



Veterans Affairs
Canada

Anciens Combattants
Canada

AUDIT OF SERVICE STANDARDS

Final - July 2012



Canada 

Acknowledgements

The audit team would like to gratefully acknowledge the time and effort given by departmental managers and staff, whose contributions were essential to the audit.

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EXECUTIVE SUMMARY

Treasury Board, which sets the guidelines for all government departments in Canada, defines a service standard as “a public commitment to a measurable level of performance [that] clients can expect under normal circumstances.” These standards help Canadians by formalizing the kind of service that they can expect from any department. The standards also help VAC staff, by giving them targets to aim for—both in terms of their own performance, and of letting the public know what to expect.

At present, Veterans Affairs Canada has twenty-two service standards, which cover all the key programs and services that the Department provides to Veterans. These service standards are published on the Website; in the future, the Department also plans to add the performance of each service standard.

The purpose of this audit was to assess the process for reviewing and developing service standards, as well as the accuracy of data being reported. The scope of the audit included all twenty-two standards, and covered practices in the 2011/2012 fiscal year. The audit started in October 2011, and the analysis was completed in February 2012.

For this audit of service standards, the team conducted a wide range of activities: interviews with staff throughout the Department, walkthroughs with individuals responsible for inputting service standard information, a comparative analysis to other government departments, and a review of VAC’s documentation on its standards. As well, the audit team reviewed a sample of 307 electronic client files to verify that the data was inputted correctly and that the controls were operating as intended. The results of the audit will help the Department to improve the processes surrounding service standards.

Audit Opinion

In the opinion of the audit team, the governance, risk management and internal controls, relating to service standards were determined to be generally acceptable. However, the audit results did identify some weaknesses with the process for reviewing service standards and the methodology for the calculation of service standards.

Recommendations

Recommendation 1

It is recommended that the Director General, Integrated Corporate Management Division (ICMD), implement a standardized template and a formalized process for reviewing service standards (essential).

Corrective action to be taken	Office of Primary Interest (OPI)	Target date
Draft a template for its service standards and create a business process to review the standards.	ICMD	September 2012
Use the new template and process to review all service standards.	ICMD	December 2012
Present its updated standards to senior management for approval.	ICMD	January 2013

Recommendation 2

It is recommended that the Director General, Integrated Corporate Management Division, ensure that the wording of each service standard is consistent with what is being measured (essential).

Corrective action to be taken	Office of Primary Interest (OPI)	Target date
Review the wording of each standard against the method used to measure its performance.	ICMD	September 2012
Confirm that the wording changes are appropriate.	ICMD	December 2012
Present updated service standards to senior management for approval.	ICMD	January 2013

Recommendation 3

It is recommended that the Director General, Integrated Corporate Management Division, develop guidance on the methodology for capturing turnaround times for service standards (essential).

Corrective action to be taken	Office of Primary Interest (OPI)	Target date
Analyze the present process for measuring turnaround times for service standards and identify any shortcomings in the process.	ICMD	September 2012
Develop guidelines for developing or changing the methodology.	ICMD	December 2012
Communicate the new guidelines and the process for measuring turnaround times to all staff.	ICMD	January 2013

Statement of Assurance

In the professional judgment of the Chief Audit Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support with a high level of assurance the accuracy of the audit opinion provided in this report. This audit opinion is based on a comparison of the situation at the time of the audit and the pre-established audit criteria that were agreed on with management. The audit opinion is only applicable to the entity, process and system examined. The evidence was gathered in compliance with Treasury Board policy, directives and standards on internal audit, and the procedures used meet the professional standards of the Institute of Internal Auditors. The evidence has been gathered to be sufficient to provide senior management with a high level of assurance on the audit opinion.

Chief Audit Executive's Signature

<u>(Original signed by:)</u>	<u>July 3, 2012</u>
Murielle Belliveau	Date
Chief Audit Executive	

The audit team consisted of the following members:

- Jonathan Adams, Director, Audit and Evaluation Division
- Karen Walsh, Audit and Evaluation Manager
- Tim Brown, Audit and Evaluation Officer
- Jodi Shea, Project Officer

1.0 BACKGROUND

Treasury Board, which sets the guidelines for all government departments in Canada, defines a service standard as “a public commitment to a measurable level of performance [that] clients can expect under normal circumstances.” These standards help Veterans by formalizing the kind of service they can expect from any department. The standards also help departmental staff by giving them targets to aim for—both in terms of their own performance, and in terms of letting the public know what to expect.

The service standards for Veterans Affairs Canada (VAC) were originally developed in 1995. At that time, the Department published a brochure titled "At Your Service." Its purpose was to outline VAC's standards for service to Veterans. The brochure defined the guidelines for the quality, accessibility and timeliness of key programs and services.

In 2010, VAC updated their service standards to ensure that the standards reflected current operations and expectations. Several standards were removed, including some that could only be measured through “client satisfaction” surveys, rather than by objective measures of activity and performance. Other standards that were removed included those which were broad statements of recipients' right and therefore could not be measured.

At present, VAC has twenty-two service standards, which cover all the key programs and services that the Department provides to Veterans. These standards are published on VAC's Website; and in the future VAC also plans to add the performance against each service standard. A list of the twenty-two service standards is presented in Appendix C.

Reporting on VAC's performance with respect to its standards is the responsibility of the Integrated Corporate Management Division (ICMD). This is a division of VAC that is responsible for developing, monitoring and reporting on all of VAC's service standards.

2.0 ABOUT THE AUDIT

2.1 Audit Objectives

The objectives of the Audit of Service Standards were as follows:

- To assess the adequacy of VAC's service standards process.
- To assess the internal controls surrounding the data integrity of service standards.

2.2 Scope

The scope of the audit included VAC's twenty-two published service standards as well as practices in the fiscal year 2011–12. The audit team reviewed system controls in the Client Service Delivery Network (CSDN), which is the main source of departmental and recipient information. The audit team also verified the accuracy of information contained in user developed applications and confirmed business processes. Audit planning commenced in late October 2011 and the analysis was completed in February 2012.

2.3 Methodology

The following audit methodologies were used to provide assurance on the objectives.

Interviews: Interviews were conducted to determine the adequacy of service standards and to assess the internal controls over data integrity within service standard reporting.

Substantive Tests: The auditors conducted a file review to test controls in the internal control framework for service standards and to verify data integrity. A sequential attribute sample ("stop-or-go") of 307 files was employed. Service Standards which are reported based on an automated or system generated process did not form part of the file review.

System Review: A review of the CSDN was completed to validate internal controls on the fields related to service standards.

Documentation Review: The auditors requested and reviewed documentation to confirm the adequacy of internal controls in regards to data integrity and to determine the adequacy of VAC's service standards.

Comparative Analysis: In order to obtain baseline information on service standard reporting, the auditors reviewed published service standards from other government departments. The following departments and agencies formed the basis of the analysis: Canada Revenue Agency, Service Canada, Citizenship and Immigration Canada, Department of Foreign Affairs and International Trade, United States Department of Veterans Affairs, and Australian Department of Veterans Affairs.

Analytical Procedures: The audit team analysed service standard statistics to obtain an understanding of the audit entity.

2.4 Statement of Assurance

In the professional judgment of the Chief Audit Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support with a high level of assurance the accuracy of the audit opinion provided in this report. This audit opinion is based on a comparison of the situation at the time of the audit and the pre-established audit criteria that were agreed on with management. The audit opinion is only applicable to the entity, process and system examined. The evidence was gathered in compliance with Treasury Board policy, directives and standards on internal audit, and the procedures used meet the professional standards of the Institute of Internal Auditors. The evidence has been gathered to be sufficient to provide senior management with a high level of assurance on the audit opinion.

3.0 AUDIT RESULTS

3.1 Objective 1: Assessment of the process for developing and reviewing service standards

To assess the process for developing and reviewing VAC's service standards, the audit team looked at three main areas:

- Does VAC comply with TB policy on standards?
- Does VAC follow TB guidance on transfer payments?
- Are VAC's roles and responsibilities clearly defined?

This section of the report describes the audit team's findings in these areas.

3.1.1 Authority and Responsibility for Service Standards

With respect to the general issues of authority, responsibility and accountability, the Canadian Institute of Chartered Accountants provides the following guidance in its 1995 report titled *Guidance on Control*: "The extent to which people recognize that they will be held accountable, influences their decisions and actions. That is why authority, responsibility and accountability should be clearly defined and communicated."

A key responsibility of VAC is to administer the government's Transfer Payment Policy (TPP). "Transfer payments" are monetary payments from the Federal Government to a third party. From VAC, transfer payments can be provided for a variety of reasons such as compensation for an injury or a grant to help Veterans remain independent in their home. The Deputy Minister of VAC is responsible for establishing "reasonable and practical" service standards for transfer payments.

The TPP requires that service standards be established for any new transfer payment program or any existing transfer payments that were changed or renewed after March 31, 2010. The policy encourages departments to adopt service standards for any new or existing transfer payment program as early as possible, although this is not mandatory. According to VAC's business process, the ICMD is responsible for ensuring that each transfer payment program has a service standard.

VAC currently has nineteen transfer payment programs. Of these, nine have a service standard; this leaves ten without any service standard. While the risk level of this lack of standards has not been assessed, these transfer payments are of relatively low dollar value and/or are expected to be discontinued in the future. In addition, these transfer

payments without a service standard will either expire in 2021, or have already been renewed. For this reason, there is no requirement to develop a service standard for each of these transfer payments at this time.

As outlined above, the ICMD's role is to develop and monitor VAC's service standards. Although individual program managers are ultimately responsible for identifying standards and targets, the ICMD must consult with program managers to ensure that the standards meet the key characteristics set out by Treasury Board (outlined in Section 3.1.2, below). The ICMD has developed a business process for reviewing the service standards, and has defined the responsibilities of all the parties involved. However, interviews with a cross-section of departmental employees revealed that there were some ongoing challenges, in terms of how different areas work together to develop service standards. To address these challenges, the ICMD is in the process of developing a formal working group. At the completion of audit fieldwork, a "terms of reference" document for the working group had just been drafted.

3.1.2 Treasury Board's Guide to Service Standards

Treasury Board provides guidance to all Canadian government departments and agencies, including VAC, on the quality of the services they offer. The main standards for services to citizens are outlined below. The services should always be:

- **Relevant** to the recipients—that is, they should address the actual needs of the people receiving the services;
- Based on **consultation**—that is, clients should have input into what services are offered to them;
- **Measurable**—that is, it should be possible to measure the effect of the services;
- **Consistent** across government—that is, the services offered by one department should be the same as the services offered by others;
- Ambitious but **realistic**—that is, the scope of the services should be achievable under normal conditions;
- **Communicated**—that is, the range of services offered should be clearly explained to the recipients;

- **Transparent**—that is, the process for accessing the services should be clearly outlined to clients;
- Continuously **improved**—that is, VAC should always strive to upgrade the level of services it offers.

The following section will describe how VAC's service standards compare to the TB guidelines.

“Relevant to the recipients”

Service standards should match the priorities of the Veterans who receive VAC services and they should also address the aspects of VAC's services that are most valued by the recipients. This effort invested in service standards makes them more meaningful to Veterans.

Surveys are regularly conducted of recipients of VAC's programs and services, in order to gather valuable information on how satisfied they are with performance. When reviewing service standards, it is useful to consider these survey results, and to consult with recipients. This helps us to ensure that VAC is developing and measuring standards that are meaningful to recipients.

“Based on consultation”

Service standards should be developed in consultation with a range of stakeholders: not just the recipients, but also managers, staff and partners in service delivery. This process ensures that the standards are meaningful and consistent with VAC's mandate. If it is ever necessary to change a service standard, all areas of the Department are consulted as required. For example, legal services are consulted to ensure that wording changes do not expose the Department by identifying a standard which falls outside VAC's mandate.

In terms of establishing feedback and complaint mechanisms, the audit team identified some best practices. One example comes from the Department of Veterans Affairs (DVA) in Australia, which has a clearly defined mechanism (posted on its Website) for Veterans to submit a complaint or provide feedback. VAC's Website currently has only a generalized form for client feedback, in the “Help” section. Implementing a mechanism similar to the Department of Veterans Affairs in Australia would allow the Department to gain valuable feedback from Veterans on the importance of service standards.

“Measurable”

All service standards should be quantifiable and monitored carefully. This helps to ensure accountability and enables the Department to make informed decisions about issues such as staff workload or changes to programs. VAC’s current standards are measured mainly by the concept of turnaround time (TAT). Targets are set for each standard involving how often the Department expects to meet the standard. As a result, all of VAC’s service standards are measurable. This is not the case with some other government departments, especially those in other countries, who identify very general standards such as “we will treat you with respect”.

While VAC’s service standards are very specific, other government departments service standards have been more consistent. This allows for greater comparability to previous years and analysis of the service standards. Going forward, rather than continuing to change the standards, VAC should focus on adjusting the targets—this would help to better the performance against standards from one year to the next.

“Consistent across government”

To ensure seamless service from one federal department to another, service standards should be consistent across organizations that provide similar services. This similarity is a help to both the recipients of service, and the government bodies that offer the services. Canadians find it easier to deal with different departments when the standards are similar, and the departments find it easier to share efficiencies and adopt common approaches. In the case of VAC, a common service standard is based on the National Call Centre which is shared with Canada Revenue Agency (CRA). This standard states that all calls will be answered within two minutes, which is consistent with CRA’s standards for business and general-enquiry calls.

“Ambitious but realistic”

Treasury Board guidelines require all departments to challenge themselves, but also to be realistic. Goals should be based on analysis and should be consistent with program objectives. One important indication of how reasonable service standards are, is the ability of the Department to consistently meet them. Standards should be linked to normal business operations and should represent what clients may usually expect.

In the case of VAC, service standards changed in the fiscal year 2009/2010; so the current analysis is based on a review of the last two-and-a-half years. The standards

that were not met during this time were War Veterans Allowance, the National Contact Centre Network and the Community Engagement and Partnerships Fund. The Department's inability to meet these standards indicates that the service standards may not be reasonable and should be reviewed.

On the other hand, some managers indicated that standards were sometimes more achievable than ambitious. One weakness in the current process is that program managers review their own standards to determine if any changes are necessary. This fact limits their incentive to change the targets—since a higher target might mean an increased workload for them and a higher risk that they might not meet the new target. One solution might be for the ICMD to take a larger role in order to ensure impartiality in any changes. A standardized template to be completed by program managers and for approval by senior management would improve accountability in service standards.

“Communicated”

Service standards should be clearly communicated to recipients, employees and partners. This allows VAC to manage their expectations regarding service.

As presented in Appendix C, the majority of service standards indicate “you will be advised in writing” of a decision. However, the date used to calculate the turn-around-time was based on the date of decision not when the client was notified. The difference varied by program ranging from one day to several weeks. As a result, many of the service standards were not reflective of actual results creating expectations that Veterans would be notified of a decision sooner than it was regularly occurring. This issue is addressed in recommendation 2.

The standards are communicated via VAC's Website, by letters to program recipients (in some instances), and through the National Call Centre. Another opportunity to improve communication would be to state the applicable service standard directly on all application forms. For example, on the application for the Rehabilitation Program, the standard could be added to the “What can you expect?” section of the form.

“Transparent”

While publishing service standards is currently not a requirement, some other government departments (such as Service Canada) do post their results online. Currently VAC does not post its performance results, but plans to do so in the near future.

Internally, service standards are monitored by senior management on a quarterly basis and more frequently for certain standards that are considered priorities for performance measurement. For example, Service Delivery Branch provides monthly, weekly and even daily information to senior managers on some of its service standards. And if targets are not met, program managers must explain to senior management why this happened and outline a strategy for addressing the deficiency in future.

The audit team suggested some improvements to the quarterly reporting process, such as reporting the specific number of cases. This would allow senior management to recognize the significance of any percentage figures. For example, a drop of 10% in meeting the standards might sound like a lot—but if only 20 cases are reported in a certain period, it would only mean that two fewer cases were resolved satisfactorily. Giving specific numbers of cases would allow management to get a clearer picture of performance against targets.

“Continuously improved”

There is an annual review process for service standards, coordinated by the ICMD. The review process includes a working group, guided by a “terms of reference” document that identifies aspects such as who chairs the group, who the membership consists of, the frequency of meetings, etc. As well, the ICMD has developed a business process to develop and review service standards. The process accomplishes a number of goals:

- It identifies the authorities for reporting;
- It defines the governance and accountability structure;
- It identifies the approval levels;
- It describes the process for reviewing standards.

The process of reviewing the standards could also be modified to improve its consistency and to increase the accountability of program managers. Currently, managers are given instructions for amending the service standards—but they are

given no information or criteria to guide them. The process would benefit from the creation of a template or questionnaire for managers (following guidance from Treasury Board) to prompt them to consider what key criteria should be met. This would help them to determine whether the standard should be modified. Examples of template questions could include:

- How is this service standard meaningful to recipients?
- Have we consistently met our target?
- Have we consulted with external stakeholders?
- Should we change the standard? Why or why not?
- Is a change in the target indicated? Why or why not?

These criteria for reviewing standards would ensure that they are treated consistently, regardless of which program they fall under. A formal sign-off process would add accountability to the process; it would also help to clarify the roles of the ICMD, and the rest of the Department.

Recommendation 1

It is recommended that the Director General, Integrated Corporate Management Division, implement a standardized template and a formalized process for reviewing service standards (essential).

Management Response

VAC management agrees to implement a standardized template for reviewing service standards. The ICMD will consult with the Program Managers Working Group to develop this template, plus develop a business process for reviewing the standards. The template will support program managers in the task of reviewing existing standards or developing new ones.

The template will also ensure that all standards:

- Are relevant to program recipients;
- Best measure the programs in terms of access, timeliness and accuracy;
- Align with our overall performance commitments;
- Have the same frequency of reporting.

VAC management also agrees to implement a formalized business process for reviewing service standards. This process will allow the program managers (plus their ADMs and any stakeholders) to perform a variety of tasks:

- To review their business commitments;
- To identify what improvements are required, based on consultations with recipients and stakeholders;
- To create reasonable targets for each commitment;
- To ensure that performance is evaluated systematically.

In all the above, the ICMD will consult with the PMWG and with other stakeholders to ensure that the new implementations—that is, the service standard template and the documented business process—are appropriately validated. The process will be approved by a Senior Management Committee.

Management Action Plan

Corrective action to be taken	Office of Primary Interest (OPI)	Target date
Draft a template for its service standards, and create a business process to review the standards.	ICMD	September 2012
Use the new template and process to review all service standards.	ICMD	December 2012
Present the updated standards to senior management for approval.	ICMD	January 2013

Recommendation 2

It is recommended that the Director General, Integrated Corporate Management Division, ensure that the wording of each service standard is consistent with what is being measured (essential).

Management Response

VAC management agrees that the wording of the published service standards must reflect the exact measurements used. The PMWG will review the wording, and attempt to ensure consistency across all programs; as well, this process will be monitored on an ongoing basis. Updated service standards will be sent to Senior Management Committee for approval.

Management Action Plan

Corrective action to be taken	Office of Primary Interest (OPI)	Target date
Review the wording of each standard against the method used to measure its performance.	ICMD	September 2012
Confirm that the wording changes are appropriate.	ICMD	December 2012
Present updated service standards to senior management for approval.	ICMD	January 2013

3.2 Objective 2: Assessment of the accuracy of data

3.2.1 Service Standards Data Methodology

Staff who enter the data used to report on service standards work in several different areas of the Department. In order to ensure that the correct information is entered for all standards, the data requirements must be clearly defined. And because the standards span many programs, the process used to determine what data to include should be as consistent as possible. Otherwise, the service standards are not comparable.

The audit team identified some inconsistencies in the method for capturing data and a lack of clarity among staff about the requirements for entering data. For example, the time it took to receive information from another department was included in some TATs for service standards, but not in others. A consistent approach is needed on whether or not to include such wait times. The audit team also found that some cases that deviated substantially from the mean—“outliers”—were removed from some reports by staff, but not from others.

Inconsistencies occur not only between different standards, but also within standards. For example, in dating applications, some staff entered the date the application was first received, rather than the date when all information was finally received to support the application. It was not clear which date was required, since a judgment call was involved—and staff did not always make the same call. Again, this leads to inconsistent or skewed TATs.

3.2.2 System controls

Data “integrity” refers to the state of completeness, consistency, accuracy, validity and timeliness that makes data appropriate for reporting use. Although the cost of creating such high-quality data can be substantial, managers need it so that they can rely on the information. Good data integrity allows managers to make informed and strategic decisions, whereas poor data can lead to ineffective decisions.

One way to mitigate the challenges to data integrity is to use internal controls designed to reduce the risk of data errors. Some such controls include automated field formats and system-based rules. For example, when staff enter data into the computer system, any information that is critical might require predefined field formats, and special rules for validating data.

One problem with some service standards is the widespread use of outdated systems, such as spreadsheets, to track data. Such older systems were tailored to track information that was specific to certain programs. However, as time passes, there are fewer and fewer people who know how to operate the system, and fewer and fewer programmers with the knowledge to correct any system glitches. In particular, the use of spreadsheets—as opposed to system-wide databases—increases the risk of errors in entries. Worse, whole files could be corrupted or deleted, as they are often stored on common drives, and lack basic security and cell protection.

Approximately half of VAC’s reporting on service standards is obtained from the Client Service Delivery Network (CSDN). In that system, most of the dates are entered manually—which increases the risk of human error (though this risk is mitigated somewhat through the use of system edits on the date fields). Once the date is entered, it is shared with the other databases in the CSDN. This means that the date need only be entered once, thereby reducing the potential for conflicting dates. As well, the fields are in a consistent format: YYYY-MM-DD.

The file review confirmed that the data-integrity controls functioned appropriately in terms of decision dates. However, some weaknesses were identified in the interaction between decision dates and application-received dates: the system will accept an application date that is later than the decision date. It will also accept a start date for a service standard that is later than the decision date. Correcting such issues would reduce the risk of erroneous data being captured, and improve the overall accuracy of reporting.

3.2.3 Quality Assurance

VAC reviews its service standards before publishing them. Two bodies are responsible for this review: the Performance Measurement Unit and the Statistics Directorate. Once they have validated the numbers, the standards are distributed to senior management. Program managers compile the information and the Performance Measurement Unit reviews the calculations before submitting the figures. This process reduces the risk of errors and adds independence to the reporting.

Recommendation 3

It is recommended that the Director General, Integrated Corporate Management Division, develop guidance on methodology for capturing turnaround times for service standards (essential).

Management Response

VAC management agrees that the process for establishing turnaround times should be applied consistently across all the service standards. At present, formulas for measuring performance are not consistently applied in several areas, such as:

- entering data
- applying stop/start data
- including the time necessary to obtain information from other departments or third parties.

The ICMD will analyze the current process for capturing turnaround times for each of the service standards. As a result of this analysis, updated guidelines will be developed and implemented.

Management Action Plan

Corrective action to be taken	Office of Primary Interest (OPI)	Target date
Analyze the present process for measuring turnaround times for its service standards and identify any shortcomings in the process.	ICMD	September 2012
Develop guidelines for developing or changing the methodology.	ICMD	December 2012
Communicate new guidelines and the process for measuring turnaround times to all staff.	ICMD	January 2013

3.3 Opportunities for Further Improvement

The results of the audit team's work indicate that the following activities would have the potential of allowing VAC to further improve its service standards.

- Although this is not an official requirement, VAC may wish to review those transfer payments that currently do not have any service standards, to determine whether it should establish standards before renewing those payments (see section 3.1.1).
- To allow for better comparability, standards should remain consistent and the targets adjusted as necessary (see section 3.1.2).
- VAC could improve its communication with clients by stating the applicable standard on its application forms (see section 3.1.2).
- VAC could adopt some best practices from other sources—for example, those of the Australian DVA with respect to its online feedback and complaint mechanisms (see section 3.1.2).
- Including the frequency of occurrences would provide senior management with more complete information to allow them to better analyze service standards (see section 3.1.2).
- Implementing system edits around the application-received date, the service-standard start date, and the decision date would reduce the risk of erroneous data being captured (see section 3.2.2).

3.4 Audit Opinion

In the opinion of the audit team, the governance, risk management and internal controls, relating to service standards were determined to be generally acceptable. However, the audit results did identify some weaknesses with the process for reviewing service standards and the methodology for the calculation of service standards.

4.0 DISTRIBUTION

Deputy Minister

Associate Deputy Minister

Assistant Deputy Minister, Corporate Services

Assistant Deputy Minister, Policy, Communications and Commemoration

Assistant Deputy Minister, Service Delivery

Director General, Departmental Secretariat & Policy Coordination

Director General, Integrated Corporate Management

Director General, Commemoration

Director General, Communications

Director General, Centralized Operations

Director General, Finance

Director General, Human Resources

Director General, Information Technology and Information Management

Director General, Service Delivery and Program Management

Director General, Transformation

Executive Director and General Counsel, Legal Services Unit

Executive Director, Bureau of Pension Advocates

Executive Director, Ste. Anne's Hospital

Director, Integrated Planning and Performance, Corporate Planning

Director, Statistics

Strategic Advisor - Deputy Minister's Office

Senior Communications Advisor

Office of the Comptroller General of Canada

Office of the Auditor General of Canada

Appendix A: Risk Ranking of Recommendations and Audit Opinion

In this report, the audit opinion uses the following definitions for the level of risk.

Audit Recommendations

- | | |
|------------------|--|
| Critical | Relates to one or more significant weaknesses for which no adequate compensating controls exist. The weakness results in a high level of risk. |
| Essential | Relates to one or more significant weaknesses for which no adequate compensating controls exist. The weakness results in a moderate level of risk. |

Audit Opinion

- | | |
|-----------------------------|--|
| Well Controlled | Only insignificant weaknesses relating to the control objectives or sound management of the audited activity are identified. |
| Generally Acceptable | Identified weaknesses when taken individually or together are not significant or compensating mechanisms are in place. The control objectives or sound management of the audited activity are not compromised. |
| Requires Improvement | Identified weaknesses, when taken individually or together, are significant and may compromise the control objectives or sound management of the audited activity. |
| Unsatisfactory | The resources allocated to the audited activity are management without due regard to most of the criteria for efficiency, effectiveness and economy. |

Appendix B: Audit Criteria

Audit Criteria are reasonable and attainable expectations against which compliance, the adequacy of controls and overall performance are assessed. These audit criteria are based on acts and regulations, policy, guidelines, generally recognized industry norms, results of previous audits or other criteria developed in consultation with Program Managers. The following criteria were assessed during this audit and form the basis for developing audit observations and recommendations. It is important to note that “Partially Met” results fulfill the expectation but that the audit identified room for further improvement.

Audit Objective	Criteria	Result
To assess the adequacy of VAC's service standards.	Compliance with Treasury Board's Policy on Transfer Payments.	Partially Met
	Roles, responsibilities and accountabilities surrounding service standards are clearly defined.	Met
	Service standard is linked to an internal/operational performance target that represents the frequency with which the department expects to meet the service standard.	Met
	Service Standards are linked to recipient satisfaction measurement.	Partially Met
	Feedback and redress mechanisms are established and communicated.	Partially Met
	Legal Services is consulted on changes to service standards.	Met
	Regular internal reporting of results of service standards.	Met
	Regular monitoring of results of service standards.	Met
	Service standards performance is incorporated in the Performance Measurement Strategy.	Partially Met
	Adequacy of review process: terms of reference exists, Chair is defined, and guidelines are provided for reviewing the service standards.	Partially Met
	Targets are based on criteria, including recipient expectations, trends, operational realities, etc.	Partially Met
	Reporting on service standards is consistent and allows for comparability.	Met

Audit Objective	Criteria	Result
	<p>Service standards meet the TB definition of service standards—that is, they are:</p> <ul style="list-style-type: none"> • Relevant to the recipient: Service standards are consistent with recipient priorities and address aspects of the service they value most. (c.f. 1D) • Based on consultation: Service standards are developed in consultation with recipients, managers, staff, and other stakeholders such as partners in service delivery to ensure they are meaningful and consistent with the organization's mandate. (c.f. 1D) • Measurable: Service standards are quantifiable and linked to monitoring activities. (c.f. 1C, 1J) • Consistent across government: Service standards are consistent throughout federal organizations providing similar services. • Ambitious but realistic: Service standards are realistic, based on analysis, consistent with program objectives, and challenging to service providers. • Communicated: Service standards are clearly communicated to recipients, employees and other stakeholders to help manage expectations. • Transparent: Service standards are monitored and reported and performance results published to ensure recipient trust. • Continuously improved: Service standards are regularly reviewed and improved as appropriate. 	<p>Partially Met</p> <p>Partially Met</p> <p>Met</p> <p>Met</p> <p>Partially Met</p> <p>Partially Met</p> <p>Partially met</p> <p>Partially Met</p>
To assess the internal controls surrounding the data integrity of service standards.	System controls over critical field inputs are appropriate.	Partially Met
	Well defined procedures on what data is to be entered.	Partially Met
	Data used for reporting come from impartial sources.	Met
	Manual overrides are reported and monitored.	Met
	Process exists to correct errors.	Met
	Quality assurance on the published service standards occurs prior to distribution.	Met

Appendix C: VAC's Service Standards

Program/Service		Service Commitment
1	Accessing Our Services Telephone Service - Time to Answer Your Call	Your call to our National Contact Centre Network will be answered within two minutes.
2	Accessing Information about Our Service and Programs VAC Web site	You can access information about our services and programs through our Web site 24 hours a day/seven days per week.
3	Disability Benefits Processing first applications for entitlement and/or assessment of new or previously approved conditions	You will be advised in writing of our decision within 16 weeks of receiving all information in support of your application.
4	Disability Benefits Processing requests for departmental reviews of previous decisions	You will be advised in writing of our decision within 12 weeks of receiving the new or additional information in support of your request.
	Requests for reassessments of previously approved conditions	Or your request for reassessment of a previously approved condition.
5	Disability Benefits Preparation of your review or appeal to the Veterans Review and Appeal Board	Your case will be ready for hearing within 21 weeks after you contact the Bureau of Pensions Advocates, if there are no delays in obtaining information.
6	Special Awards Processing applications for Attendance Allowance	You will be advised in writing of our decision within six weeks of receiving your completed and signed application.
7	Veterans Independence Program (VIP) VIP Annual Follow-Up	You will be contacted at least once per year to ensure the VIP is meeting your needs.
8	Health Care Benefits Processing health care benefits cards	You will receive your Veterans Affairs Canada Health Care Identification Card, which will enable you to access health services, within six weeks of your eligibility for either disability benefits or the War Veterans Allowance.

Program/Service		Service Commitment
9	Long-Term Care Services Accessing your satisfaction	You will receive a visit at least once every two years to assess your satisfaction with the Long -Term Care services you are receiving.
10	Rehabilitation Program Processing applications for eligibility	You will be advised in writing of our decision within two weeks of receiving all information in support of your application.
11	Career Transition Services Processing applications for eligibility	You will be advised in writing of our decision within four weeks of receiving all information in support of your application.
12	Health Benefits Program Processing applications for eligibility for the Public Service Health Care Plan (PSHCP)	You will be advised in writing of our decision within four weeks of receiving all information in support of your application.
13	Earnings Loss Benefits Processing applications	You will be advised in writing of our decision within four weeks of determination of your eligibility for the VAC Rehabilitation Program or receiving all information in support of your application.
14	War Veterans Allowance (WVA) Processing times for new applications	You will be advised in writing of our decision within four weeks of receiving all information in support of your application or request for review.
15	Health Care Benefits Processing requests for reviews of previous decisions	You will be advised in writing of our decision within 12 weeks of the date we receive your written request for review.
16	Honours and Awards - Processing time for requests for first issue war service medals	Your medals will be shipped within 8 weeks of receiving your completed and signed application.
17	Honours and Awards¹ Processing time for requests for replacement	You will receive written notification of war service medal entitlement within eight weeks of receiving your completed and signed application.
		Your medals will be shipped within four weeks of receiving your request and payment.

Program/Service		Service Commitment
18	Canada Remembers Distribution Processing requests for Commemorative information, products and education materials	Your materials will be shipped within two weeks of receiving your request.
19	Community Engagement Partnership Fund Processing applications for funding under the Community Engagement Partnership Fund	You will be notified of our decision within 12 weeks of receiving your completed and signed application.
20	Cenotaph/Monument Restoration Program Processing applications for funding under the Cenotaph Monument Restoration Program	You will be advised in writing of our decision within 12 weeks of the posted quarterly application deadline.
21	Community War Memorial Program Processing applications for funding under the Community War Memorial Program	You will be advised in writing of our decision within 12 weeks of the posted quarterly application deadline.
22	Funeral and Burial Benefits Processing applications for means-tested funeral and burial benefits	You will be advised in writing of our decision within 30 calendar days of receiving your completed and signed application and all necessary supporting documentation.