



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Public Accounts

PACP • NUMBER 010 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, April 21, 2016

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Chair

The Honourable Kevin Sorenson

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• (0850)

[English]

The Chair (Hon. Kevin Sorenson (Battle River—Crowfoot, CPC)): Good morning. I call the meeting to order.

This is meeting number 10 of the Standing Committee on Public Accounts on Thursday, April 21, 2016.

If you weren't here earlier, I'll remind everyone that we are being televised today.

Today we are studying the fall 2015 report of the Auditor General of Canada, chapter 6, the Canada pension plan disability program.

We're thankful to have a number of witnesses again here this morning.

From the Office of the Auditor General we have Mr. Michael Ferguson, the Auditor General of Canada. We welcome you back, sir.

He is accompanied by Glenn Wheeler, a principal with the Auditor General's office.

From the Department of Employment and Social Development, we have Ian Shugart, deputy minister, and Benoît Long, senior assistant deputy minister, processing and payment services branch, Service Canada.

From the Social Security Tribunal of Canada, we have Murielle Brazeau, and also Margot Ballagh, vice-chairperson, appeal division.

From the Administrative Tribunals Support Service of Canada, we have Marie-France Pelletier, chief administrator, and Raynald Chartrand, executive director.

We have a number of opening statements from our witnesses, and again we welcome you all.

Auditor General, we will begin with you, sir.

Mr. Michael Ferguson (Auditor General of Canada, Office of the Auditor General of Canada): Mr. Chair, thank you for this opportunity to discuss our 2015 fall report on the Canada pension plan disability program. Joining me at the table is Glenn Wheeler, principal, who was responsible for the audit.

The Canada pension plan disability program, or CPPD program, is the largest public benefit program for long-term disability in Canada. The CPPD benefit provides partial earnings replacement to someone who has made sufficient contributions to the Canada pension plan and who cannot work because of a severe and prolonged disability.

Beneficiaries have a range of physical or mental disabilities. In 2013, almost 60% of beneficiaries were between 55 and 64 years old.

[Translation]

Employment and Social Development Canada is responsible for delivering the Canada pension plan disability program. The department reviews applications and determines whether applicants are eligible. If denied, applicants may ask the department to reconsider decisions. Applicants who still disagree with the department's decision after their applications are reconsidered may file an appeal with the Social Security Tribunal of Canada. The tribunal is independent from the department and started operating on the first of April in 2013.

We examined whether Employment and Social Development Canada assessed applications for the Canada pension plan disability benefit in a consistent and timely manner. We also examined whether the tribunal decided appeals in a timely manner.

Let me turn first to Employment and Social Development Canada. We found that the department met its service standards for assessing initial and reconsideration applications for disability benefits. However, it did not respect its guidelines for making faster decisions for applicants with terminal illnesses or grave conditions.

[English]

We also found that a high proportion of decisions were overturned at the reconsideration and appeal stages. In the 2014-15 fiscal year, 35% of initial decisions were overturned by the department at the reconsideration stage, and a further 67% of appeals were overturned by the tribunal or by the department before the tribunal decided the appeals.

The department did not have a quality assurance framework in place. Consequently, it did not have assurance that its medical adjudicators made appropriate and consistent decisions. As well, the department did not analyze the tribunal's appeal decisions to determine why the tribunal had overturned the department's decisions.

Furthermore, we found that the initial application for benefits was lengthy and complex, requiring the completion of many forms. Department officials stated that the application kit, totalling 42 pages, could take applicants several months to complete. Since March 2012 the department has made available to terminally ill applicants a condensed 11-page application.

[Translation]

Let me turn now to the Social Security Tribunal of Canada. We found that the tribunal did not decide appeals in a timely manner. This was partly because of Employment and Social Development Canada's poor transition planning before the tribunal was established. Once established, the tribunal was not ready to handle the inherited backlog of 6,585 appeals. It did not have the people, systems, or procedures in place to deal with its workload. For example, the tribunal expected to start operating with 96 employees, but had only 21 in place when it opened.

[English]

The tribunal was created to increase the speed and efficiency of the appeals process. However, we found that the number of CPPD appeals in the backlog was higher than it was before the tribunal was established.

In the 2014-15 fiscal year, as backlog issues worsened with the addition of new appeals, the average time it took to decide an appeal exceeded 800 days. This was more than twice the time it took three years before.

To help reduce the backlog, Employment and Social Development Canada further reviewed the files of some appellants who were waiting for a decision from the tribunal. The department determined that about a third of the appellants were in fact eligible for the benefit, meaning that eligible applicants could have been approved sooner.

[Translation]

Canadians who have contributed to the Canada pension plan and cannot work because of a severe and prolonged disability may have to rely on the program as a source of income. For this reason, we believe the program needs to be improved so that it is designed in a way that best serves applicants from the initial application to the awarding of decisions.

● (0855)

[English]

Employment and Social Development Canada and the Social Security Tribunal of Canada have agreed with our recommendations and have committed to take actions to implement them.

Mr. Chair, this concludes my opening remarks. We'd be pleased to answer any questions the committee may have.

Thank you.

The Chair: Thank you very much, Mr. Ferguson.

We'll now move to Mr. Shugart, deputy minister of the Department of Employment and Social Development.

Mr. Ian Shugart (Deputy Minister, Department of Employment and Social Development): Thank you, Mr. Chair, for the opportunity to be here with you along with my colleagues to address the findings and recommendations of the Auditor General's report, the audit on the Canada pension plan disability program.

I want to convey to the committee this morning how seriously we take this audit and how determined I and my team are to improve the administration of this program for the benefit of its clients.

We accept and agree with the recommendations. We will be the better for them and we are determined to do better for our clients.

Two of my senior ADMs are leading this file, Kathryn McDade and Benoit Long, and they will assist me in answering your questions this morning.

[Translation]

The Auditor General's report identifies a number of significant concerns and makes important observations about a program that serves some of the most vulnerable Canadians. My department agrees with the Auditor General's recommendations, and we have implemented a detailed management action plan to address each of them.

Before I describe that plan, I would like to provide a bit of context about the program. The Canada pension plan disability program was introduced in 1966, making this its fiftieth year. It is the largest long-term disability program in Canada for working-age people with disabilities. In 2014-15, my department provided over \$4.2 billion in benefits to more than 328,000 Canadians and 82,000 of their children.

This program is not Canada's only long-term disability program. Provincial and territorial governments, as well as private insurers, also provide disability benefits. It is estimated that every year Canadians receive between \$22 billion and \$26 billion in disability benefits.

To qualify for benefits, individuals must have made sufficient contributions to the Canada pension plan, and they must demonstrate that they suffer from a "severe and prolonged" disability that renders them unable to work. This is a stringent test that requires medical evidence regarding an individual's work capacity. Gathering and evaluating this evidence can be challenging for both our applicants and our adjudicators. The evidence is not always straightforward, and medical conditions often evolve over time.

[English]

The audit found that there were challenges for my department—indeed, shortcomings for the department—in three main areas, which I will address in turn: the timeliness of our decisions, the consistency of our decisions, and our openness to working with claimants and beneficiaries to learn from their experiences.

On timeliness, a key finding of the audit is that it takes too long for clients to access the program. We have committed to improving the application process, in particular by leveraging online and electronic systems as part of a broader service improvement strategy for the Canada pension plan.

With the consent of our clients, we will also work with other providers of long-term disability support, such as private insurance companies, to share information and thus reduce the burden on clients, who often have to provide the same or similar medical information multiple times.

As we committed to in the management action plan, we have also recently completed a review of service standards across all of our national pension programs, including CPPD. We will be introducing CPPD service standards after consulting with clients and stakeholders, and that will be in the near future. The standards will be achievable, while at the same time challenging the department to continually improve our service delivery.

One of the most troubling findings in the audit is that we are not meeting our own service guidelines for applicants with terminal illnesses and grave conditions. To address this, a prototype project was launched in January to test new ways of processing these specific applications. Early results from that pilot have informed the development of the new service standards for these applications. These standards recognize the urgency of the situations faced by these clients. We believe they will be achievable and will provide more certainty for this particularly vulnerable client group.

On consistency of our decisions, the audit recommends the implementation of a formal quality assurance framework to ensure that our decisions are appropriate and consistent. The department recognizes the importance of collecting business intelligence on our decisions, not only for the purpose of providing feedback to our department's decision-makers but also to help inform continuous improvement in program policy and service delivery. We have completed our work to develop a quality assurance framework and have begun its phased implementation.

On openness, in an effort to be more open and responsive, to demonstrate a better attitude to our clients, we have renewed a dialogue with CPPD clients and stakeholders. Our aim is not only to seek their input on implementation of the specific actions in our management action plan but also to establish a sustainable, ongoing process for stakeholder and client input in the management of the program.

We initiated this dialogue on February 17 at an event that was attended by senior officials and by our minister, the the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development. We received feedback at that meeting on our response to the Auditor General's report, as well as concrete suggestions on implementation of an ongoing process for client and stakeholder engagement.

● (0900)

[Translation]

My colleagues are here to speak to the findings and recommendation of the Auditor General related to managing recourse for clients who choose to appeal a decision of the department to deny CPPD benefits.

As you are aware, the Social Security Tribunal of Canada is an independent administrative tribunal. The Auditor General has documented the significant challenges the SST faced when it began operations in April 2013. The SST was transferred a significant number of appeals by its predecessor tribunals, the vast majority of which pertained to the program.

As the audit notes, as of December 31, 2014, the SST's inventory of CPPD appeals had reached nearly 11,000 cases. This resulted in unacceptable delays for clients awaiting a decision on their appeal.

[English]

To assist the Social Security Tribunal with its own efforts to reduce the inventory, the department assembled a specialized multidisciplinary team that was able to review more than 10,000 cases between December 2014 and the end of summer 2015 and to offer settlements where possible.

As a result of these joint efforts with the SST, the inventory of CPPD appeals has now been reduced by more than half and remains on a downward trajectory. Our review of over 10,000 case files also provided invaluable insights into our decision-making process. This is informing our work to renew the program, and in particular the improvements to the supports and tools for decision-makers.

My colleague Ms. Brazeau will provide further detail on the current performance of the SST. I want to emphasize to the committee this morning our commitment to continuing to work collaboratively with the SST.

Finally, I recognize that having a management action plan is necessary but not sufficient for success. The plan needs to be well executed. I have elaborated on some of the details of our action to this point to give the committee some assurance that we are in fact executing that plan. In that respect, I'm confident that we have the right governance to deliver on our management action plan.

First, we have established a multi-branch working group that is responsible for implementing the activities set out in the plan and which reports to me on progress—and, if necessary, course corrections—on a regular basis.

Second, a supporting committee chaired by my associate deputy minister has been created to monitor the SST inventory, assess progress in implementing the plan, and ensure seamless communication with the SST.

In closing, I would like once more to acknowledge the Auditor General's contribution to ensuring that, going forward, CPPD benefits are provided on a more timely and consistent basis and that the program will be more responsive to the feedback of our clients and stakeholders.

We will be better as a department for this audit, and our clients will be better served as a result of this process.

Thank you, Chair.

● (0905)

The Chair: Thank you very much, Mr. Shugart.

Now we'll move to Ms. Brazeau, please, from the Social Security Tribunal of Canada.

Ms. Murielle Brazeau (Chairperson, Social Security Tribunal of Canada): *Bonjour.*

We are here to discuss the Auditor General's report pertaining to the Canada pension plan disability program. The tribunal fully supports the Auditor General's recommendations.

I will provide you with some background about the tribunal, explain the measures taken to resolve our initial challenges and to address the Auditor General's recommendations, and outline the positive results to date.

[Translation]

The Social Security Tribunal is an independent administrative tribunal that makes quasi-judicial decisions pertaining to the Canada pension plan, the Old Age Security Act and the Employment Insurance Act. The tribunal is comprised of a general division and an appeal division, and all decisions are made by single members. The general division has an employment insurance section and an income security section. This new tribunal was designed to replace four separate tribunals, and its mandate is to offer fair, impartial and efficient appeal processes for Canadians.

[English]

The Auditor General's report examined the first two years of the tribunal's existence, from April 1, 2013, to May 2015.

The report concludes that the poor transition planning before the tribunal opened its doors led to the transfer of a large backlog of appeals that the tribunal was not ready to manage. The report also notes that this large backlog contributed to the tribunal's growing backlog and to the time it took to decide appeals.

The tribunal agrees with these findings and with the Auditor General's recommendation that we review our policies and practices to ensure expeditious appeal decisions, and we are continuing to make progress on this front.

The Auditor General's report already details the situation we faced when the tribunal opened its doors. Suffice it to say that we were understaffed and under-resourced. There were no infrastructure, systems, or operational processes to manage the income security caseload, and we were overwhelmed by a huge backlog of 9,000 appeals from the former tribunals. Close to 7,000 of these appeals were the Canada pension plan disability appeals. Basically we needed to put in place a solid foundation for the future while at the same time dealing with both the inherited backlogs and the new incoming cases.

● (0910)

[Translation]

The situation was very difficult for us in the tribunal, but it was totally unacceptable for appellants, their families, and Canadians generally. We prepared a comprehensive action plan to obtain all the necessary resources to implement a stable infrastructure for the tribunal. Since the inception of the tribunal, we have collaborated with the department and with the minister to secure additional full-time and part-time members to increase the total number of employees required to meet the tribunal's mandate.

[English]

At the beginning, the tribunal started with seven members assigned to the income security cases. More members were gradually appointed and trained so that by December 2014, 40 full-time members and 22 part-time members were ready to decide income security cases. More staff were gradually hired and trained, and we now have 150 employees supporting the tribunal, which is seven times more than the 21 employees we had when we started.

The case management system and operational processes required to manage, assign, hear, and decide income security appeals were developed and implemented, and we continue to review and improve

them. The case management system is now sufficiently developed to provide accurate data that allow us to monitor and manage the caseloads and member performance. We continue to improve the quality of our decisions through legal support and an ongoing training program for our members.

[Translation]

Besides working closely with the department, we also focused on developing relations with our other stakeholders. As a result of our ongoing exchanges, we have made a number of improvements: for example all decisions of the appeal division are now being published, our website content has been improved, useful tools have been provided to parties, and we made positive changes to our toll-free line.

Implementing these measures required resources and staff, but most importantly, it required time. With all these initiatives, and with more settlements from the department, we are now showing positive results. Our backlog and total inventory has decreased significantly.

[English]

As of this Monday, April 18, we have received a total of 17,707 disability appeals. That's since opening our doors on April 1, 2013. Of those, 13,200 have now been completed. Our active inventory is now reduced to 4,507 disability appeals, which is 32% lower than the number of backlogged cases we inherited on day one.

The average age of our total Canada pension plan disability caseload is now at 317 days. We have implemented service standards, committing to decide 85% of new cases within five months of the appeal becoming ready to proceed. We will continue to reduce our inventory of cases, and we expect to be able to meet our new service standards with the current rate of incoming files, number of members, and available resources.

[Translation]

We have worked very hard over the past three years to get where we are today, and I am very proud of the considerable progress accomplished. Nothing is more rewarding to us than receiving positive feedback from our appellants and stakeholders who recognize the progress we have made and thank us for the work we have accomplished to date.

[English]

As the Auditor General documented, the tribunal faced significant challenges and pressures at its onset. We took control, developed a plan of action, secured the necessary resources, and established a solid foundation that allowed the tribunal to process appeals in a fair, impartial, and efficient manner.

As we continue to move toward a more stable environment and continue to increase our use of technology in this high-volume tribunal, I am confident that we will be recognized for our innovative and efficient approaches that improve access to justice for Canadians.

[Translation]

Thank you for your attention.

[English]

Mr. Chair, I'm happy to answer any questions.

The Chair: Thank you very much, Ms. Brazeau.

We'll now move to Ms. Pelletier, the chief administrator from the Administrative Tribunals Support Service of Canada.

Ms. Marie-France Pelletier (Chief Administrator, Administrative Tribunals Support Service of Canada): Thank you very much, Mr. Chair.

Thank you to the committee for allowing me to be here today.

As Mr. Chair has indicated, with me is Monsieur Raynald Chartrand, who is the executive director for the secretariat that supports the Social Security Tribunal.

I'd like to begin by describing the role and mandate of the Administrative Tribunals Support Service of Canada, or ATSSC for short, and specifically its role in supporting the Social Security Tribunal.

The ATSSC was established on November 1, 2014, with the coming into force of the ATSSC Act. Our organization is responsible for providing support services and facilities to 11 administrative tribunals by way of a single integrated organization.

These services include the specialized services required by each tribunal—that is, registry, research and analysis, legal services and other mandate and case-specific work—as well as corporate services, which include human resources, financial services, accommodations and security, and information management and technology.

• (0915)

[Translation]

The provision of these services enables the tribunals to exercise their individual powers and perform their unique duties and functions in accordance with their respective legislation, rules and regulations. The purpose of the Administrative Tribunals Support Service of Canada, or ATSSC, is to improve the tribunals' capacity to meet their needs, achieve efficiencies through economies of scale, and improve access to justice for Canadians.

[English]

This year our organization has planned for expenditures of \$82 million and a staff of 550 employees. We support the nearly 200 Governor in Council appointees who are members of the 11 administrative tribunals.

The Social Security Tribunal is the largest we support. It comprises 90 members, and currently 150 employees are dedicated exclusively to the tribunal. This year's funding to support the tribunal is set at \$18 million.

[Translation]

From April 2013 to November 2014, the tribunal received all of its support services from its portfolio department, Employment and Social Development Canada. Since November 2014, the ATSSC has been responsible for providing the tribunal's support services, and we have been providing the specialized support services (registry, legal, research, etc.) directly to the tribunal since then.

[English]

In terms of corporate services, an arrangement was made for those services to continue to be provided by the department on behalf of the ATSSC to allow for a full but gradual transition to the ATSSC over three years. Given that the tribunal's operations had been embedded in the department previously, many corporate systems were also integrated into those of the department. It was therefore more prudent for those transferred to be phased in over time to minimize any risks to the tribunal's operations.

This was especially important at a time when the tribunal's focus was on reducing the backlog in CPPD appeals in addition to delivering on the other parts of its mandate.

[Translation]

We are satisfied that these internal services have been appropriately provided by the department on our behalf, and we are currently in discussions with the department to plan the transition and begin the transfer, in phases, of these services to the ATSSC. As the chairperson for the Social Security Tribunal just indicated, the tribunal has been working hard in the last three years to set up necessary systems, processes, policies and practices that ensure fair, impartial and expeditious processing of appeals. The ATSSC has been diligent in supporting the tribunal in its endeavours in all areas of its mandate, including in the area of income security.

[English]

As relates to the Auditor General's review of the Canada pension plan disability program, the ATSSC assumed responsibility for the tribunal's support services in the last seven months of the review period. Along with the tribunal, the ATSSC agrees with the findings and recommendations in the report, and it will work with the tribunal to provide the necessary support in responding to those recommendations and in implementing the action plan.

To this end, I would like to note that several improvements have already been achieved in addressing the two recommendations in the Auditor General's report.

[Translation]

In relation to data quality, there have been five updates to the tribunal's case management system since November 2014. Each update enhances the system's capabilities in reporting and quality assurance functionality. For instance, the case management system is now able to track the receipt of notices of readiness from parties; allow vice chairpersons to assign files to members; and reflect the business appeal process in all divisions through automated workflows. Those are but a few of the improvements carried out each new update to the system. Several more updates are planned for the upcoming year, which will continue to address the action plan and will ultimately improve the tracking and reporting of the tribunal's statistical data.

• (0920)

[English]

In relation to the review of policies and practices, the ATSSC has worked closely with the tribunal to improve a number of aspects of its operations. To begin, we proceeded with hiring additional staff to support tribunal operations and backlog reduction efforts.

Among these new employees are employees assigned to a call centre to communicate directly with parties to provide timely and relevant information on their cases. Other new employees are legal service employees who, in addition to providing legal counsel, participate in the development of guidelines and tools that assist members in making quality decisions. As well, communications and IT employees were hired to publish the tribunal's decisions on its website and provide remote IT support to members located across the country.

[Translation]

Other ATSSC employees worked with the tribunal to develop more than a dozen operational instructions in the income security sector alone. These instructions provide written and clear guidance for registry employees, which ultimately reduces the number of potential errors and allows them to work faster and more efficiently.

Despite all that has been accomplished thus far, our work is by no means done. The action plan that we share with the tribunal outlines several areas in which we will focus our efforts in the coming months.

[English]

Further enhancements of the case management system and the quality of statistical data will be undertaken. We will give continued attention to making operational processes more efficient and we will seek out advice in so doing.

We are committed to continuing to support the tribunal in all aspects of its mandate, a mandate that is so crucial to the lives of so many Canadians.

This concludes my remarks, Mr. Chair, and I will be pleased to respond to questions.

The Chair: Thank you very much.

As a member of Parliament, not as chair of a committee—and to some of our new members of Parliament, these are the kinds of issues that every member of Parliament deals with time and again—I liked your last sentence, Ms. Pelletier, when you said, “this is so crucial to the lives of so many Canadians.”

We thank you for being here today and giving us a bit of an update on the progress, but there are a number of questions from our committee members.

We'll begin with Ms. Mendès, please.

[Translation]

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you, Mr. Chair.

Ladies and gentlemen, thank you for being here to testify before us today.

Upon reading the report of the Auditor General, Mr. Ferguson, and the analysts' findings, I am extremely shocked to see that a service that is supposed to be provided to Canadians effectively, quickly, and very humanely has taken a terrible turn. What shocks me the most is not so much the Tribunal—it is fairly new and we need to give it time to iron out any wrinkles—but very much the disability program itself.

As you said, Mr. Shugart, the program is 50 years old. How did we get here? How did we get to some of the observations that Mr. Ferguson is raising with us? I find it absolutely incomprehensible that so many cases were rejected, but in the end, upon review or when the complainants took their cases to this tribunal, you see that they should have been granted the disability pension after all. You have not even started processing these types of requests. How is it that in 2016, we are still processing such onerous files in paper format? I cannot fathom why a person with a terminal illness still has to fill out an 11-page questionnaire.

I would very much like to have answers to these questions because I am really astounded by this.

• (0925)

Mr. Ian Shugart: I do not share your observations at all. I will address a thing or two and then ask my colleague to elaborate on the process.

[English]

The application documentation, which was inordinately long and complex and has now been considerably reduced, is of necessity—because of the subject matter—not the kind of typical application for service that we might anticipate. Included in the application is the provision of frequently detailed and extensive medical information. That is all included in—

Mrs. Alexandra Mendès: Sorry to interrupt, Mr. Shugart, but Mr. Ferguson does point out that a lot of the information is found in more than one form. The same question is in more than one form.

Mr. Ian Shugart: Yes, and that is what we have been working to streamline and simplify. We're dealing—until the time of the audit, frankly—with many legacy issues, the continuance for too long of a particular application process and decision process.

As I indicated, as part of our CPP service improvement strategy, we are progressively moving to an online and electronic system to reduce the paper burden. However, the legacy of these programs has for too long been a paper-based system. That adds complexity and has added inordinately to the time. That has to change, and it constitutes a very significant part of the application process.

With respect to the decisions on appeal—please understand that this is in no way an excuse—there are going to be inevitably some reversals of the decision on appeal, for a variety of reasons. The decision-maker on appeal believes, in good faith, that the initial decision—taken, I would assert, in good faith—is incorrect, that the initial decision-maker just got it wrong, and the decision is overturned.

The second thing, which actually happens very often, is that the applicant's situation has changed over the course of the review, and often what would correctly have been an unfavourable decision becomes now, because of new evidence—the evolution of the patient's condition, or for that matter, new medical knowledge—a different decision. That will, to some degree, always be the case.

The third category was that when we put together this team of people to go through this backlog as rapidly as possible, we asked them, in cases in which on a balance of probabilities the decision would be reversed, to make that decision quickly and not let it go through the rest of the process.

Those are the three kinds of situations that will lead—or did lead, in this case—to an overturned decision.

These are, even in cases in which the ultimate decision is not in favour of the client, difficult situations. At their very best they are very difficult situations. The initial adjudicator has to make those difficult decisions on the basis of the evidence, and the reason for there being an appeal process is to catch any errors or to make a different decision.

Mrs. Alexandra Mendès: Very quickly, how can you explain, then, that people who haven't contributed enough to the fund are not given an answer within 24 hours when they apply, which would be the normal thing to do, and still have to wait months for an answer?

● (0930)

Mr. Ian Shugart: That is something we fully intend to change, including by developing tools that will be available for the adjudicator so that the decision on eligibility on the basis of contributions is assessed or flagged right at the outset.

The Chair: Thank you very much.

We'll now move to Mr. Poilievre, please.

Hon. Pierre Poilievre (Carleton, CPC): Thank you very much, Mr. Chair.

Thank you to the witnesses. In particular it's good to see some of my former colleagues from my time at ESDC and to thank them for their very good work on this file, particularly in reducing the backlog over the last year.

Before I begin more substantive questioning, I want to confirm the numbers that are in the Auditor General's report, in a response to a question on the Order Paper that I submitted to the Commons, and in the testimony that I heard from Madame Brazeau.

As I understand it, based on exhibit 6.6 of the Auditor General's report on page 21, in roughly December 2014 to January 2015 the number of appeals was in the neighbourhood of 10,000. According to a response to my Order Paper question, as of November 1 it was reduced to just under 6,000. In February of 2016 it was further reduced to just under 5,000. Also, if I heard Madame Brazeau's testimony correctly, the number of appeals is now at around 4,500.

Is that accurate?

Ms. Murielle Brazeau: It's 4,507 appeals.

Hon. Pierre Poilievre: All right. So the number of appeals has declined precipitously over the last year to 16 months, roughly.

I think part of the reason for this success is that the department, under the leadership of Deputy Minister Shugart, established something that was colloquially known as the “spike unit”.

I don't think you ever liked that term, but anyway, it caught on.

This was a group basically of doctors, lawyers, and other experts who reviewed previously denied cases that were up for appeal and, as you said today in your testimony, granted those cases that, on the balance of probabilities, were likely to succeed at the tribunal.

Can Deputy Minister Shugart confirm whether that unit continues to be in operation? As the backlog continues to dissipate and is eventually eliminated, what is the future of that unit, and how can its work be integrated into the long-term process of turning around fair decisions quickly for CPPD applicants?

Mr. Ian Shugart: Mr. Chair, yes, the specialized unit is still in place, and it continues to review those cases. In addition, when we use the channels of communication with the tribunal to indicate what we are likely to decide, there is very good co-operation to remove those cases from the pipeline, and the government settles those cases under the auspices of the department.

In the future, we will not be likely to retain the unit per se; that procedure will be integrated into the decision-making process itself, and I fervently hope that at no point in the future will a process like it ever be required again.

One of the things we are doing in the action plan is to give our adjudicators in the first instance tools so that we actually engage with the clients and the stakeholders of this program to learn how to better take account of developing situations and developing medical conditions that could lead to a different decision over the course of the application from first application to decision.

Our expectation is that we will continue to be more attuned to that balance of probabilities and be more up to date on the tools that are available to adjudicators to help them make the right decision in the first place.

● (0935)

The Chair: You have two minutes.

Hon. Pierre Poilievre: Part of the reason the CPP disability appeal system is under stress is that according to the fall 2015 Auditor General's report, there has been an increase in demand on the program. In paragraph 6.6 on page 1, the audit finds that in the 2000-01 fiscal year, the CPP disability program had 282,000 beneficiaries, who together received just over \$2.5 billion in disability benefits. By the 2013-14 fiscal year, the program had almost 330,000 beneficiaries, an increase of 17%, who received just over \$4 billion in disability benefits, or an increase of 50%.

What share of the increase in beneficiaries from 282,000 to 330,000 can be attributed to demographic causes alone?

The Chair: A very quick answer, please.

Mr. Ian Shugart: I don't think that we are able to specify a proportion, Chair. I would indicate, however, that demographics are without question a factor. Age, unfortunately, often carries with it the triggering of disability, so that is definitely a factor, but I do not believe that we have the capacity—I'm not sure it exists anywhere, frankly—to be precise about causality as far as the quantity is concerned. But unquestionably it is a factor.

The Chair: Thank you very much, Mr. Shugart.

We'll now move to Mr. Christopherson, please.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Chair, and thank you all for your participation today.

I have to tell you, what a shemozzle. It's the only word that comes to mind. It's just a total shemozzle. You have to wonder where the minister and deputy minister were in the wheelhouse. Were they sleeping?

I want to start at the beginning, because I've been around here a very long time—some might say too long. However, be that as it may, I've seen a lot of sophisticated tools come through, used by some incredibly intelligent, professional people who can do amazing things before anything starts. I'm talking about the planning. Parts of this we've been doing now, as a government, for the better part of half a century.

Again, similar to what we were dealing with in the armed forces when they didn't seem to be able to provide adequate housing for their people, when we're talking about infrastructure to distribute benefits that people need in order to live, you'd think there would be a little better planning at the front end. I'm really going to make an issue out of this, because I want to know why. All of you are on notice. I want to know how the hell we got here. We'll deal with what it resulted in and the mess that came as a result, but I want to know how the hell we got from the point of putting a plan on paper to move forward, and then for it to fail so spectacularly.

I don't need to build the case—it's there in itself—but let's start with the Auditor General's opening remarks.

He said that once established, the tribunal was not ready to handle the inherited backlog of 6,585 CPPD appeals. It did not have the people, systems, or procedures in place to deal with its workload. For example, the tribunal expected to start operating with 96 employees; it only had 21 when it opened.

Madame Brazeau said, “Suffice it to say that we were understaffed and under-resourced. There were no infrastructure, systems, or operational processes to manage the income security caseload, and we were overwhelmed by a huge backlog of 9,000 appeals from the former tribunals. Close to 7,000 of these appeals were the Canada pension plan disability appeals.”

The heading in the Auditor General's report on page 16 says, “Poor transition planning by the department led to the transfer of an unmanageable backlog of appeals to the Social Security Tribunal of Canada”.

I could go on and on. When we look at examples, the auditor said:

We found that although the Department established a plan to transition CPPD appeals to the Tribunal, the plan included unrealistic target dates and planning

assumptions. This led to a backlog of appeals that the Tribunal was not ready to manage....

It's so plain. The planning assumption was that the new Social Security Tribunal regulations were supposed to be approved in November 2012. They were approved on March 28, four days before the tribunal began its work. Somebody give me some reason as to how one of the biggest departments in Canada planned a new system to correct an old system that wasn't working, and when it took over, it was worse than the one it took over. How did that happen? Who's responsible?

Let's start with the deputy.

● (0940)

Mr. Ian Shugart: Mr. Chairman, that is exactly the right place to start. I was the deputy minister during this period of time, and I take responsibility for what happened in the department during this time.

I'm not going to repeat the diagnosis that you have just made. As I indicated, the department accepts the findings and the recommendations of the Auditor General. The bottom line is that with respect to the planning of the new tribunal I would indicate, just on your point that the subsequent situation is worse than what was there before, that where we are today puts a bit into question that assertion. We are in fact today in a better place than under the four previous tribunals that were in place. The issue is the transitional period, where I do not dispute your assertion.

Mr. David Christopherson: I appreciate that.

I have limited time. I'm sorry; I don't mean to be rude.

I appreciate that and I respect that, but I'm not accepting that since it wasn't very good in the transition, the idea was that we would kind of look the other way, and then we'll go forward.

We are the public accounts committee, and you are accountable, and I want to know how you oversaw something that was so poorly transitioned.

Mr. Ian Shugart: I want to go on, Chair, to—

Mr. David Christopherson: Very well. Please.

Mr. Ian Shugart: —speak to two specific components of the planning that in retrospect were faulty.

Mr. David Christopherson: Okay.

Mr. Ian Shugart: We made unrealistic assumptions. I think one of those may very well have been about the time it would take to get everything in place. We were too ambitious in the planning assumption about the time it would take to get this done.

Mr. David Christopherson: You blew everything, sir, everything. There were no adequate systems, procedures, or service standards. You completely blew it.

I would get it, if it were one little thing and gee, we thought it would take us six months, but it ended up taking us a year. The whole thing wasn't there, sir.

The Chair: We need to make sure that we take this through the chair each time. It's great to just chat, but we want all questions and answers to come through the chair, please.

Mr. Ian Shugart: I agree, Chair. That's my security in this case, if nothing else.

Mr. David Christopherson: Fair enough, Chair—and Mr. Shugart.

• (0945)

Mr. Ian Shugart: There is an awful lot in reality that flows from the timing assumptions that were made, so it is a significant error when you get the planning assumption wrong about timing.

The second thing is that we did not have complete information about the caseload. That's another critical piece of information. If you don't know how high the mountain is, you're not going to be preparing adequately to climb it. Partly because of the independent structure of the previous tribunal, we did not have complete information about what was in the caseload already. That then was inherited unfairly by the new tribunal.

In summary, Chair, I accept the charge. If the committee has views about the responsibility of the deputy minister, I would be happy to take them up with the minister to whom I am accountable, but our emphasis at the moment is on getting this right.

I do not, however, dispute your assertion about the planning problems, and I have offered two specifics to provide somewhat your answer.

The Chair: Thank you very much. We're more than a minute over.

We'll now go to Mr. Lefebvre.

Mr. Paul Lefebvre (Sudbury, Lib.): Mr. Chair, thank you.

I'd like to continue with the line of questioning with respect to when all this started—the amalgamation of four tribunals into one.

Paragraph 6.40 of the Auditor General's report says:

The Tribunal's creation was announced in Budget 2012 as part of the Department's Deficit Reduction Action Plan. The Plan was intended to reduce departmental costs by streamlining programs and services.

Mr. Shugart, what were the planned savings from amalgamating from four to one?

Mr. Ian Shugart: They were \$25 million, if I remember correctly.

Mr. Paul Lefebvre: Okay.

Was your budget reduced by that much, when you initially started?

Mr. Ian Shugart: Yes. The way the system operates, Chair, is that when a government makes a decision about funding levels on the basis of predictions or program demand or whatever it might be, that is reflected in the reference levels of the department, and it will be ultimately reflected in the public accounts. The planned savings are adjusted in the reference levels of the department. They're removed from the department's budget.

Mr. Paul Lefebvre: So when you initially started in 2012-13 with the new tribunal, your budget had been reduced by \$25 million at that point in time.

Mr. Ian Shugart: That's correct.

Mr. Paul Lefebvre: In the Auditor General's opening statement we read:

...the Tribunal expected to start operating with 96 employees, but had only 21 in place when it opened.

First, when you had the four tribunals, how many employees did you have, all of them put together, and why did we go to 21?

Please go ahead, Monsieur Long.

Mr. Benoît Long (Senior Assistant Deputy Minister, Processing and Payment Services Branch, Service Canada, Department of Employment and Social Development): Unfortunately, I do not have the information on the number of employees who were attached to the four existing tribunals and how many we went from and to, but clearly there was a reduction in the number of employees who were attached to and had been supporting those four tribunals. That was part of the intent.

Mr. Paul Lefebvre: Well, if you estimated that you had to start with 96 employees, where did that estimate come from? Was it based on the number of employees you had before in all four tribunals?

Mr. Ian Shugart: I think the key issue—maybe Muriel could add to this—is the number of decision-makers, the number of adjudicators. That was one of the key shortfalls, the number of adjudicators who would be—

Mr. Paul Lefebvre: How do we go from the adjudicators assigned to the four tribunals to 21? Is that what we are talking about here? Is it from 96 adjudicators to 21 adjudicators?

Is that no? Are those employees in total?

Mr. Benoît Long: No. When you mention employees, I think we're looking at two different sets of organizations. The first four were a mixture of part-time and full-time members. There were quite a number of them, and some of them worked one day a month rather than full time or part time. That was part of the design of the SST: both to encourage a more consistent and standardized set of processes and also to ensure that the learning curve, the experience that would come with members who are dedicated full time to reviewing cases, would actually improve the productivity that goes along with reviewing those cases.

Previous tribunals would have had part-time and in some cases occasional members, and the productivity of that type of staffing is now being seen and realized. Initially, of course, that transition was quite challenging.

• (0950)

Mr. Paul Lefebvre: Who made the decision to start with 21 employees or that number of adjudicators, in light of what we have now, with maybe a little more than 100 adjudicators? How many adjudicators do you have now to deal with this backlog? I know you had to go outside. You said you got lawyers and different people from the outside to help you reduce this list.

Madame Brazeau?

Ms. Murielle Brazeau: Let me help my colleague.

I arrived one week before the tribunal was created, and there were 21 staff. A number of executives were hired, and they were hiring staff to sustain the organization. They were hiring out. They hired individuals from the four former tribunals, but they were also looking for different strengths and were looking outside. They were hiring indeterminate employees, but also a lot of part-time or casual employees just to help out the tribunal at the outset.

Mr. Paul Lefebvre: To Mr. Shugart through you, Mr. Chair, when you guys decided to make this transition, going from the four tribunals to the one, who told you to get it done in this short time period?

Mr. Ian Shugart: That was an undertaking of the department. At that point the tribunal had not been created and the administrative support service agency had not been created, so the initial work for the transition was undertaken by the department.

Mr. Paul Lefebvre: Did the department give you a transition plan?

Mr. Ian Shugart: Yes. We had transition planning, but as I have indicated, I think in retrospect that the period of time that was taken to do this and ensure that the tribunal had a complete and a good launch was far too short.

Mr. Paul Lefebvre: All right.

How much time do I have, Mr. Chair?

The Chair: You have one minute.

Mr. Paul Lefebvre: I want to ask you questions with respect to the initial decisions they made and how many were overturned.

In the 2014-15 fiscal year, 35% of initial decisions were overturned by the department at the reconsideration stage, and a further 67% of appeals were overturned by the tribunal.

It occurs to me that there is a problem internally. If you're always overturning decisions made at the outset at that high a rate, there should be concern. What have you done to alleviate that concern, to address this?

Mr. Ian Shugart: I will ask Benoît to add to this, Mr. Chair.

As I indicated with respect to the cases in the pipeline in the backlog, we introduced this thinking about a balance of probabilities. We frankly were just much more aggressive in going through those cases and determining the likelihood of success, either because the situation had changed or it truly was 50:50 or in that neighbourhood. We were much more decisive and erred on the side of granting the request more than would have normally been the case.

The Chair: Thank you. Your time is up.

We'll move to Monsieur Godin.

[*Translation*]

Mr. Godin, you have five minutes.

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Thank you, Mr. Chair.

Ladies and gentlemen, thank you for joining us.

Our responsibility at the Standing Committee on Public Accounts is to maximize the public data or the efficiency of the services provided to Canadians.

My first question is for the Auditor General.

Mr. Ferguson, have other reports been done on this system in the past 50 years?

Mr. Michael Ferguson: No other report was done by our office. This is the only one.

Mr. Joël Godin: Okay.

On reading the report and the recommendations, I find it disappointing to see everyone reacting and wanting to improve the service because, first, I think that the managers have to have the responsibility to ensure the effectiveness of the systems in place. How do you explain today's reaction to the report of the auditor general who took two years to conduct the audits? Then you come and tell us that you will put measures in place to be even more efficient. I do not want to destroy the service, because good things have been done and improvements have been made, but it seems that the managers have to be accountable to the guidelines in place. I am not getting the feeling that that is currently the case.

My question is for the deputy minister and then I would like to hear from the people from the two other services.

• (0955)

Mr. Ian Shugart: The other services did not exist before this report. It may be up to them to decide whether it is useful to add anything else. However, as I said in response to Mr. Christopherson, on behalf of the department, I take responsibility for past flaws and mistakes.

[*English*]

I would indicate that the reason we have these audits is to go right to the heart of programs and bring the spotlight to bear on what is not working in those programs.

As I indicated, in many of our areas we are labouring under the legacy of old systems. This is too much a paper-based system, which adds to the time lapse in making decisions. Actually managing the paper constitutes a significant delay in the process.

We are moving off that kind of system progressively. We have known for some time in our business planning in the department that a modern service to Canadians requires moving to electronic systems progressively. We have been doing that—for example, in the employment insurance area—but it frankly takes time and it takes resources for that to work its way progressively through the system.

The delays in the old system were due partly to the multiplicity of tribunals. The proposal to move to the Social Security Tribunal was intended to make that more efficient and expedite decisions. We've talked about the planning process, which was deficient, but you asked about the situation before the fact.

That was all part of an effort to improve that service. Between these legacy systems, I assure—

[*Translation*]

Mr. Joël Godin: Excuse me, Mr. Deputy Minister, I have to interrupt you because my time is quite limited and I have other questions to ask.

From what I understand, you tell people with disabilities and terminal illnesses that it is not your fault, that you have a backlog of paperwork, and that you are unable to be more efficient. I think you should put the necessary measures in place in your department and not wait for the release of an auditor general's report in order to improve your service. I am very disappointed in your response. I respect it, but I am disappointed.

Are there any mechanisms within your department for regular and recurring self-assessment?

Mr. Ian Shugart: Absolutely. As in all departments, we have an internal auditor. We have an assessment team. We always had executives to manage the programs and we still do. The people in charge have to report their findings. There are mechanisms. Obviously, they are not perfect, but they exist and we are using them more and more often.

[English]

The Chair: Thank you, sir.

Now we will go to Mr. Arya, please, for five minutes.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Mr. Chair.

Mr. Chair, the deputy minister mentioned that he did not know the size of the caseload. On April 1, 2012, there were 4,000 in the backlog of appeals, and the trend was gradually increasing.

Obviously you must have had an indication that it was not going to go down below 4,000. Instead, it was creeping up. You may not have known the exact number of 6,500, but even with that, to put it very mildly, it is quite surprising that without any infrastructure and without adequate resources, systems, or operational processes, this tribunal was opened.

Ms. Brazeau, you mentioned that you joined a week before it was opened. Were you aware soon after joining of the mess that you inherited?

• (1000)

Ms. Murielle Brazeau: It did not take a long time to realize. On day one, when we received these 9,000 cases from the four former tribunals, we realized that we had a lot of work on our plate. We only had 21 employees. The management team was working very hard to staff at the time. We were trying to determine how many members we needed. We knew we needed more decision-making—

Mr. Chandra Arya: You did not know how many members were needed when you joined?

Ms. Murielle Brazeau: The legislation allowed for a certain number of members at the time, but more members were required, and they were hired gradually, until 2014, when we reached a maximum—

Mr. Chandra Arya: It took more than one year to hire the numbers required, and in the meantime the backlog kept on increasing.

Ms. Murielle Brazeau: The members were hired gradually. The members of the tribunal are appointed by the Governor in Council. As soon as I arrived, we took note of what was going on. We had contacts with the department—

Mr. Chandra Arya: The Governor in Council appointments, of course, are not under your control, but that added to the problems you had.

Ms. Murielle Brazeau: In order to have more members, I contacted the minister's office and I worked closely with the department to discuss the number of members we actually needed. There was an eligibility list established. The members were gradually appointed, they were trained, and they started hearing cases as soon as they were ready.

Mr. Chandra Arya: Now you have about 150 employees. Is that number adequate?

In your statement you mention—

Ms. Murielle Brazeau: There were 150 employees. They were ESDC employees before the ATSSC—

Mr. Chandra Arya: Yes, I understand, but is that adequate?

Ms. Murielle Brazeau: —and 90 members.

Mr. Chandra Arya: No, is the number adequate? Is it sufficient?

Ms. Murielle Brazeau: Right now it is sufficient. We have the right number of members in income security to meet the service standards we established last fall. Right now the backlog is resolved. We are completing cases in a timely manner.

Mr. Chandra Arya: You were planning to bring down the processing time to five months from the current 317 days. When do you think you'll be achieving that?

Ms. Murielle Brazeau: Parties are given one year to confirm that they are ready to proceed. The average age of our caseload at 317 days is actually very positive right now. The people who apply today have one year to complete their case.

As my colleague was saying, the conditions for these individuals evolve, so if somebody appeals today, they may provide more medical information in six months. That's why our caseload will always be of a certain age, because the parties take time before they're ready to proceed.

Mr. Chandra Arya: Can you confirm that as of today you have sufficient resources, you have infrastructure, you have systems, and you have operational processes? Can you confirm that?

Ms. Murielle Brazeau: We do. We have progressed significantly in three years. There are still improvements that... We still have work to do, and we're still just three years old. We still have a lot of work to do, but we are in a very good place.

Mr. Chandra Arya: I understand that you are three years old, ma'am, but for the people who are in pain and in need, more than three years is quite a long time. Hopefully, you'll come to your new standards sooner rather than later.

Ms. Murielle Brazeau: We are working hard to meet our new standards.

The Chair: Mr. Arya, your time is up, but I know Mr. Shugart wanted to answer, and he had signified so.

Mr. Ian Shugart: Mr. Chair, in the interests of clarity and in response to Mr. Arya's question about the caseload, those numbers we knew, and those are the numbers that informed the planning. My earlier reference was to cases that we did not know, which were very substantial—on the order, I believe, of about 7,000.

During the process, those were increasing. Those were being adjudicated under one of the earlier tribunals, but we did not know those numbers. If we had, I think our planning assumptions would have been very different.

•(1005)

The Chair: Thank you very much.

We now move back to Mr. Godin.

[*Translation*]

Mr. Joël Godin: Let me talk about Canadians who are suffering from a disability or a terminal illness.

Only 7% of applicants who received a terminal illness diagnosis received a decision on their application within 48 hours and only 59% of applicants with a serious illness diagnosis received a decision within 30 days.

Could you reassure Canadians this morning that you are going to implement efficiency measures? The processing of these files needs to be accelerated considering that these people, as the name of this category suggests, are terminally ill.

Mr. Benoît Long: As the deputy minister indicated, we agree that our decisions and the processing of these applications need to be quicker, especially in the case of people who are terminally ill.

At the department, the 48-hour deadline is a guideline. Case monitoring and management was not as good as it should have been. As part of our service standards review, we are going to recommend setting a real standard, which will be public. The level of performance will be accessible to clients, directly, so that they can be reassured and assured that we are going to apply the standard when these decisions are made. We are reviewing the entire process.

In January, we launched a pilot project in Victoria. We are auditing and testing practically every imaginable approach, including receiving material, requests, internal procedures, case management, or dividing up tasks. Everything is on the table and being looked at. We want to make sure that we can implement this new service standard. Of course, we hope to be able to implement it as soon as possible.

So far, the pilot project is showing that we will achieve much higher levels of performance, as well as a quality and assurance of service that will make people see, through this process, that we are on their side.

Mr. Joël Godin: Mr. Chair, I would like to know how long it would take to respond to my request if I became disabled and submitted an application today, April 21. Would the deadline be 48 hours?

Would I get an answer by Friday?

Mr. Benoît Long: Of course, the problem is that we have to make sure the forms are filled out properly. That is always the first step and it is hard because, as has already been mentioned, our application forms are complex and onerous. However, there is essential information that we need in order to make a decision. It is not necessarily an artificial decision, given that there are preliminary conditions included in the legislation and the regulations. We have to find a balance.

There is a faster way to access the department. The application can be sent by fax. It depends on the situation. If someone submits an application at an office or sends it by mail, then it will take longer than 48 hours. We are reviewing our process so that we can basically promise people better and more punctual service.

Mr. Joël Godin: If I go to Service Canada tomorrow morning, will there be an agent there to help me fill out the form? As we know, not every Canadian is necessarily able to fill out the forms quickly. I would also remind you that the category we are currently talking about is that of people with a terminal illness. It goes without saying that for them, time is of the essence.

Is it currently possible to go to Service Canada with this?

Mr. Benoît Long: Yes, now it is.

Mr. Joël Godin: Thank you.

[*English*]

The Chair: Thanks very much.

We'll move now to Ms. Shanahan, please, for five minutes.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair.

I too was very disturbed by this report. I don't want to belabour the obvious, but the fact that there were real lives at stake while all of this was being sorted out is not only a shemozzle, not only a mess: it was a hot mess.

I am most concerned about.... I appreciate that many improvements have been done administratively and so on, but what is happening now?

As a former social worker in the province of Quebec working with la Régie des rentes, which is far from perfect as well, I can say that there certainly was a give-and-take and that there was contact among the professionals while we were accompanying patients, clients, citizens in this process.

I would like to hear from the clients—

•(1010)

The Chair: Hold it.

I'm sorry, Ms. Shanahan. We were having trouble with translation. It's fixed now.

Mrs. Brenda Shanahan: Okay. Should I repeat from the beginning, or—?

Did you get "hot mess" in there?

The Chair: It's just the last couple of sentences. I don't know whether you can hit replay and go back two sentences, please.

Mrs. Brenda Shanahan: My colleagues have amply explored the administrative issues and the transition planning and the optics and so on, but for me, a disability pension program should be in the business of awarding pensions and not denying them, so I am hopeful that this is going to be the case going forward, especially in a plan like this, which people—employers—contributed to.

It's not like money coming out of somebody's pocket; this is really money that belongs to the citizens who are applying for it. Indeed, someone who is applying for it is at a very vulnerable time, and with the application process being as complicated as it is, I'm concerned about the accompaniment part and what role the new service has in doing so.

I can appreciate that in our new world, call centres are the norm, but there are call centres and there are call centres. I would like to hear more about that ongoing contact, because, as we saw in the Auditor General's report, people were left for months, if not years, without any contact, without any knowledge whatsoever of what was going on. I don't know how they were living in the meantime, but that's what was happening.

Mr. Ian Shugart: Mr. Chair, I think the committee will understand that we are charged with the administration of the program under the terms of the legislation, and the legislation sets the standard of "grave and prolonged" as the test.

That is a very high standard, and there are in fact situations in which that test is not met by the applicant on the basis of the medical information that is provided. The adjudicators are charged under the terms of the legislation with making a decision on the basis of the medical evidence according to that test.

I need to be clear that those are parameters. It is indeed a very strict test, and has been since the beginning of the CPP legislation.

To answer your question about the experience of the client and the engagement, this in fact is one of the areas in which we are, I think more demonstrably, going to be adjusting the system. We have already begun a process—which I indicated, and it will become continuous and much more interactive—of engagement with clients and the stakeholders who work with these clients, to learn from them the implications of their lived experience for the administration of the program in terms of such things as real-time exchange of changing medical information and so on. That will become part of the process, and out of it will come, on a continuous basis, new tools for improved adjudication of these cases.

Whether through call centres or in person, as Mr. Godin indicated, we will be improving our training of staff so that they are in a better position to interact with clients and be as helpful to those clients as we possibly can be.

The application process itself is a substantial move in that direction. Benoît has indicated that of necessity it is no simple, ordinary.... It's not like an application for a driver's licence; it is dealing with a completely different order of complexity. However, we have reduced it to roughly a quarter of the earlier complexity of the application process. That is progress, and we're committed to being as engaged with the clients as we possibly can be.

• (1015)

The Chair: Thank you very much, Mr. Shugart. Our time there is far expired.

Now we go back to Mr. Christopherson.

You have three minutes.

Mr. David Christopherson: Thank you, Chair.

First off, I want to say to the deputy that I appreciate very much and respect the fact that you've stepped forward and taken the blame, and that's not easy. People need to understand that deputies don't particularly like to have files they've been responsible for with a great big "failed" on them, and there is good reason to want to avoid that. I appreciate very much the fact that you weren't....

I want to say this to mitigate your circumstance somewhat: having been a minister, I understand the limitations. I have great respect your restraint in keeping the blame all yours, but the fact of the matter is that any time you're dealing with a government that was that headstrong in austerity programs, I can only imagine the kind of pressure that you were being given, and I say, partly tongue in cheek, that it can't be easy taking direct orders from my shy, retiring colleague Mr. Poilievre.

You mentioned also that the reason for the audits was to find these kinds of things. I would like to overlay that by saying that one of the reasons we do these audits, this whole process, is not just to make your life hell for a day, although that's part of it, but also to change behaviour so that other deputies are looking right now and saying "Thank goodness that's not me" and making sure that they aren't in that situation, and that the associate deputy ministers are also understanding that they have some responsibilities here.

In whatever little time I have left, I'd like to swing over to the Auditor General to ask what should have happened at the front end to ensure that this didn't happen. Where was the oversight from Treasury Board or somewhere else? Where were they in all of this? How could this get so far out of hand?

Those are two questions. At the front end, what could they have done differently to avoid this outcome? Secondly, was there anybody else responsible for some oversight here who needs to be held to account?

Mr. Michael Ferguson: Mr. Chair, this is the way I would respond to that. I think what needed to happen was perhaps just some more monitoring along the way by the department itself to determine whether this program was on the rails.

For example, we identified in here that in 2011 the department had completed an evaluation of the program and had found that both applicants and department employees saw the application forms as long and complex. Employees suggested combining the application form, consent form, and questionnaire into one form, but they didn't do that at that point in time. There were some things already being identified, but action wasn't being taken.

The types of issues we raised were raised by going in and looking at some things. It was essentially like a quality assurance type of program. We referred to the fact that the department didn't have that feedback loop of learning from why something was being overturned later on, and from that, whether it could learn something that would help it to do a better job at running the program.

On the transition to the tribunal, the deputy has said that they were too aggressive with their assumptions. Unfortunately, I don't think that's necessarily something that has only happened in this case, and I'm not just referring to this department. I think that's something that happens fairly often. When they are planning a large change, they need to make sure they're building in sufficient time to deal with the unknown sets of circumstances that come around.

If I were going to try to sum it up, essentially there wasn't enough attention paid to understanding how well this program was working within the department, I would say, because there would have been some things they could have done to make the program work better.

• (1020)

The Chair: Thank you very much.

We'll now move to Ms. Zahid, please, for five minutes.

Mrs. Salma Zahid (Scarborough Centre, Lib.): Thank you, Mr. Chair.

My question is for Mr. Shugart. While CPPD benefits are important to all recipients, they are particularly important to those with terminal illnesses or grave conditions. As a member of Parliament who deals with those people who walk into my office, and as a person who has worked in a constituency office for a long time, I have dealt with this on a daily basis. It concerns me a lot.

You recognized this by promising a higher service standard, yet, unfortunately, you are falling well short of meeting it. According to the AG's report, as indicated in paragraph 6.53, only 59% of applicants with grave conditions are being processed within your 30-day service period. It even trends down for those with terminal illnesses, with just 7% processed within the promised 48 hours.

Your response, in paragraph 6.55, says:

Employment and Social Development Canada will complete the review of the service standards and develop an implementation plan, which will include mechanisms for monitoring and reporting on these standards by March 2016.

What did you achieve by March 2016, and how are you going to move these performance numbers up?

Mr. Ian Shugart: Chair, I have a couple of points in that regard. I did refer to the service standards. We have completed that work, as we indicated. We have not published them yet. We intend first to review those service standards with clients and stakeholders. I want to engage with my minister on those proposed standards before we publish them, but the analysis work has been done and was completed by the target date. The numbers will be published in a reasonable time frame.

I would add to the comment of the Auditor General—and this is in answer to your question—that one of the failings we too frequently have across government is doing things according to the law, according to the best procedures we have at the time, and in good faith, but without the systems in place to report as we go on how well we are doing.

In other words, we do our job, but too frequently we don't know how well we are doing it because we don't have in place the internal systems to give the assurance—to use the Auditor General's language—that the performance is in place. That is one of the things in this program we will be putting in place, so we can know,

in real time, how well we are doing relative to those performance standards.

The benefit is obvious. You have in real time, every day, for the officers and their managers, a little bit of an Auditor General's report. It's the performance against the standard. At the moment we do not have those assurance mechanisms in place, and that is one of the things we are putting in place.

On the question of the quality assurance framework, we did provide the Auditor General's office with information that in fact we had developed elements of a quality assurance framework. We did, for example, strengthen the mechanisms for communication with medical adjudicators to ensure they had better up-to-date information on the medical dimensions of these conditions they were looking at. We also identified over 30 grave conditions, which would be in the category that you referred to, which should, when they are encountered, lead to expedited decision-making.

There is no doubt—although, for reasons I just stated, I can't prove it to you today—that those elements of that quality assurance framework had a beneficial impact on the clients. I do accept the observation of the Auditor General that a robust, thorough quality assurance framework, although it had been developed in part and implemented in part, was not robust and put in place.

• (1025)

The Chair: Thank you very much. Our time is up.

We'll move to Mr. Poilievre, please.

Hon. Pierre Poilievre: Thank you.

In paragraph 6.77, the Auditor General found:

We also found that the Tribunal did not decide appeals in a timely manner and that the period that appellants had to wait for a decision continued to rise. The tribunal explained that this was partly due because of the Social Security Tribunal Regulations which required appellants and the Department both to indicate they were ready to proceed before the Tribunal could hear appeals.

In 6.96, the Auditor General found that only in December 2014 did the tribunal establish performance expectations of 10 decisions per month for each tribunal member.

We also found that the average number of decisions tribunal members actually competed was significantly lower, 6.5 decisions per month in 2014-15.

In 6.97, the Auditor General found:

Furthermore, we found that CPPD appeals that could be summarily dismissed, such as when an appellant did not meet the CPP contributory requirements, were still taking a long time to resolve. Of the 137 appeals that were summarily dismissed in 2013-14 and 2014-15 fiscal years, almost half, 66 appeals, took more than 800 days to be concluded.

These instances cannot be blamed on the fact that there were backlogs handed down or that there was a scarcity of resources. This is a measurement of the use of resources that were in the possession of the Social Security Tribunal. It indicates that the members of the tribunal are not concluding an adequate number of cases per month, that they are off the Social Security Tribunal's own target by 35% per member, and that cases that should be obvious and easy to dismiss—that is, someone who hasn't made enough contributions or doesn't meet the age requirement—cases for which there is no medical or complicated legal interpretation required—are taking 800 days to be concluded.

The deputy minister has taken responsibility for the department's role in this matter. Will you, Madam Brazeau, take responsibility for any of the problems that are associated with this backlog?

Ms. Murielle Brazeau: As I mentioned earlier, when we opened our doors, we received 7,000 disability appeals, and we were not able to assign these appeals immediately because the parties had one year to confirm they were ready.

The Auditor General concluded that this situation increased the backlog, which increased the time it took to hear appeals, and thus the 800-and-some days. As soon as the tribunal could schedule cases and assign them to the tribunal members, we did so. In 2014 we did assess a performance measure for our members. We indicated to our members that our expectations were they would conclude 10 cases a month.

As the Auditor General found, in the first year they were concluding about six cases a month on average. In 2014-15, I'm happy to report, they were concluding 11 cases a month.

What that confirms is that it takes time for our members' capacity to ramp up. It has taken time for them. This is a complex issue. As my colleague indicated, they have to establish that their medical condition is severe and prolonged. It means our members have to look at the case and consider and assess the evidence. It is a complicated matter, and it is taking them time.

We are comfortable with 10 cases a month on average. Some of our more experienced members are doing more. The less experienced are doing fewer cases, but on average it is going well.

I am taking responsibility for their performance.

•(1030)

The Chair: Thank you.

Mr. Poilievre, you may have a very quick question, please.

Hon. Pierre Poilievre: To the Auditor General, to clarify, in paragraph 6.97 you write:

Of the 137 appeals that were summarily dismissed in the 2013-14 and 2014-15 fiscal years, almost half (66 appeals) took more than 800 days to be concluded.

When did the clock start ticking on that 800 days? Was it from the time the hearings were eligible to begin and both sides had indicated they were ready to commence, or was it from the time of the original appeal submission?

Mr. Glenn Wheeler (Principal, Office of the Auditor General of Canada): Mr. Chair, in this case it was from the point in time when both parties indicated the case was ready to proceed.

Hon. Pierre Poilievre: Just to conclude one point, then, the 800 days cannot be explained by the delay in the time it took both parties to be ready to appeal. It was 800 days from the time both parties were ready to appeal, right?

The Chair: Thank you.

We'll have to get that answer next time.

Mr. Christopherson, please.

Mr. David Christopherson: Thank you, Chair.

I have three questions.

First, to Madam Brazeau, how could it be there were 7,000 cases that were your responsibility and that your tribunal didn't know about? I'm having trouble understanding how you opened up your doors and all of a sudden 7,000 cases appeared that you didn't know were your responsibility.

You may not be able to answer. That may be as much as you know—that they landed there. Do you have any idea why you were blindsided? You must have been concerned.

Ms. Murielle Brazeau: When I started, I was informed. One week before, we knew there was a significant number of cases coming in. We weren't sure exactly what the number was, but we knew there was a backlog because the tribunal that had just closed its doors was not able to conclude all those cases, so they were transferring the remainder to us.

Mr. David Christopherson: That's understood, but how could you not know the number was 7,000?

Deputy, can you help? Am I asking the wrong person?

Mr. Ian Shugart: Yes, I can. We did not know of those cases.

Mr. David Christopherson: How is that? Help me understand.

Mr. Ian Shugart: Well, Chair, because the preceding tribunal did not tell us.

Mr. David Christopherson: It's just that simple.

Mr. Ian Shugart: It's that simple, sir.

Mr. David Christopherson: Without being too judgmental, it sounds like incompetence on that side of the equation.

Mr. Ian Shugart: These tribunals enjoy a position of independent operation. It was judged, as I understand it, that part of that reality was that the department—which, remember, has its decisions being reviewed by that tribunal—was not privy to the caseload and the rate of resolution of the cases. After the fact, the caseload was growing during that period between the announcement of the new tribunal and when the Social Security Tribunal began.

Mr. David Christopherson: I would pursue that, but I don't have time, first of all, and secondly it leads us up to the fact that the other organization wasn't at all working the way it should. By the way, you might want to think about making the last part of your career in diplomacy. That was a great answer.

I have another factual question, deputy. In your action plan, you have all kinds of deadlines, and many of them are around March and June of this year. We're past March. Did you meet all those deadlines, and are you on track to meet your June deadlines?

Mr. Ian Shugart: Yes, we have, and yes, we are.

Mr. David Christopherson: Very good. Do I have any more time, Chair?

•(1035)

The Chair: You do.

Mr. David Christopherson: Thank you so much.

I'll come back to Madam Brazeau.

You suggested you're comfortable, and even happy—that's my word—that there are 11 decisions when the auditor report was putting 10 down as the expectation.

The original plan from the department was that each tribunal member would complete 29 decisions per month. You're at 11, and you're happy, but the plan was 29, so again—you may not be able to answer this, and I may need the deputy to step back in—how did we get so far from 29 being the happy point to 11 now being the happy point?

Ms. Murielle Brazeau: As you know, I was not in charge of the planning, so I'm not sure how they came up with the 29. I do know that when we did our estimate and came up with 10 per month per member, we did this based on an objective study. In 2014 we conducted a baseline study that was looking at the members' capacity, meaning how many decisions they could make and what kinds of resources were required for the—

Mr. David Christopherson: Sorry. May I interrupt? That sounds like you were doing exactly what you should do. I guess that then takes us...so I'm going to let you go and move over to the next part, which is how they went through that process and came up with 10 or 11. How did the department come up with 29?

Mr. Ian Shugart: Well, I know that there had been discussions during that period between officials in the department, including Department of Justice officials, as to the flexibilities and means of expediting these cases. That kind of thing was built into the assessment of what the caseload could be.

That is not something the department can impose on the tribunal, but there were discussions during this period that were intended to result in disposition of cases as quickly and as properly as possible. The committee should know, as I indicated, that this is the kind of co-operative relationship the department and the tribunal have tried to establish to put this on the right footing going forward.

The Chair: Thank you very much, Mr. Shugart.

We'll now move to Mr. Harvey.

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): I'd like to thank you all for coming.

I have a few quick questions.

I want get back a bit to what Mr. Christopherson said about these 7,000 cases.

My question to you, Mr. Shugart, is that if you have 7,000 cases and you forecast your savings as a department based upon what you feel your workload is going to be and what you need for a workforce to get you where you want to go, are we recognizing those savings?

You've made significant changes to the department over what your baseline was when you originally forecasted your savings. Compared with what the four original adjudications were, how much of that original \$25 million in savings are we actually recognizing?

Mr. Ian Shugart: In general, as I indicated, the savings were realized, as a point of historical information. Second, in orders of magnitude, those savings going forward remain a reasonable analysis.

In the interim, in order to deal with the problems associated with the transition—the backlog, and so on—the department did reallocate internally and provide some supplementary funding to

deal with this backlog, because it clearly was not acceptable and we had to deal with it.

In the first year of that financial profile, we did do some reallocation, which would eat into the savings for that year. The chair will know that departments have that flexibility to move money internally to deal with an issue, but going forward, the planned savings are achievable and continue to be reasonable.

Mr. T.J. Harvey: I understand what you're saying about your interim measures.

However, if you go back to what you originally planned for savings, you planned on a baseline of employees and a baseline of infrastructure costs on an ongoing basis. You've moved away from that to a much larger infrastructure cost in terms of employees and equipment and everything to support these employees.

How much has that budget grown since you originally made your recommendations?

•(1040)

Mr. Benoît Long: The forecasts and the expenditures that are currently being spent by the tribunal are now the tribunal's cost base. They're responsible for that side.

On our front, we're right now working through the transition of whatever services are still remaining for the department to support the tribunal with through the ATSSC. That will progress over the next couple of years in phases. We can support the tribunal and the administrative side of the tribunal in that fashion.

In terms of additional temporary injections of funding and whatnot, I'm not aware that we have a request at this point to do so. At this time we believe the savings that were realized by the department will be sustained in the future. They've been eaten up temporarily because temporary injections in the first and second years were made, mostly to resolve the backlog situation.

Mr. Ian Shugart: Mr. Chair, could I just undertake to review, and if inadvertently we have given any incorrect information about those numbers, I'd be happy to clarify that with the committee.

The Chair: Thank you.

You still have a minute, Mr. Harvey.

Mr. T.J. Harvey: My last point, I guess, is on this 317 days that we've moved to.

For me, not as a politician but just as a person, previous to running for politics, as an employer of people who have had to go this route, I had an employee who spent two and a half years in this process. His problem directly affected his vision, and it didn't affect his vision any less on the first day than it did two and a half years later, so the 317 days, to me, is still...

It's great that we've gone from where we were to here, but realistically I think that's still a very large number and that we need to make a transition to at least 180 days, or half of that, for a wait time.

As government, I think it's very easy for us to recognize.... When we talk in terms of hearings and different departments, and about cases, files, backlogs, and targets, it's a very high-level approach. We don't talk about the fact that when you talk about 317 days or 845 days, we're talking about the direct impact that has on somebody's financial situation, somebody who, nine times out of ten, or for a large percentage of the time, has paid into a system over the last 40 or 50 years of their life, or the 35 years of their working career, and has worked extremely hard. I think we need to do a better job of recognizing this on a case-by-case basis and putting a humane approach back into it.

The Chair: Thank you very much, Mr. Harvey. That's a great concluding statement as well. I think that's what we all want to accomplish here.

We have a few minutes left.

Mr. Poilievre, please.

Hon. Pierre Poilievre: Going back to paragraph 6.97 and this finding that it took 800 days to dismiss cases that were simply and obviously not eligible, did that 800 days include the period during which both sides were getting ready for the appeal to be heard, or was it subsequent to both sides being ready for the case to be heard?

Mr. Glenn Wheeler: Mr. Chair, as I indicated previously, it was when both sides were ready to proceed—

Hon. Pierre Poilievre: Right.

Mr. Glenn Wheeler: —but to perhaps make a bit of a larger point, this was a relatively small number of cases. There were only 137 over the two fiscal years.

Hon. Pierre Poilievre: That said, the amount of time that it takes for cases that have no legal or medical complexity does contribute to a backlog for other cases that do require more complex consideration, and that does speak to the administrative efficiency of the process.

There's been some dispute over how many cases per month a tribunal member should be able to conclude. How many cases per month was the legacy body completing per member, per month, prior to the creation of the Social Security Tribunal?

•(1045)

Mr. Glenn Wheeler: Mr. Chair, unfortunately, we wouldn't be able to answer that question. Our audit only included the period from April 1, 2012, and it looked at the new tribunal.

The Chair: Very quickly, Mr. Poilievre.

Hon. Pierre Poilievre: Deputy Shugart, would it be possible for your department to look at historical records and share with this committee the average number of cases concluded by members of the legacy tribunal prior to the creation of the Social Security Tribunal?

Mr. Ian Shugart: I will take that as notice, Chair. I would perhaps, in consultation with the chair, want as much of our resources to be devoted to proceeding with our action plan, so I wouldn't want to lose too much time in that regard, frankly, but we will undertake to provide that as well as we can.

The Chair: Thank you very much.

Unfortunately, our time is up or close to up, but first of all, thanks to all of you for coming.

To our Auditor General, thank you again for your report, Mr. Ferguson. Certainly we can see where there has been some success here now, but we still hope for more.

To that end, Mr. Shugart, would it be possible to get a progress report in, say, six months in regard to the backlog and also in regard to the client contact that we have? I know that you've said here that you want to improve on that.

Also, with regard to the approval rate of some of these cases, I'd be interested to know...I don't know if you'd call it the denial rate, but I'd be interested to know the approval rate.

As well, you said that by October you are going to have the service standards in place but that they may be published even sooner than that. When you say "published", is that public?

Mr. Ian Shugart: It is public.

The Chair: It's public. I guess our analysts can be watching for that so that we can be aware of that service standard.

Thank you. I would expect that six or seven months down the road you may want to come back or at least give us a bit of a report on how things have proceeded over the coming six months.

Thank you for coming. Thank you, committee, for good questions and good work.

The meeting is adjourned.

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