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REPORT 1

The Beyond the Border Action Plan



Office of the
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Bureau du
vérificateur général
du Canada

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*.

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- report both positive and negative findings,
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Introduction

Background

The Beyond the Border Action Plan

1.1 **About the Beyond the Border Action Plan.** In December 2011, Canada and the United States released the Perimeter Security and Economic Competitiveness Action Plan—better known as the Beyond the Border Action Plan—with a vision of establishing a new long-term partnership to enhance security and accelerate the legitimate flow of people, goods, and services across the border.

1.2 The Action Plan divided 32 initiatives into four areas of cooperation, or themes:

- Addressing Threats Early;
- Trade Facilitation, Economic Growth and Jobs;
- Cross-Border Law Enforcement; and
- Critical Infrastructure and Cyber Security.

The Action Plan also contained two more initiatives to manage the long-term relationship between Canada and the United States. The first focused on governance and oversight of the Action Plan, and the second on preparing a statement of privacy principles to protect the privacy of Canadians in Action Plan initiatives that involve the exchange of information or intelligence.

1.3 The Action Plan set out commitments for each initiative, most with target dates or timelines for completion as well as progress measures focused on products or services to be delivered and activities to be carried out; for example, training and research. Some initiatives were smaller and less complex, with commitments that were completed early in the Action Plan. Other initiatives were larger, more complex projects, often with multiple commitments requiring coordination with multiple departments, large investments, and longer time frames.

1.4 Initially, the Action Plan was to cover a period of three years, up to the end of 2014. At the end of 2014, Canada and the United States reaffirmed their commitment to continue delivering on the outstanding Action Plan initiatives. This reaffirmation appeared in the Annex of the March 2015 Canada–United States Beyond the Border Action Plan Implementation Report, titled Beyond the Border Forward Plan. This renewed commitment did not come with any timelines, but Treasury Board funding for some of the larger initiatives will end in the 2017–18 fiscal year.

1.5 **Funding.** The Action Plan did not identify specific funding for individual initiatives. Departments and agencies had to request funding from the Treasury Board or fund initiatives from within their existing budgets. In some cases, initiatives were funded through a combination of Treasury Board and departmental funding. We estimated that these initiatives had a total planned spending of over \$1.1 billion between the 2012–13 and the 2017–18 fiscal years, of which approximately \$585 million had been spent as of 31 March 2016.

1.6 **Reporting frameworks and approaches.** In early 2012, a working group chaired by Public Safety Canada was given a mandate to create common frameworks and approaches to report on the progress of the Action Plan. This working group included both the Treasury Board of Canada Secretariat and the Privy Council Office, as well as the main Action Plan participating departments and agencies. Its task was to develop a performance measurement framework, which involved developing **performance indicators** and a logic model, which shows how the indicators will align with the intended benefits of the Action Plan. The working group was also tasked with creating a financial costing framework to be used by departments and agencies, and a format that would be used to report on all initiatives.

1.7 **Reports.** Two major status reports have been issued on the Action Plan:

- The Report on the Beyond the Border Action Plan Horizontal Initiative (also known as the Horizontal Report) is prepared by Public Safety Canada and published as an annex in its annual Departmental Performance Report. It reports on progress, performance, and cost for all of the Canadian Action Plan initiatives. Public Safety Canada committed to preparing this report annually from the 2012–13 to the 2016–17 fiscal years.
- The Beyond the Border Action Plan Implementation Report is an annual report that is co-authored by Canada and the United States and focuses on the progress of Action Plan initiatives for both countries.

Performance indicator—A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy, or initiative respecting expected results.

Source: 2014–15 Departmental Performance Report, Public Safety Canada

Roles and responsibilities

1.8 Eighteen departments and agencies are involved in delivering the 34 initiatives in the Action Plan. Nine of the 18 departments and agencies are leading the initiatives:

- Canada Border Services Agency;
- Canadian Food Inspection Agency;
- Department of Finance Canada;
- Immigration, Refugees and Citizenship Canada;
- Privy Council Office;
- Public Health Agency of Canada;
- Public Safety Canada;
- Royal Canadian Mounted Police; and
- Transport Canada.

1.9 The following federal organizations also have responsibilities:

- Public Safety Canada is responsible for collecting information on progress, performance, and costs from departments and agencies for all initiatives and reporting annually on the progress made on the Action Plan.
- The Privy Council Office is responsible for governance and oversight of the Action Plan, managing Action Plan issues with the White House, and providing advice to the Prime Minister on these matters.
- The Treasury Board of Canada Secretariat is responsible for issuing guidance on horizontal reporting, the Treasury Board submission process, and subsequent oversight of large initiatives funded by the Treasury Board.

Focus of the audit

1.10 This audit examined whether selected departments and agencies were achieving results toward the objectives of the Beyond the Border Action Plan to enhance security and accelerate the legitimate flow of travel and trade, and whether reporting on progress against the Action Plan was accurate and complete. The audit focused on progress made by departments and agencies in meeting the commitments set out in the Action Plan; performance in achieving results toward intended benefits of the Action Plan; and planned and actual costs of initiatives. We also looked at how progress, performance, and costs were reported in the Report on the Beyond the Border Action Plan Horizontal Initiative prepared by Public Safety Canada.

1.11 This audit is important because the Canada–US border is vital to our economy and way of life. In 2015, for example, close to \$700 billion in goods flowed across the border, and people made nearly 150 million land crossings, with millions more crossings made by air or water. The Action Plan was an ambitious undertaking to carry out 34 initiatives over a three-year period, and enable coordinated discussions, dialogues, and relationship building between Canada and the United States. This meant working together at and beyond the border to enhance security and accelerate the legitimate flow of people, goods, and services. The Action Plan was released in December 2011 and had an initial timeline of three years. At the end of 2014, Canada and the United States reaffirmed their intention to deliver on outstanding commitments.

1.12 We audited eight of the departments and agencies that were responsible for the implementation of the Action Plan initiatives:

- Canada Border Services Agency;
- Canadian Air Transport Security Authority;
- Canadian Food Inspection Agency;
- Immigration, Refugees and Citizenship Canada;
- Privy Council Office;
- Public Safety Canada;
- Royal Canadian Mounted Police; and
- Transport Canada.

We also audited Public Safety Canada for its role in collecting and reporting on the Action Plan as a **horizontal initiative** and the Treasury Board of Canada Secretariat for its role in providing guidance on horizontal reporting.

1.13 We did not examine what progress the United States had made in meeting its commitments, performance, or costs on Action Plan initiatives. We also did not examine the joint Canada–US Beyond the Border Action Plan Implementation Report. Furthermore, although this report contains some complementary information to the Horizontal Report on the Action Plan, its focus was to highlight what progress had been made on implementing certain initiatives as well as challenges and next steps for both countries.

1.14 More details about the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this report (see pages 26–29).

Horizontal initiative—One in which partners from two or more organizations establish a formal funding agreement to work toward achieving shared outcomes.

Findings, Recommendations, and Responses

Achieving results from the Beyond the Border Action Plan

Overall message



1.15 Overall, we found that departments and agencies had not developed performance indicators to assess how initiatives have enhanced security and accelerated the legitimate flow of trade and travel. Instead, the indicators that were developed focused primarily on whether an activity or deliverable was completed. In addition, while departments and agencies had implemented many of the commitments for a number of initiatives, they experienced significant challenges, such as delays in implementation and low adoption rates by users.

1.16 This is important because the security, trade, and travel benefits of the Beyond the Border Action Plan cannot be fully assessed with the performance indicators that had been developed at the time of the audit, and full benefits will not be achieved until the initiatives are complete.

Federal organizations had mostly implemented the security initiatives but could not show that they improved security at Canada's borders

What we found

1.17 We found that for the 19 initiatives that were focused on enhancing security, departments and agencies had implemented most of the security initiatives intended to meet their commitments to address security issues. However, they had developed few performance indicators to show that security at Canada's borders had been improved. Most of the performance indicators that were in place measured whether activities and deliverables had been completed. We also found that some initiatives were delayed or not yet fully implemented. Since departments and agencies had not developed performance indicators to measure the benefits of security initiatives, they could not show that the initiatives improved security at Canada's borders.

1.18 Our analysis supporting this finding presents what we examined and discusses the following:

- Progress on completing commitments

Case study—Joint Threat Assessments and Information/
Intelligence Sharing

Case study—Passenger Checked Baggage Screening

Case study—Immigration Information Sharing

Case study—Shiprider

- Delayed initiatives

Case study—Electronic Travel Authorization (eTA)

Case study—Interactive Advance Passenger Information (IAPI)

Case study—Entry/Exit Information Systems

Why this finding matters

1.19 This finding matters because Canada committed to working with the United States to improve security at the border, and departments and agencies were expected to develop performance indicators and measure the results of the initiatives to show that they were improving security at the border. The estimated planned spending up to 31 March 2018 on security-related initiatives totalled \$700 million. As of 31 March 2016, approximately \$410 million had been spent.

Recommendation

1.20 Our recommendation in this area of examination appears at paragraph 1.40.

Analysis to support this finding

1.21 **What we examined.** Of the 34 initiatives included in the Action Plan, 19 were focused on enhancing security. These initiatives are part of the following three themes that have been grouped under security:

- Addressing Threats Early,
- Cross-Border Law Enforcement, and
- Critical Infrastructure and Cyber Security.

1.22 We examined the 19 security-related initiatives to determine the extent to which departments and agencies were able to show progress toward improving security.

1.23 **Progress on completing commitments.** We found that departments and agencies delivered on most or all of their commitments for implementing 19 initiatives to address security issues. We noted that implementation was complete or mostly complete for 11 smaller initiatives and 4 larger initiatives. The remaining 4 initiatives were delayed for reasons such as pending legislation or resolution of international legal issues.

1.24 However, we found that despite having completed most of the Action Plan commitments related to security, departments and agencies did not have reliable performance indicators in place to measure security benefits for 17 of the 19 initiatives. Either departments and agencies had no performance indicators to measure intended benefits in these areas, or else they had indicators that were poorly designed to measure intended benefits or had well-designed indicators but had not yet reported results. We found that where performance indicators were developed, they measured whether activities and deliverables were completed, not the

resulting benefits. Since departments and agencies did not measure the effects of the Action Plan security initiatives, they could not show that border security had improved as a result.

1.25 The following four case studies provide examples of initiatives for which departments and agencies had met most or all of their commitments but had not developed performance indicators to measure the security benefits, or had indicators but were not reporting results.

1.26 **Case study—Joint Threat Assessments and Information/Intelligence Sharing.** These two initiatives, led by Public Safety Canada, focused on enhancing the Canada–United States shared understanding of and approach to shared threats to security. For the initiative on joint threat assessments, Public Safety Canada, in cooperation with the United States, created an inventory of intelligence work, identified gaps, and developed joint threat assessments. For the initiative on Information/Intelligence Sharing, the objective was to improve bilateral sharing of information and intelligence in support of law enforcement and national security. Public Safety Canada and its US counterparts created a joint working group and used the existing Canada–United States Cross-Border Crime Forum to

- identify and resolve challenges in sharing information,
- increase each country’s understanding of the other’s constitutional and legal frameworks for using and protecting information, and
- discuss how to improve information-sharing practices.

1.27 Public Safety Canada has continued to work with the United States in these areas. For example, in March 2016, Public Safety Canada and other information-sharing partners in the Canadian and United States security and intelligence community participated in a tabletop exercise to identify gaps in information sharing related to the prevention of terrorist travel. The two initiatives were funded from within the Department’s existing budget, with a contribution from the Canada Border Services Agency, for a total of about \$294,000. Public Safety Canada met these commitments in the 2013–14 fiscal year, but we found that the Department did not develop performance indicators to measure security benefits stemming from this work.

1.28 **Case study—Passenger Checked Baggage Screening.** This initiative, led by Transport Canada, is aimed at deploying new passenger checked baggage screening technology that aligns with the United States Transportation Security Administration (TSA) requirements. The screening technology was to be installed at eight Canadian airports with pre-clearance facilities by the Canadian Air Transport Security Authority (CATSA) by 31 March 2015. As of March 2016, the new technology had been installed and operational at seven airports. The technology at the eighth airport had been installed and was expected to be operational in fall 2016. As of September 2016, five airports had received TSA certification, and the remaining two were in the final stages of the process.

Once the TSA has approved certification, the United States lifts the rescreening requirement for connecting checked baggage from each pre-clearance airport. This initiative was intended to have security benefits as well as cost and time savings. Transport Canada measured estimated cost savings to airlines and time savings to passengers, using data from two airlines and two airports. Although the initiative resulted in deploying technology with improved threat detection capabilities, we found that there were no performance indicators identified to measure the potential security improvements. The initiative had a budget of \$133.6 million. As of 31 March 2016, \$122.1 million had been spent.

1.29 Case study—Immigration Information Sharing. This initiative is led by Immigration, Refugees and Citizenship Canada in collaboration with the RCMP and the Canada Border Services Agency. The main objective of the initiative was to share information between Canada and the United States to

- improve immigration and border decisions,
- establish and verify the identities of travellers, and
- conduct screening as early as possible.

1.30 This was done, in part, by modifying information technology (IT) systems to enable the sharing of biographic information (such as name, date of birth, and country of birth) and biometric information (fingerprints only) through automated queries. We found that Immigration, Refugees and Citizenship Canada and the RCMP modified their IT systems to allow them to query and be queried by US systems to determine whether individuals match a record held by either country. In this way, the organizations have been sharing biographic information since December 2013, and biometric information since May 2015. The Department indicated that it has used the information for immigration decision making. However, we found that while the Department had developed performance indicators for information sharing, it had not reported results to show that information sharing had improved immigration and border decision making. The initiative had a budget of \$90.8 million. As of 31 March 2016, \$82.4 million had been spent.

1.31 Case study—Shiprider. The objective of this initiative, led by the RCMP, was to pursue national security and transnational investigations, and to make it possible to interdict individuals attempting to illegally cross the border by water. We found that the initiative met its commitment to deploy four Shiprider teams. These teams consist of Canadian and US law enforcement personnel on the same vessel who have the authority to enforce their respective laws on both sides of the marine border. The Shiprider initiative has several performance indicators that show increases in participation of certified RCMP officers, patrol hours, and arrests since the 2012–13 fiscal year. However, we found that the RCMP did not develop performance indicators to show that law enforcement was more effective as a result of the Shiprider initiative,

such as more seizures or more arrests for serious crimes. This initiative has a budget of \$59.5 million and is still in progress. As of 31 March 2016, \$21.4 million had been spent.

1.32 **Delayed initiatives.** The following three case studies provide examples of initiatives for which departments and agencies have encountered delays for reasons such as legal considerations and privacy concerns.

1.33 **Case study—Electronic Travel Authorization (eTA).** The objective of the eTA initiative, led by Immigration, Refugees and Citizenship Canada, was to improve screening for non-US visa-exempt foreign nationals wishing to fly to Canada. These travellers must apply for and receive an eTA before boarding a plane to come to Canada. Once approved, the authorization is valid for five years. The eTA requirement mirrors the Electronic System for Travel Authorization in the United States. The initiative has a budget of \$74.6 million and is still in progress. As of 31 March 2016, \$39.8 million had been spent.

1.34 The requirement for a traveller to have an eTA was initially to be implemented by April 2015 but came into effect in March 2016. However, airlines can properly enforce the requirement only after they have been connected to the Canada Border Services Agency's Interactive Advance Passenger Information (IAP) system (see paragraph 1.35). This was to be done by 30 September 2016, but it has been delayed. We found that Immigration, Refugees and Citizenship Canada had developed performance indicators to measure the security benefits of eTA but will not be able to achieve results and measure and report on whether eTA has improved security until the eTA requirement is fully enforced.

1.35 **Case study—Interactive Advance Passenger Information (IAP).** The objective of this initiative, led by the Canada Border Services Agency (the Agency), was to improve the Agency's ability to assess risks for all travellers. The IAP initiative has a budget of \$63.0 million and is still in progress. As of 31 March 2016, \$43.5 million had been spent. IAP tells air carriers whether travellers have valid documents to travel to Canada, including an eTA (see paragraphs 1.33 and 1.34). To enforce the eTA requirement, airlines need to be connected to the IAP system. IAP has been ready since October 2015 and regulations needed for airlines to connect were passed in March 2016. The Agency informed us that airlines were on track to be connected by 30 September 2016; this has now been delayed. IAP will also send information from air carriers to the Agency before a plane departs so that the Agency can assess whether travellers pose a threat to Canada. It can then prevent them from entering Canada.

1.36 Canada and the United States will not be able to share information about certain individuals, such as those denied boarding or entry because of national security concerns, until the Canada–US memorandum for the exchange of such information has been revised. Also, Canada and the European Union agreed on rules for exchanging passenger data; however,

we found this initiative is delayed until the Court of Justice of the European Union issues a legal opinion on it. Until these issues are resolved, airlines will continue to provide passenger data to the Agency when flights depart rather than before they depart.

1.37 Case study—Entry/Exit Information Systems. The main objective of this initiative, led by the Canada Border Services Agency, was to enhance security. To accomplish this, the Agency set up a coordinated system that permits Canada and the United States to share biographic traveller information (for example, name, date of birth, and nationality), so that the record of a land or air entry into one country can be used to set up an exit record from the other. This initiative has a total budget of \$121 million and is still in progress. As of 31 March 2016, \$53 million had been spent.

1.38 All four phases of the initiative were to be completed by June 2014. However, we found that the last two phases were delayed until 2018. These phases will expand entry and exit information collection at land crossings for all Canadians, and data collection from commercial air carriers on all travellers leaving the country on international flights. One of the reasons for the delay was the decision to expand the sharing of travellers' entry and exit information with other Canadian federal departments and agencies (for example, Employment and Social Development Canada, Canada Revenue Agency, and the RCMP). This decision has raised several privacy concerns that have yet to be addressed.

1.39 Another key hurdle is the need to amend legislation to allow the exit information of Canadian citizens to be collected, used, or disclosed. These amendments were tabled in June 2016. Some performance indicators were developed and being reported from the current use of exit data on a subset of non-national travellers. However, significant security benefits will not be achieved until the project is complete. For example, the Agency and law enforcement will be able to better identify and prevent high-risk travellers from leaving or attempting to leave Canada.

1.40 Recommendation. For completed and ongoing initiatives that have not yet developed performance indicators to measure benefits, Public Safety Canada, the Canada Border Services Agency, the RCMP, and Transport Canada should

- develop performance indicators that clearly measure the security benefits for the initiatives that they are responsible for, and
- measure and report accurate and reliable results against baselines and targets to be able to assess the security benefits achieved.

Public Safety Canada's response. *Agreed. Better measurement of Beyond the Border outcomes and a clearer reporting of the contribution of Beyond the Border initiatives will support transparency and help inform Canadians on the benefits achieved under the Beyond the Border Action Plan. Public Safety Canada will, where appropriate, develop performance*

indicators and improved narrative reporting on progress toward the achievement of outcomes related to border security. Public Safety Canada will, where possible, include those improvements in the 2015–16 Horizontal Report. Actions on this recommendation will be completed by December 2017.

The Canada Border Services Agency’s response. Agreed. The Agency commenced a review of the current Beyond the Border key performance indicators in support of the Agency-led initiatives. The Agency will create a working group with the mandate of reviewing and developing indicators that will more accurately measure these outcomes and impacts. The goal of the review is to identify relevant key performance indicators and include them in the upcoming Public Safety Canada 2015–16 Horizontal Report.

The Agency will update to the extent possible for the 2015–16 report, but will ensure that the final 2016–17 iteration of this report will include a complete picture.

These actions will be completed by June 2017.

The RCMP’s response. Agreed. In response to the audit’s recommendation, management is committed to developing a logic model and performance measurement framework for the RCMP Beyond the Border initiatives, which will be completed no later than December 2016.

Transport Canada’s response. Agreed. Transport Canada will work with the Canadian Air Transport Security Authority to develop a performance indicator that measures the security benefits of the Passenger Checked Baggage Screening initiative, including the establishment of a baseline and the measurement and reporting of results. This action will be completed no later than 31 January 2017.

Departments and agencies had challenges in implementing cross-border trade initiatives and could not show that they facilitated trade

What we found

1.41 We found that of the 10 initiatives that were focused on facilitating trade, some had not moved forward significantly, were not working as intended, or had low adoption rates. Others had carried out their commitments but could not show a meaningful impact on enhancing the flow of commercial cargo and traffic. Departments and agencies either had no performance indicators to measure intended benefits in these areas or were not advanced enough to report results.

1.42 Our analysis supporting this finding presents what we examined and discusses the following

- Trade-related initiatives

- Case study—Enhancing Benefits for Trusted Trader Programs

- Case study—Single Window

Why this finding matters

1.43 This finding matters because Canada committed to working with the United States to accelerate the legitimate flow of cross-border trade. Departments and agencies were expected to develop performance indicators and measure the results of the initiatives to show that they were facilitating the legitimate flow of trade.

Recommendations

1.44 Our recommendations in this area of examination appear at paragraphs 1.56 and 1.57.

Analysis to support this finding

1.45 **What we examined.** We examined the extent to which departments and agencies were able to show progress toward facilitating the flow of legitimate trade. Of the 34 initiatives included in the Action Plan, 10 included a commitment to facilitate trade.

1.46 The Action Plan grouped trade and travel initiatives under one theme. We decided to report on trade and travel separately. However, because departments and agencies did not account for trade and travel costs separately, we were unable to determine how much was actually spent on trade-related commitments for all initiatives. The estimated planned spending up to 31 March 2018 on trade and travel initiatives is \$370 million. As of 31 March 2016, approximately \$165 million had been spent.

1.47 **Trade-related initiatives.** The following two case studies describe trade-related initiatives that are having significant challenges moving forward and are unable to show the impact of that work on facilitating trade.

1.48 **Case study—Enhancing Benefits for Trusted Trader Programs.** The objective of this initiative, led by the Canada Border Services Agency, was to provide more benefits to participants in the Agency's three Trusted Trader programs (Free and Secure Trade, Partners in Protection, and Customs Self Assessment) to increase participation. These programs designate certain companies as trusted and low risk because they have met certain system and risk requirements and are subject to Agency audit, providing participants with streamlined border processes and quicker passage across the border. The initiative has a budget of \$50 million. The Agency informed us that at least \$31 million had been spent to 31 March 2016. However, this amount does not include the 2012–13 fiscal year because the Agency was unable to confirm the total spent for that period.

1.49 One of the expected benefits of this initiative was to allow the trade community to apply only once to become members in both the Canadian Partners in Protection program and the United States Customs-Trade Partnership Against Terrorism program. This system was to be implemented by December 2013. In June 2014, the Agency launched

the first phase of the online enrolment system, allowing individuals to apply for only the Partners in Protection program. In August 2015, users were able to apply for both the US program and the Canadian program at the same time, but we found that the Agency took it offline because it created significant problems, such as duplicate records. The source of the problems was that the system requirements were not well understood and defined. As of 31 March 2016, the Agency was working with the United States to clarify the system requirements. The Agency expected that the system would be running by October 2016 and that it would more than double the Canadian program membership.

1.50 A second benefit of the Trusted Trader programs enhancement initiative was to expand access to Free and Secure Trade (FAST) lanes to Partners in Protection (PIP) members by running a pilot in 2012 and then assessing the results to decide whether to expand further. The FAST lanes had previously been reserved for the exclusive use of certain FAST drivers. After the pilot had been completed, the Agency produced a report in July 2014 that recommended extending access to the FAST lanes to PIP members at three more locations. The report also said that the Agency's IT systems needed to be modified to allow PIP members access to the FAST lanes. The Agency received funding in June 2015 to build and upgrade FAST lanes at the three locations, which it planned to finish by the spring of 2018. The Agency said that it was working on the IT modifications but we found that the Agency did not know when they would be completed. Until then, Trusted Traders with only a PIP membership will not have access to FAST lanes.

1.51 **Case study—Single Window.** The Canada Border Services Agency (the Agency) initiated the Single Window initiative in 2005 in response to requests from the trade community. The objective was to allow commercial traders and importers to electronically submit to the Agency all information required to comply with customs and other government regulations through a single window. In turn, the Agency would provide the information to the appropriate government department and agency responsible for regulating the goods.

1.52 This initiative is intended to simplify border processes for regulated goods by

- eliminating needless paper,
- improving information sharing within government departments and agencies, and
- providing officials the ability to make customs decisions before goods arrive at the border.

1.53 The Agency spent \$10 million on the project before the start of the Action Plan. Under the Action Plan, Single Window received \$82.4 million more to fund the work of the Agency and nine other departments and agencies on this initiative. As of 31 March 2016,

\$78.5 million had been spent. In March 2015, the Single Window initiative became available for traders to submit electronic documents for regulated goods to five of the nine participating departments and agencies. In November 2015, the Canadian Food Inspection Agency, which has the most border-related programs, was also able to start using Single Window. The Canada Border Services Agency anticipated that within Single Window's first year of operation, eight members of the trade community, representing 40 percent of regulated goods, would be using Single Window. We found that as of May 2016, only one of those members, representing 17 percent of regulated imports into Canada, was using Single Window. We found that less than 0.2 percent of this member's shipments were processed through Single Window.

1.54 The Agency said that the adoption of Single Window by traders has been slower than expected because it is not mandatory and because traders must make a considerable upfront and ongoing investment in IT costs to use it. To encourage traders to use Single Window, the Agency has been developing a Single Window adoption strategy. The strategy includes outreach activities with traders and importers to determine why they are not seeing the benefits of Single Window. The Agency also proposed to decommission existing electronic options, so that Single Window is the only method traders can use to electronically clear regulated goods at the border. The Agency planned to finalize this strategy by November 2016.

1.55 We found that the Agency had not developed performance indicators to measure how the Single Window initiative helps traders. Instead, it was measuring and reporting on project deliverables, such as the number of departmental programs that were using the Single Window and the number of forms that have been converted into electronic format. Because it was not measuring traders' use of Single Window, the Agency could not show that this initiative was achieving the expected outcomes of reducing costs and simplifying border processes for the trade community.

1.56 **Recommendation.** The Canada Border Services Agency should take into consideration, on an ongoing basis, various perspectives of stakeholders and ensure that the initiative on enhancing benefits to Trusted Traders programs and the Single Window initiative meet stakeholder needs.

The Canada Border Services Agency's response. Agreed. The Canada Border Services Agency will continue to consult on a regular basis with the trade community to discuss border-related policies, operational programs, and procedures that govern and affect Canada's commercial trade.

The Agency will consult with stakeholders to validate the enhancements identified in the Action Plan and identify options for modernizing the Trusted Trader program to meet the stakeholders' business needs.

In addition, the Single Window initiative will continue its outreach to trade chain partners and will leverage existing trade association forums to

reiterate key messages regarding the Single Window initiative and its progress. The Agency engagement workshops with importers or brokers will also be scheduled in order to conduct walkthroughs of pre-border, at-border, and post-border data requirements.

These actions will be completed by March 2017.

1.57 Recommendation. For completed and ongoing initiatives that have not yet developed performance indicators to measure benefits, the Canada Border Services Agency should

- develop performance indicators to clearly measure the trade benefits for the initiatives that it is responsible for, and
- measure and report accurate and reliable results against baselines and targets to be able to assess the trade benefits achieved.

The Canada Border Services Agency's response. Agreed. The Canada Border Services Agency has commenced a review of the current Beyond the Border key performance indicators in support of the Agency-led initiatives. The Agency has created a working group with the mandate of reviewing and developing indicators that would more accurately measure the impact and outcomes of initiatives. The goal of the review is to identify relevant indicators and include them in the upcoming Public Safety Canada 2015–16 Horizontal Report. These actions will be completed by June 2017.

Departments and agencies had significant challenges implementing travel initiatives and could not show that they facilitated legitimate travel

What we found

1.58 We found that for the eight initiatives that focused on facilitating the legitimate flow of travellers, some departments and agencies had completed their commitments and others were experiencing significant challenges. Also, departments and agencies either had no performance indicators to measure the intended benefits of facilitating the flow of travellers or had not yet reported results.

1.59 Our analysis supporting this finding presents what we examined and discusses the following:

- Travel-related initiatives

Case study—Pre-Inspection and Pre-Clearance Initiative

Case study—Increasing Harmonized Benefits to NEXUS Members

Case study—Deploying Border Wait-Time Technology and Establishing Wait-Time Service Levels

Case study—Installing RFID (Radio Frequency Identification) Technology

Why this finding matters

1.60 This finding matters because Canada committed to working with the United States to improve the speed at which legitimate travellers are able to cross the border. Departments and agencies were expected to develop performance indicators and measure the results of the initiatives to show that they were improving service for travellers.

Recommendations

1.61 Our recommendations in this area of examination appear at paragraphs 1.75, 1.78, and 1.79.

Analysis to support this finding

1.62 **What we examined.** We examined the extent to which departments and agencies were able to show progress toward facilitating the legitimate flow of travellers. Of the 34 initiatives in the Action Plan, 8 included a commitment to facilitate travel. These initiatives were in various stages of meeting their commitments.

1.63 The Action Plan grouped trade and travel initiatives under one theme. We decided to report on trade and travel separately, yet since departments and agencies did not account for costs separately between trade and travel, we were unable to determine the actual spending on travel-related commitments for all initiatives. The estimated planned spending up to 31 March 2018 on trade and travel initiatives is \$370 million. As of 31 March 2016, approximately \$165 million had been spent.

1.64 **Travel-related initiatives.** We present four case studies to show that departments and agencies made some progress in implementing initiatives but were also experiencing significant challenges. The case studies also illustrate that departments and agencies were not able or ready to show benefits.

1.65 ***Case study—Pre-Inspection and Pre-Clearance Initiative.***

This initiative, led by Public Safety Canada, had two main objectives:

- to negotiate and formalize a pre-clearance agreement so officers could inspect and clear goods and people in the host country before they arrived in the destination country by land, air, water, and rail; and
- for the Canada Border Services Agency and the Canadian Food Inspection Agency, along with the United States, to conduct pilot projects to assess the feasibility of applying pre-inspection and pre-clearance activities in new locations.

This initiative has a budget of \$7.8 million and is still in progress. As of 31 March 2016, Public Safety Canada had spent \$4.8 million.

1.66 The pre-clearance agreement was signed in March 2015. The agreement will extend the opportunity to conduct pre-clearance activities for travel by land, water, and rail, and expand pre-clearance operations at airports once legislation is passed in both Canada and the United States. The agreement also sets out a consistent approach for protecting border officers on both sides of the border. As of September 2016, both countries had tabled legislation.

1.67 Several US agencies, along with the Canada Border Services Agency and the Canadian Food Inspection Agency, ran pilots to assess the feasibility of applying pre-inspection and pre-clearance activities in new locations before the agreement was signed. We found that the pilot tests had mixed results. Public Safety Canada informed us that as a result of signing the agreement, both Canada and the United States committed to exploring other cargo pre-inspection and/or cargo pre-clearance pilots.

1.68 **Case study—Increasing Harmonized Benefits to NEXUS Members.** The objective of this initiative, led by the Canada Border Services Agency, was to increase passengers' awareness and use of the existing Canada–US NEXUS program by

- building a self-service NEXUS application system to draw travellers to sign up for membership,
- creating dedicated lines at airports for NEXUS members, and
- adding new dedicated NEXUS lanes at 11 key land border crossings.

This initiative has a budget of \$24.2 million and the Canada Border Services Agency had been unable to provide us with the total spent as at 31 March 2016.

1.69 The Agency started developing an enrolment system for Canadians to apply for NEXUS membership, to increase membership. However, Canadians were already applying online, using the US Customs and Border Protection's Global Online Enrollment System. In December 2015, the Canada Border Services Agency concluded that there was no business need for a new system and was considering cancelling the project. We noted that even without this system, NEXUS membership grew from 780,625 members in December 2012 to 1.4 million members in June 2016. As of 31 March 2016, the Agency had spent \$14.5 million on this system.

1.70 The second part of the commitment was intended to advance risk-based passenger screening. To accomplish this, the Canadian Air Transport Security Authority (CATSA) provided NEXUS members access to dedicated trusted traveller lines at pre-clearance airports. To assess

NEXUS—A bi-national, Canada–United States program for pre-approved, low-risk travellers entering Canada or the United States at designated air, land, and marine ports of entry.

Source: Canada Border Services Agency

whether NEXUS members found this service more efficient and were satisfied with it, the Action Plan included a commitment to measure wait times between NEXUS and non-NEXUS travellers in lineups, and to conduct client feedback surveys. We found that CATSA did not measure traveller wait times as outlined in the Action Plan. Instead, it compared how long it took trusted travellers to clear the security screening checkpoint with how long it took all other travellers at the security screening checkpoint. Those results showed no meaningful improvement because trusted travellers spent the same amount of time at the checkpoint. However, the surveys showed that trusted travellers had a high level of satisfaction.

1.71 The third main commitment involved expanding NEXUS lanes at 11 locations across the border at a cost of \$6.3 million to accommodate an expected increase in the number of NEXUS members. The lane expansions were completed by November 2015. Between the 2011–12 and 2015–16 fiscal years, the Agency measured the number of NEXUS travellers who passed through NEXUS lanes each year and the number of all travellers who passed through conventional lanes at each of the 11 ports of entry. We found that the result showed that 19 percent of travellers used a dedicated NEXUS lane in the 2014–15 fiscal year (6 million out of 31 million) compared with 17 percent (5.3 million out of 32 million) in the previous year. However, the 2014–15 Horizontal Report did not report this improvement.

1.72 ***Case study—Deploying Border Wait-Time Technology and Establishing Wait-Time Service Levels.*** The objective of this initiative, led by Transport Canada, was to provide real-time wait-time information so that the Canada Border Services Agency could plan how to use its resources better at the border. Travellers and commercial traffic could also use it to make informed decisions about when and where to cross the border. This initiative has a budget of \$16.7 million and is still in progress. As of 31 March 2016, \$2.3 million had been spent.

1.73 Transport Canada was tasked with installing the technology, and the Agency was responsible for making the wait times gathered by the technology available to the public and interested stakeholders. Together, they committed to setting up a border wait-time measurement system on both sides of 20 high-priority Canada–United States land border crossings by the end of 2014. We noted that wait-time measurement technology had already been installed at 6 of the 20 crossings before the Action Plan was released in December 2011. We also noted that there were significant challenges in moving forward with remaining installations, related to the coordination of funding in the United States and readiness of sites and stakeholders. As a result, only one more installation had been completed since 2011.

1.74 Transport Canada and the Agency developed five performance indicators focused on measuring deliverables, such as the number of

installations completed and the number of websites and roadside signs posting real-time information. However, we found that Transport Canada had not measured the benefits of existing border wait-time technology even though these installations have been operating for over five years. We also noted that there was no business case to support the need for more installations. Also, although the Agency's website has been posting wait times generated by wait-time measurement technology at five crossings since 2014, the Agency has not assessed whether having this wait-time information available has made a difference to travellers or helped the Agency to better manage its operations and resources. We noted that the Agency's website posted border wait times for 5 of the 7 crossings where measurement technology was installed and that wait times for another 21 crossings were manually collected and reported.

1.75 Recommendation. Transport Canada should work with the Canada Border Services Agency to assess the benefits of existing border wait-time technology and use that information to determine whether future installations of border wait-time technology are warranted at remaining crossings.

***Transport Canada's response.** Agreed. Going forward, Transport Canada will work with its partners, including the Canada Border Services Agency, to assess benefits generated by existing border wait-time installations. This analysis will be completed by July 2017 and inform recommendations for future work on the initiative, including helping to determine whether additional technology installations are warranted.*

1.76 Case study—Installing RFID (Radio Frequency Identification) Technology. The objective of this initiative, led by the Canada Border Services Agency, was to speed up the processing of travellers entering Canada by using card readers to read their radio frequency identification (RFID)-enabled travel documents, such as NEXUS cards, FAST (Free and Secure Trade) cards, enhanced driver's licences, US passport cards, and US permanent resident cards. This initiative committed to installing RFID card-reader technology in a minimum of two lanes at 11 land ports of entry. The Agency planned to complete the installation of this technology in June 2014. However, due to a delay in obtaining RFID technology, installation was expected to begin in the 2016–17 fiscal year and to be completed in the 2017–18 fiscal year. This initiative has a budget of \$17.3 million and is still in progress. As of 31 March 2016, \$8.1 million had been spent.

1.77 An external research report stated that for the RFID initiative to generate benefits, there needed to be enough RFID-enabled cardholders. We found that Canada's RFID-enabled documents consist of NEXUS cards; enhanced driver's licences, which are available only in British Columbia, Manitoba, and Ontario; and enhanced identity cards, in Manitoba and Ontario. Quebec's program for enhanced driver's licences was winding down because few people were using it. The report also stated

that to speed up the flow of traffic, dedicated lanes for RFID should be used, rather than mixed-use lanes, which can be used by all travellers and provide little benefit. We noted that the Agency was not planning to build dedicated lanes and was planning to install the readers in the two busiest mixed-use lanes. We also found that, in its planning, the Agency did not fully analyze the potential use of this initiative and did not develop a business case to show whether the initiative will significantly relieve congestion at the border.

1.78 Recommendation. The Canada Border Services Agency should complete its assessment of how the planned implementation will achieve the benefits from radio frequency identification (RFID) technology and continually assess its plans for installing RFID technology in the future.

***The Canada Border Services Agency's response.** Agreed. In support of the initiative, the Canada Border Services Agency will undertake a self-assessment to examine the outcomes in light of the expected benefits to be generated by radio frequency identification (RFID) technology and will update it periodically to assess the approach of installing RFID technology in the future. In addition, the Agency will develop a lane-management option analysis paper exploring the feasibility and benefits of enhancing the original Beyond the Border Action Plan commitment of only two lanes each at 11 ports of entry. These actions will be completed by December 2017.*

1.79 Recommendation. For completed and ongoing initiatives that have not yet developed performance indicators to measure benefits, the Canada Border Services Agency and Transport Canada should

- develop performance indicators to clearly measure the travel benefits for the initiatives that they are responsible for, and
- measure and report accurate and reliable results against baselines and targets to be able to assess the travel benefits achieved.

***The Canada Border Services Agency's response.** Agreed. In June 2016, the Canada Border Services Agency commenced a review of the current Beyond the Border key performance indicators in support of the Agency-led initiatives. The Agency has created a working group with the mandate of reviewing and developing indicators that would more accurately measure the impact and outcomes of initiatives. The goal of the review is to identify relevant indicators and include them in the upcoming Public Safety Canada 2015–16 Horizontal Report. These actions will be completed by June 2017.*

***Transport Canada's response.** Agreed. Transport Canada will work in partnership with the Canada Border Services Agency to develop performance indicators for completed and ongoing initiatives to help assess travel benefits. These performance indicators will be developed by 31 March 2017 for both completed and new projects. Going forward,*

Transport Canada and the Canada Border Services Agency will measure and report results against these performance indicators in order to assess and demonstrate travel benefits.

Reporting on the Beyond the Border Action Plan

The report on the Beyond the Border Action Plan provided an incomplete picture of progress and costs

Overall message



1.80 Overall, we found that the Report on the Beyond the Border Action Plan Horizontal Initiative provided an incomplete and inaccurate picture of progress and costs of the Action Plan. Public Safety Canada prepared a report using the costing and progress information it received from departments and agencies. Though this report provided information on annual achievements, it did not convey a consolidated view of progress. The Treasury Board of Canada Secretariat did not give departments and agencies specific guidance on costing and measuring program results. As a result, departments and agencies applied different interpretations, which contributed to producing inconsistent information. We also found that Public Safety Canada did not adjust its reporting method to reflect changes to performance indicators it used to measure the progress of initiatives. As a result, the Department could not show that these performance indicators being reported on continued to align with and were able to measure the intended benefits of the Action Plan.

1.81 This is important because accurate, complete, and consistent reporting helps departments and agencies to be accountable for the estimated investment of \$1.1 billion in the Action Plan, and is invaluable for decision makers to know when to take corrective action, and where to allocate funds to best effect.

1.82 Our analysis supporting this finding presents what we examined and discusses

- guidance on reporting,
- reporting on progress,
- reporting on costs,
- reporting on performance, and
- responsibilities for reporting.

Recommendations

1.83 Our recommendations in these areas of examination appear at paragraphs 1.87 and 1.95.

1.84 **What we examined.** We examined whether the 2014–15 Report on the Beyond the Border Action Plan Horizontal Initiative (also known as the Horizontal Report), which was made public in September 2016, was complete and accurate. We also examined the information reported by departments and agencies to Public Safety Canada that was used to prepare the report, and the guidance on reporting that was provided by the Treasury Board of Canada Secretariat.

1.85 **Guidance on reporting.** Each year, the Treasury Board of Canada Secretariat updates the guidance on what departments and agencies should report on for horizontal initiatives as part of the annual departmental performance reporting process. We observed that the guidance issued by the Secretariat

- did not clarify roles and responsibilities for the lead department responsible for reporting, and partner departments and agencies, to ensure that reporting was complete and accurate;
- focused on reporting on achievements against annual goals and priorities. We noted that the Beyond the Border Action Plan Horizontal Initiative focused on annual achievements but did not provide a consolidated understanding of the progress and costs of each initiative. It did, however, provide results for performance indicators for each year, where available, since the beginning of the Action Plan; and
- did not provide enough detail to allow Public Safety Canada to develop a financial costing framework for the Beyond the Border Action Plan Horizontal Initiative. For example, it did not tell departments and agencies what costs to include and how to report unspent funds that are transferred from year to year.

1.86 In the 2012–13 fiscal year, the Secretariat was developing another guide on the management and reporting of horizontal initiatives, which it published in 2014. In our opinion, this guide did not provide enough clarity to the lead reporting department to ensure that reporting was complete and accurate, nor did it provide enough information to help departments and agencies report on progress and develop a costing framework for horizontal initiatives.

1.87 **Recommendation.** The Treasury Board of Canada Secretariat should improve its guidance on the management and reporting of horizontal initiatives to

- clarify roles and responsibilities for lead and partner departments and agencies responsible for reporting accurately and completely on horizontal initiatives;
- clarify guidance for lead and partner departments and agencies reporting a consolidated view of progress, results, and costs for initiatives over the years; and
- clarify the requirements of a financial costing framework for horizontal initiatives.

The Treasury Board of Canada Secretariat's response. Agreed. The Treasury Board of Canada Secretariat will update its guidance on the managing and reporting of horizontal initiatives, as appropriate, to clarify the expectations for the lead and partner departments and agencies involved in horizontal initiatives. The updated guidance will clarify the roles and responsibilities for the reporting of financial and results information. The Secretariat will also clarify expectations for reporting a consolidated view of progress of the initiatives as well as for a financial costing framework in the updated guide. The Secretariat will work with departments and agencies, as needed, to ensure that they have a clear understanding of their roles and responsibilities in order to establish appropriate governance for managing and reporting on horizontal initiatives. The updated guidance will be completed by July 2017.

1.88 Reporting on progress. We found that in some cases, the report did not provide a complete view of the progress of initiatives. The report focused mainly on what was achieved that year, not on the status of the initiative over its lifetime. Also, in some cases, departments and agencies reported progress that was not a result of Action Plan initiatives. For example:

- The Shiprider initiative contained two main commitments. The Horizontal Report described Shiprider activities such as patrol hours, the number of vessels boarded, number of arrests for offences, and training of police officers. However, the report did not mention that the pilot projects for expanding operations on land had not been started and that there were no plans to pursue them. The previous year's report (2013–14) noted that the pilots had been postponed until legal and operational issues were resolved.
- For the pre-clearance initiative, the report focused on the fact that a pre-clearance agreement had been signed and truck cargo pre-inspection pilots had been conducted. It did not comment on the results of the pilots or the status of other pilots that were cancelled or on hold. It also did not mention that Canada and the United States needed legislation to enact new pre-inspection and pre-clearance activities.
- For the initiative on deploying border wait-time measurement technology, the report stated that seven deployments were completed as of the 2014–15 fiscal year. However, it did not mention that six of these had been completed before the Action Plan.

1.89 Reporting on costs. The Horizontal Report presented costs by department and agency under each theme, for the given fiscal year. However, we found that it did not report costs by initiative, or the total spending for the Action Plan. Doing so would have enabled the reader to understand both the size of the investment for each initiative and the total investment for the Action Plan. As a result, the reader is not able to determine the total cost for each initiative and the total investment made for the Action Plan since it was launched in 2011.

1.90 **Reporting on performance.** Targets and baselines help the reader to understand what a department or agency is aiming to achieve. We found that the performance results presented in the Horizontal Report for the 34 initiatives lacked this information. Lead departments did not consistently collect performance targets and baselines and provide them to Public Safety Canada. Public Safety Canada did not include performance targets in the public report. For example, the Canada Border Services Agency reported 83 new members in the 2014–15 fiscal year for the initiative on Enhancing Benefits for Trusted Trader Programs. However, its long-term goal was to attract 1,700 new members. Because the Agency did not provide a target, readers could not determine the extent to which progress has been made toward achieving its goal.

1.91 We also found that the report included few performance indicators to show the benefits of the initiatives. It included measures of activities or deliverables produced but these indicators did not show what the benefit was to facilitating trade, travel, or security. For example, the Single Window initiative measured the number of departments and agencies that have digitized their forms but it did not develop performance indicators to measure benefits. This measurement showed the progress that was made in completing the initiative, but it did not show that this initiative facilitated trade.

1.92 **Responsibilities for reporting.** Public Safety Canada was responsible for collecting information on progress, performance, and cost from departments and agencies for all initiatives and reporting annually, through the Horizontal Report, on the progress made on the Action Plan until the 2016–17 fiscal year. Furthermore, a Horizontal Initiative Reporting Working Group, consisting of Public Safety Canada as the chair, the Treasury Board of Canada Secretariat, the Privy Council Office, and main Action Plan partners, was also responsible for developing and managing a horizontal framework, including a performance measurement framework and a financial costing framework for the Action Plan.

1.93 Public Safety Canada worked with departments and agencies to develop a performance measurement framework to identify the intended benefits of initiatives and how to measure those benefits. However, we found that Public Safety Canada did not update the Action Plan performance measurement framework to reflect changes to indicators as the initiatives progressed. As a result, the Department could not show that the performance indicators being reported on continued to align with and were able to measure the intended benefits of the Action Plan. Of the original 126 performance indicators, only 57 were currently in use. Of the 70 new indicators that were added, only 9 were well enough designed to measure the benefits of initiatives.

1.94 Public Safety Canada also developed a financial costing framework. However, it was never completed or used to report on costs. We found that departments and agencies reported costs based on their own costing

approaches, which were not consistent from federal entity to federal entity. For example, we found that Immigration, Refugees and Citizenship Canada and Canada Border Services Agency did not report any costs for the initiative Facilitating the Conduct of Cross-Border Business, a smaller, less complex initiative. Therefore, we could not determine the actual cost of the Action Plan.

1.95 Recommendation. Public Safety Canada, which is the lead department responsible for reporting on the Beyond the Border Action Plan, should

- include cumulative costing and baselines and targets for indicators as appropriate for Action Plan initiatives in the remaining Reports on the Beyond the Border Action Plan Horizontal Initiative to ensure that the results, costs, and progress made on initiatives are measurable, clear, and consolidated;
- update the performance measurement framework to refine the performance indicators used to support the intended outcomes of the Action Plan in future reporting cycles; and
- set up a common costing framework so that all departments and agencies consistently report accurate and complete financial information.

Public Safety Canada's response. *Agreed. Public Safety Canada will work collaboratively with initiative lead departments and agencies to update performance measurement. Public Safety Canada will also seek to reinforce the common costing framework in consultation with central agencies and in collaboration with participating departments and agencies. Once completed, Public Safety Canada will provide updated instructions for horizontal reporting to participating departments and agencies for the 2016–17 Horizontal Report. These actions will be completed by December 2017.*

Conclusion

1.96 We concluded that the selected departments and agencies achieved limited results toward the objectives of the Beyond the Border Action Plan of enhancing security and accelerating the legitimate flow of travel and trade. Although the departments and agencies met many of the commitments of the Action Plan, they faced many challenges in carrying out the initiatives and lacked performance indicators to assess results.

1.97 We also concluded that the Report on the Beyond the Border Action Plan Horizontal Initiative prepared by Public Safety Canada did not provide a complete and accurate picture of the progress, performance, or costs of the Action Plan.

About the Audit

The Office of the Auditor General's responsibility was to conduct an independent examination of the Beyond the Border Action Plan, to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs.

All of the audit work in this report was conducted in accordance with the standards for assurance engagements set out by the Chartered Professional Accountants of Canada (CPA) in the CPA Canada 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 in this report are factually based.

Objective

The objective of the audit was to determine whether selected departments and agencies were achieving results toward the objectives of the Beyond the Border Action Plan to enhance security and accelerate the legitimate flow of travel and trade, and whether reporting on progress against the Action Plan was accurate and complete.

Scope and approach

We audited the following nine departments and agencies:

- Canada Border Services Agency;
- Canadian Air Transport Security Authority;
- Canadian Food Inspection Agency;
- Immigration, Refugees and Citizenship Canada;
- Royal Canadian Mounted Police;
- Transport Canada;
- Treasury Board of Canada Secretariat;
- Privy Council Office; and
- Public Safety Canada.

The audit assessed whether reporting processes were put in place to report on the Beyond the Border Action Plan as a whole to ensure transparency and accountability. Specifically, the audit looked at whether

- the reporting process aligned with Government of Canada policy and guidance on horizontal reporting;
- information such as costs, status, and outcomes was clearly presented; and
- public reporting was clear and provided a full picture of the overall status of the Action Plan.

Action Plan initiatives used outcomes to measure progress toward achieving the objectives of enhancing security and accelerating the legitimate flow of travel and trade. Reporting on the optimal use of resources and status of activities was also used to measure the progress of initiatives. For selected initiatives, we assessed

- the extent to which the measurement of outcomes was relevant and complete;
- the extent to which the performance indicators were able to demonstrate whether outcomes were achieved;
- the extent to which outcomes were meeting the stated targets;
- if performance measures were not in place, the reasons why;
- the current status of the initiatives compared with planned progress in the Action Plan; and
- the current actual costs reported by departments and agencies compared with planned spending. We did not conduct a financial audit of the reported costs.

Matters beyond the scope of the audit

This audit did not examine

- work conducted by the United States,
- elements that may have an effect on national security,
- the relationship between Canada and the United States,
- the Treasury Board submission process,
- new initiatives and future work that builds on initiatives announced in the Action Plan,
- the adequacy of project management for individual initiatives,
- risk management practices, or
- technical aspects of the IT infrastructure (unless directly related to the measurement of outcomes).

Criteria

Criteria	Sources
<p>To determine whether the selected departments and agencies were achieving results toward the objectives of the Beyond the Border Action Plan to enhance security and accelerate the legitimate flow of travel and trade, and whether reporting on progress against the Action Plan was accurate and complete, we used the following criteria:</p>	
Measurement frameworks or equivalent processes exist to identify and report against the Beyond the Border Action Plan outcomes, cost, and status of initiatives.	<ul style="list-style-type: none"> • Policy on Management, Resources and Results Structures, Treasury Board, 2010 • Policy on Evaluation, Treasury Board, 2009 • Supporting Effective Evaluations: A Guide to Developing Performance Measurement Strategies, Treasury Board of Canada Secretariat, 2010 • Outcome Management Guide and Tools (part of the Enhanced Management Framework of the Chief Information Officer Branch), Treasury Board of Canada Secretariat, 2009 • Preparing and Using Results-based Management and Accountability Frameworks, Treasury Board of Canada Secretariat, 2005 • <i>Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness</i>, Action Plan (Beyond the Border Action Plan), United States and Canada, 2011
Reporting on the progress of the Beyond the Border Action Plan is relevant and complete.	<ul style="list-style-type: none"> • Policy on Management, Resources and Results Structures, Treasury Board, 2010
The results achieved for the Beyond the Border Action Plan initiatives are reliable and meet expected targets.	<ul style="list-style-type: none"> • Policy on Management, Resources and Results Structures, Treasury Board, 2010 • Policy on Evaluation, Treasury Board, 2009 • Supporting Effective Evaluations: A Guide to Developing Performance Measurement Strategies, Treasury Board of Canada Secretariat, 2010 • Outcome Management Guide and Tools (part of the Enhanced Management Framework of the Chief Information Officer Branch), Treasury Board of Canada Secretariat, 2009 • Preparing and Using Results-based Management and Accountability Frameworks, Treasury Board of Canada Secretariat, 2005

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

Period covered by the audit

The audit covered the period between February 2011 and August 2016. Audit work for this report was completed on 27 September 2016.

Audit team

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List of Recommendations

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

Recommendation	Response
Achieving results from the Beyond the Border Action Plan	
<p>1.40 For completed and ongoing initiatives that have not yet developed performance indicators to measure benefits, Public Safety Canada, the Canada Border Services Agency, the RCMP, and Transport Canada should</p> <ul style="list-style-type: none"> • develop performance indicators that clearly measure the security benefits for the initiatives that they are responsible for, and • measure and report accurate and reliable results against baselines and targets to be able to assess the security benefits achieved. <p>(1.23–1.39)</p>	<p>Public Safety Canada’s response. Agreed. Better measurement of Beyond the Border outcomes and a clearer reporting of the contribution of Beyond the Border initiatives will support transparency and help inform Canadians on the benefits achieved under the Beyond the Border Action Plan. Public Safety Canada will, where appropriate, develop performance indicators and improved narrative reporting on progress toward the achievement of outcomes related to border security. Public Safety Canada will, where possible, include those improvements in the 2015–16 Horizontal Report. Actions on this recommendation will be completed by December 2017.</p> <p>The Canada Border Services Agency’s response. Agreed. The Agency commenced a review of the current Beyond the Border key performance indicators in support of the Agency-led initiatives. The Agency will create a working group with the mandate of reviewing and developing indicators that will more accurately measure these outcomes and impacts. The goal of the review is to identify relevant key performance indicators and include them in the upcoming Public Safety Canada 2015–16 Horizontal Report.</p> <p>The Agency will update to the extent possible for the 2015–16 report, but will ensure that the final 2016–17 iteration of this report will include a complete picture.</p> <p>These actions will be completed by June 2017.</p> <p>The RCMP’s response. Agreed. In response to the audit’s recommendation, management is committed to developing a logic model and performance measurement framework for the RCMP Beyond the Border initiatives, which will be completed no later than December 2016.</p> <p>Transport Canada’s response. Agreed. Transport Canada will work with the Canadian Air Transport Security Authority to develop a performance indicator that measures the security benefits of the Passenger Checked Baggage Screening initiative, including the establishment of a baseline and the measurement and reporting of results. This action will be completed no later than 31 January 2017.</p>

Recommendation	Response
<p>1.56 The Canada Border Services Agency should take into consideration, on an ongoing basis, various perspectives of stakeholders and ensure that the initiative on enhancing benefits to Trusted Traders programs and the Single Window initiative meet stakeholder needs. (1.47–1.55)</p>	<p>The Canada Border Services Agency's response. Agreed. The Canada Border Services Agency will continue to consult on a regular basis with the trade community to discuss border-related policies, operational programs, and procedures that govern and affect Canada's commercial trade.</p> <p>The Agency will consult with stakeholders to validate the enhancements identified in the Action Plan and identify options for modernizing the Trusted Trader program to meet the stakeholders' business needs.</p> <p>In addition, the Single Window initiative will continue its outreach to trade chain partners and will leverage existing trade association forums to reiterate key messages regarding the Single Window initiative and its progress. The Agency engagement workshops with importers or brokers will also be scheduled in order to conduct walkthroughs of pre-border, at-border, and post-border data requirements.</p> <p>These actions will be completed by March 2017.</p>
<p>1.57 For completed and ongoing initiatives that have not yet developed performance indicators to measure benefits, the Canada Border Services Agency should</p> <ul style="list-style-type: none"> • develop performance indicators to clearly measure the trade benefits for the initiatives that it is responsible for, and • measure and report accurate and reliable results against baselines and targets to be able to assess the trade benefits achieved. <p>(1.47–1.55)</p>	<p>The Canada Border Services Agency's response. Agreed. The Canada Border Services Agency has commenced a review of the current Beyond the Border key performance indicators in support of the Agency-led initiatives. The Agency has created a working group with the mandate of reviewing and developing indicators that would more accurately measure the impact and outcomes of initiatives. The goal of the review is to identify relevant indicators and include them in the upcoming Public Safety Canada 2015–16 Horizontal Report. These actions will be completed by June 2017.</p>
<p>1.75 Transport Canada should work with the Canada Border Services Agency to assess the benefits of existing border wait-time technology and use that information to determine whether future installations of border wait-time technology are warranted at remaining crossings. (1.72–1.74)</p>	<p>Transport Canada's response. Agreed. Going forward, Transport Canada will work with its partners, including the Canada Border Services Agency, to assess benefits generated by existing border wait-time installations. This analysis will be completed by July 2017 and inform recommendations for future work on the initiative, including helping to determine whether additional technology installations are warranted.</p>

Recommendation	Response
<p>1.78 The Canada Border Services Agency should complete its assessment of how the planned implementation will achieve the benefits from radio frequency identification (RFID) technology and continually assess its plans for installing RFID technology in the future. (1.76–1.77)</p> <p>1.79 For completed and ongoing initiatives that have not yet developed performance indicators to measure benefits, the Canada Border Services Agency and Transport Canada should</p> <ul style="list-style-type: none"> • develop performance indicators to clearly measure the travel benefits for the initiatives that they are responsible for, and • measure and report accurate and reliable results against baselines and targets to be able to assess the travel benefits achieved. <p>(1.64–1.77)</p>	<p>The Canada Border Services Agency’s response. Agreed. In support of the initiative, the Canada Border Services Agency will undertake a self-assessment to examine the outcomes in light of the expected benefits to be generated by radio frequency identification (RFID) technology and will update it periodically to assess the approach of installing RFID technology in the future. In addition, the Agency will develop a lane-management option analysis paper exploring the feasibility and benefits of enhancing the original Beyond the Border Action Plan commitment of only two lanes each at 11 ports of entry. These actions will be completed by December 2017.</p> <p>The Canada Border Services Agency’s response. Agreed. In June 2016, the Canada Border Services Agency commenced a review of the current Beyond the Border key performance indicators in support of the Agency-led initiatives. The Agency has created a working group with the mandate of reviewing and developing indicators that would more accurately measure the impact and outcomes of initiatives. The goal of the review is to identify relevant indicators and include them in the upcoming Public Safety Canada 2015–16 Horizontal Report. These actions will be completed by June 2017.</p> <p>Transport Canada’s response. Agreed. Transport Canada will work in partnership with the Canada Border Services Agency to develop performance indicators for completed and ongoing initiatives to help assess travel benefits. These performance indicators will be developed by 31 March 2017 for both completed and new projects. Going forward, Transport Canada and the Canada Border Services Agency will measure and report results against these performance indicators in order to assess and demonstrate travel benefits.</p>
<p>Reporting on the Beyond the Border Action Plan</p> <p>1.87 The Treasury Board of Canada Secretariat should improve its guidance on the management and reporting of horizontal initiatives to</p> <ul style="list-style-type: none"> • clarify roles and responsibilities for lead and partner departments and agencies responsible for reporting accurately and completely on horizontal initiatives; • clarify guidance for lead and partner departments and agencies reporting a consolidated view of progress, results, and costs for initiatives over the years; and • clarify the requirements of a financial costing framework for horizontal initiatives. <p>(1.85–1.86)</p>	<p>The Treasury Board of Canada Secretariat’s response. Agreed. The Treasury Board of Canada Secretariat will update its guidance on the managing and reporting of horizontal initiatives, as appropriate, to clarify the expectations for the lead and partner departments and agencies involved in horizontal initiatives. The updated guidance will clarify the roles and responsibilities for the reporting of financial and results information. The Secretariat will also clarify expectations for reporting a consolidated view of progress of the initiatives as well as for a financial costing framework in the updated guide. The Secretariat will work with departments and agencies, as needed, to ensure that they have a clear understanding of their roles and responsibilities in order to establish appropriate governance for managing and reporting on horizontal initiatives. The updated guidance will be completed by July 2017.</p>

Recommendation	Response
<p>1.95 Public Safety Canada, which is the lead department responsible for reporting on the Beyond the Border Action Plan, should</p> <ul style="list-style-type: none"> • include cumulative costing and baselines and targets for indicators as appropriate for Action Plan initiatives in the remaining Reports on the Beyond the Border Action Plan Horizontal Initiative to ensure that the results, costs, and progress made on initiatives are measurable, clear, and consolidated; • update the performance measurement framework to refine the performance indicators used to support the intended outcomes of the Action Plan in future reporting cycles; and • set up a common costing framework so that all departments and agencies consistently report accurate and complete financial information. <p>(1.88–1.94)</p>	<p>Public Safety Canada’s response. Agreed. Public Safety Canada will work collaboratively with initiative lead departments and agencies to update performance measurement. Public Safety Canada will also seek to reinforce the common costing framework in consultation with central agencies and in collaboration with participating departments and agencies. Once completed, Public Safety Canada will provide updated instructions for horizontal reporting to participating departments and agencies for the 2016–17 Horizontal Report. These actions will be completed by December 2017.</p>