costing and sharing best practices.</p>

