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Final Report

Evaluation of the Receiver General for Canada Volume 2: Receiver General Services

Office of Audit and Evaluation

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Main points

- i. The Receiver General for Canada (RG) is one of the oldest functions in the administration of government and can be traced back through Canada's history to 1764. The Minister of Public Services and Procurement is the designated RG and as such is the Custodian of the Consolidated Revenue Fund, the account into which the Government deposits taxes, tariffs, excises and other revenues, once collected, and from which it withdraws the money it requires to cover its expenditures. The RG serves three client groups: federal departments and agencies, Parliamentarians, and the Canadian Public.
- ii. In fulfillment of their role as the RG, the Minister of Public Services and Procurement is responsible for providing crucial treasury and accounting functions to Canadian citizens and businesses on behalf of federal departments and agencies, which result in annual cash flow transactions totaling more than \$2.3 trillion through the Consolidated Revenue Fund. There are three mandatory services that are provided under these treasury and accounting functions: processing of payments to the public (over 313 million payments per year); receiving revenues from the public (over 40 million remittances per year); and the preparation of the Public Accounts of Canada (the annual financial report of the Government of Canada).
- iii. This evaluation is reported in two volumes. Volume 1 examines the RG's three mandatory treasury and accounting services noted above. In addition to these mandatory services, the RG also provides Receiver General Services, which includes portions of the Bill Payment Service Program and an optional departmental financial and materiel management system offering. These services are examined in Volume 2 of this evaluation with the exception of the optional departmental financial and materiel management system offering which is being phased out as client departments and agencies transition to the SAP system.
- iv. Per authorities provided under section 17 of the *Financial Administration Act*, the RG has established several banking arrangements to allow for the inflow of funds deposited to the Consolidated Revenue Fund. As such, departments and agencies are required to use Bill Payment Service or one of the RG's six other banking arrangement instruments for the acceptance of electronic or paper-based remittances from the public. The RG Services component of Bill Payment Service related to paper-based services derives authority from the Treasury Board *Common Services Policy*. There were over 40 million remittances to the Government of Canada in 2014-15, of which 1.3 million (approximately 3%) remittances were processed through the Bill Payment Service Program.
- v. There is a continued need for the electronic and paper-based components of the Bill Payment Service Program. The demand for the customized processing and data capture services for paper-based remittances is likely to decline as the use of electronic services increase. That said, the need for paper-based remittances remains,

as people without access to the internet or banking services still need to be able to make payments to the RG.

- vi. Bill Payment Service is aligned with Public Service and Procurement Canada's (PSPC) strategic outcome and federal priorities. By providing bill payment services on behalf of other government departments and agencies that help ensure the sound stewardship of public funds, Bill Payment Service supports the strategic outcome of PSPC. Additionally, it supports key values, such as ensuring fiscal prudence and efficiently delivering services in a way that makes citizens feel respected and valued, that were outlined in the Prime Minister's 2015 Ministerial Mandate Letter for the Minister of Public Services and Procurement.
- vii. Bill Payment Service is aligned with federal roles and responsibilities. As established in Volume 1 of this evaluation, the RG's role as Custodian of the Consolidated Revenue Fund is complementary to the roles of its stakeholders, given the legislative mandate of the RG to accept remittances on behalf of other federal departments and agencies. Given Bill Payment Service is part of the suite of banking arrangement instruments, this complementarity extends to Bill Payment Service. Where feasible, Bill Payment Service leverages the private sector to deliver its services.
- viii. Overall, the Bill Payment Service Program demonstrated that it contributed to the achievement of the immediate outcome of processing remittances in a timely and accurate manner. Program data demonstrated that remittance processing errors were mitigated, and client survey data demonstrated that most services were perceived to have been delivered in a timely manner.
- ix. Client survey and program data demonstrated that Bill Payment Service was contributing to the achievement of the intermediate outcome of delivering efficient and timely banking services for federal institutions while also meeting the immediate outcome of processing remittances in an accurate and timely manner. Having achieved its immediate and intermediate outcomes, the Bill Payment Service Program demonstrated that it contributed to the achievement of PSPC's strategic outcome of ensuring sound stewardship on behalf of Canadians and meeting the program needs of federal institutions.
- x. The use of resources for the Bill Payment Service Program was economical and efficient. There were no alternatives to Bill Payment Service identified, and available data suggested that outsourcing the optional, customized services to the private sector would not result in cost savings. To a limited extent, the decrease in paper-based remittance volumes reduced the economies of scale for the optional component of Bill Payment Service.
- xi. Given the relatively strong performance of the Bill Payment Service Program, the lack of identified issues in the achievement of outcomes, the economical and efficient delivery of the Program, and in recognition that the RG Modernization Initiative is expected to address issues noted in the Evaluation, recommendations resulting from

the Evaluation were not provided to the Assistant Deputy Minister of the Accounting, Banking, and Compensation Branch

Introduction

1. This Evaluation examined the ongoing relevance and performance of the Receiver General for Canada (RG) in two volumes: Volume 1: Stewardship of Consolidated Revenue Fund and Accounts of Canada and Volume 2: RG Services. The RG is administered by the Accounting, Banking and Compensation Branch within Public Services and Procurement Canada (PSPC).

Profile

Background

2. The RG is one of the oldest functions in the administration of government and can be traced back through Canada's history to 1764. While it has seen its roles and functions evolve since that time, the RG has served as the Government's treasurer, custodian, and accountant for the past 250 years.
3. As the Receiver General for Canada, the Minister of Public Services and Procurement is the Custodian of the Consolidated Revenue Fund and thereby responsible for providing three crucial accounting and treasury services to Canadian citizens and businesses: issuance of payments for the Government of Canada; receiving revenues for the Government of Canada; and preparing the Public Accounts of Canada. These activities are covered in Volume 1: Stewardship of the Consolidated Revenue Fund and Accounts of Canada.
4. In addition to providing the above-noted accounting and treasury services covered under the Stewardship function, the Accounting, Banking and Compensation Branch also provides Receiver General Services, which are covered in Volume 2 of this evaluation. Receiver General Services include the portions of the Bill Payment Service (BPS) Program that pertain to custom (non-banking) image-based bill payment services and an optional departmental financial and materiel management system offering. The latter service is being phased out as client departments and agencies transition to the SAP system. Accordingly, the optional departmental financial and materiel management system offering was excluded from the scope of this evaluation.
5. Per authorities provided under section 17 of the *Financial Administration Act*, the RG has established several banking arrangements to allow for the inflow of funds deposited to Canada's Consolidated Revenue Fund. As such, departments and agencies are required to use BPS or one of the RG's six other banking arrangement instruments for the acceptance of remittances from the public.
6. The BPS Program was developed by PSPC for use by department and agency clients that administer programs that collect revenue remitted from the public to the Government of Canada. BPS offers these clients electronic and paper-based options for the acceptance of these remittances from the public
 - **Electronic remittance options:** internet and telephone banking, as well as Electronic Data Interchange/Electronic Funds Transfer. These remittance options are banking

services that are provided by the BPS Contractor and are included under the RG Stewardship function.

- **Paper-based remittance options:** over-the-counter remittances and mailed cheques. The banking portions of paper-based remittances (i.e. deposit of the cheques and processing of over-the-counter remittances) that are provided by the BPS Contractor in support of paper-based remittances are included under the RG Stewardship function. Under the RG Services function, BPS offers custom (non-banking) processes that supplement the banking services provided under the RG Stewardship function. These custom services include items such as opening of mail, preparation of deposits, data capture of remittance information from stubs, and imaging of stubs and cheques. These are custom services requested by participating departments that are fully charged back to the department and are not paid out of the RG allotment for banking fees.
7. In 2014-15, the BPS Program served 12 federal departmental programs and processed a total of 1.3 million remittances from the Canadian public to the Government of Canada.

Authority

8. PSPC's provision of BPS is authorized under the *Department of Public Works and Government Services Act*, which identifies PSPC as a common service agency and states the Minister may, on request, provide Information Management and Information Technology systems/services and services of any other kind and provides authority for planning and organizing the acquisition and provision of services. Additionally, the Act authorizes investigation and development of services for increasing administrative efficiency and economy. The Treasury Board *Common Services Policy* authorizes the reform of administrative management and the role of common service agencies to improve administrative effectiveness.

Roles and responsibilities

9. The responsibility for the delivery of the BPS Program is divided among two directorates while also leveraging the private sector:
- The **Banking Arrangements Directorate**, located in Gatineau, Quebec, is responsible for providing assistance to client departments during implementation of the BPS Program, compensating financial institutions for services, initiating interdepartmental settlements for BPS fees, performing reconciliations, providing data files to departments for reconciliation, and providing control data to the RG General Ledger.
 - The **Cheque Redemption Control Directorate**, located in Matane, Quebec, is responsible for the processing of paper-based remittances, which includes the provision of a lockbox function for mailed-in cheque remittances and customized BPS processes such as document imaging, manual data capture, data validation, and reporting for mailed in and paper stubs.

- A private sector contractor is responsible for providing the banking service component of the BPS Program. The BPS Contractor acts as the financial institution through which BPS ('the payee') receives electronic and over-the-counter remittances from the payer's financial institution and also acts as the depository financial institution for cheques that are sent from the Cheque Redemption Control Directorate. The contractor is responsible for capturing paper stub information, receiving funds and crediting departmental accounts, transmitting funds to the Bank of Canada, and transmitting remittance files to the RG.

Resources

10. In 2014-15, the BPS Program expenditures were \$425,000 and the services were delivered by approximately seven employees (full time equivalents). The Receiver General covers all banking fees such as the fees paid to the Payer Financial Institution and the BPS contractor for standard bill payment processes while departments cover any setup and on-going costs for the other optional paper-based data capture and imaging services.

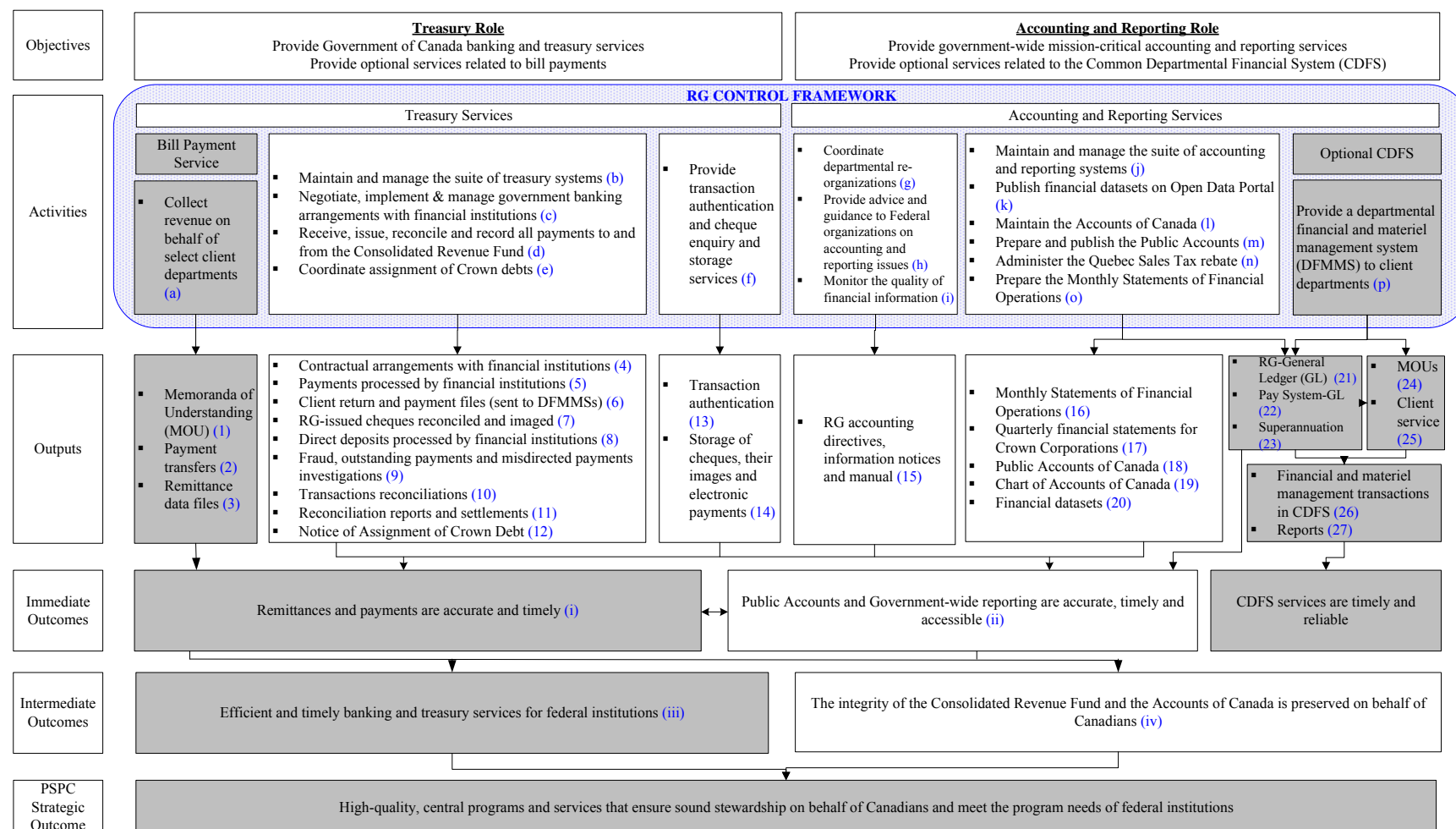
Logic model

11. A logic model (Exhibit 1) for the RG Program was developed in consultation with the Program and includes the Program's activities, outputs, and outcomes.

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Exhibit 1: Logic model

Evaluation of the Receiver General for Canada (RG) Logic Model



Program activities

12. The following provides a brief description of the Receiver General Services Program activities identified in the logic model:
13. **Bill Payment Service** (highlighted in grey in the Logic Model)
 - a) **Collect revenue on behalf of select client departments:** Provides services in support of the Bill Payment Service Program. The BPS Program offers a range of banking services through the RG Stewardship role as well as optional paper-based services to participating BPS departments.
14. **Optional Common Department Financial System** (the optional DFMMS highlighted in grey in the Logic Model)
15. **Provide a departmental financial and materiel management system to client departments:** In 2012, the Treasury Board's Standard on Enterprise Resource Planning Systems required that new investments in or upgrades to existing financial or materiel management systems result in the implementation of SAP in accordance with the policy direction of the Office of the Comptroller General and the Government of Canada's Chief Information Officer Branch which both reside at the Treasury Board of Canada Secretariat. As a result of this requirement, the RG's offering of an optional departmental financial and materiel management system is being phased out as its clients' transition to the SAP system. As a result, the Evaluation did not assess the relevance or the performance of the optional departmental financial and materiel management system

Evaluation reporting

16. Volume 2: Receiver General Services examined the Bill Payment Service (BPS) Program as a whole, including both the RG Stewardship and RG Services components, as described in 12a above. The Deputy Minister for Public Services and Procurement Canada approved this Evaluation, on recommendation by the Audit and Evaluation Committee, as part of the 2013-2018 Risk-Based Audit and Evaluation Plan. Planning and research took place between April 2014 and August 2015, in accordance with the *Standard on Evaluation for the Government of Canada* and in conformity with the *PSPC Policy on Evaluation*. More information on the approach, methodologies and limitations of this evaluation can be found in Appendix B.
17. The Evaluation Directorate completed a risk-based calibration assessment to determine the best approach to conduct this evaluation. The assessment identified Receiver General Services as an appropriate candidate for a streamlined evaluation for the following reasons:
 - the Program represents less than 1% of PSPC's annual spending; and
 - the Program has a simple logic model and centralized delivery mechanism.

18. The results of the Evaluation research and analysis are presented in table format (see Sections 1 and 2) with a separate narrative for the Economy and Efficiency sub-sections. The tables present the findings and conclusions by evaluation issue while citing the indicators and evidence used. This reporting format meets the requirements for evaluation reporting set out in Section 6.4.1a (i-ix) of the Treasury Board *Standard on Evaluation for the Government of Canada*.

Findings and conclusions

Section 1: Relevance

Continued need: The extent to which there is a continued need for the optional Bill Payment Service Program

Indicator	Findings	Source	Conclusion
Continued existence of factors that were at the basis of original rationale for the services	The BPS Program was developed for use by federal departments and agencies that administer programs with revenue collection. BPS was developed in order to allow departments to provide their clients with a wider choice of remittance options. This need for a consolidated and centralized service for the acceptance of remittances from the public for programs persists, as departments and agencies continue to accept a variety of electronic and paper-based remittances from their clients.	Program Documents	The original need for the BPS Program persists.
Policy requirements for services	<p>The <i>Department of Public Works and Government Services Act</i> and the Treasury Board <i>Common Services Policy</i> provide a dual policy basis for the establishment of a common service within PSPC to provide services to federal organizations.</p> <p>The <i>Department of Public Works and Government Services Act</i> identifies PSPC as a common service agency and states, under Section 6, that the Minister may, on request, provide Information Management and Information Technology systems/services and services of any other kind. The <i>Common Service Policy</i> also authorizes common service organizations to provide services that reform administrative management and improve administrative effectiveness.</p>	<p>Program Documents</p> <p>Program Data</p>	<p>The banking component of BPS falls under the RG Stewardship role and derives authority from RG legislation and policy. The paper-based component of BPS falls under RG Services and derives authority from the <i>Common Services Policy</i>.</p>

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Indicator	Findings	Source	Conclusion
<p>Use of the programs' optional services by federal organizations:</p> <ul style="list-style-type: none"> ○ % of federal government use of optional services ○ Changes over time ○ Factors impacting upon changes in use ○ Number of organisations that have acquired their own tools and/or use other tools 	<p>In 2014-15, BPS processed 1.3 million remittances (representing approximately three percent of remittances to the government): 0.84 million were electronic and 0.46 million were paper-based.</p> <p>While the number of client departmental programs doubled from 2010-11 (n=6) to 2014-15 (n=12), BPS experienced a net decline of 17.2 percent in the total volume of remittances (electronic and paper-based) processed from 2010-2011 to 2014-2015. The demand for paper-based remittances within the BPS has decreased over time (see Appendix C).</p> <p>There was a 26 percent increase in the use of electronic remittances while the use of paper-based remittances declined by 49 percent. Despite the decline in demand for paper-based remittances, this service remains necessary, as citizens without access to the internet or banking services need to be able to make payments to the RG.</p> <p>The BPS Program is one of the RG's seven banking arrangement instruments that departments and agencies are required to use for the acceptance of remittances from the public. There was no evidence to indicate that other federal departments or agencies have acquired their own or used other organizations' bill payment services.</p>	<p>Program Documents</p> <p>Program Data</p> <p>Client Survey</p>	<p>The demand for the customized processing and data capture services for paper-based remittances are likely to decline as demand for electronic remittances increases. The need for paper-based remittance services will nonetheless persist because citizens without access to the internet or banking services need accessible means to be able to make payments to the RG.</p>

Federal priorities and departmental strategic outcomes: Extent to which the BPS Program is aligned with departmental and government-wide priorities.

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Indicator	Finding	Source	Conclusion
Extent to which the objectives of the services align with the PSPC Strategic Outcome	The BPS objectives outlined in the RG's Terms of Engagement (streamlining and consolidating bill payment and banking arrangements to achieve efficiencies and consolidating deposits and electronic remittance details) generally align with the PSPC priority of "Delivering Efficient and Effective Services." Additionally, BPS delivery of its services in support of its clients' programming needs aligns with the PSPC Strategic Outcome of delivering high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.	Program Documents	The BPS Program was aligned with PSPC's Strategic Outcome and supports four federal priorities.
Extent to which the objectives of the services align with federal priorities	The RG supports the following federal priorities: <ul style="list-style-type: none"> • streamlining and consolidating government operations and services; • ensuring programs and services are delivered by those best positioned to do so; • expanding electronic services for Canadians (i.e. increasing availability of electronic payments / remittances); and • supporting regional development in the Gaspésie region (i.e. Cheque Redemption Control Directorate in Matane, Quebec). 	Program Documents	

Appropriate role and responsibility for the Federal Government: The extent to which the optional RG services are aligned with federal roles and responsibilities

Indicator	Finding	Source	Conclusion
Extent to which RG services complement, duplicate or overlap other current Federal government functions	Per authorities provided under section 17 of the <i>Financial Administration Act</i> , the RG has established several banking arrangements to allow for the inflow of funds deposited to Canada's Consolidated Revenue Fund. Departments and agencies are required to use BPS or one of the RG's six other banking	Program Documents	As established in Volume 1 of this evaluation, the RG's role as Custodian of the Consolidated Revenue Fund is complementary

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Indicator	Finding	Source	Conclusion
	<p>arrangement instruments for the acceptance of remittances from the public.</p> <p>The relevance and performance of the other six banking arrangements (outside of BPS) were covered under Volume 1 of this evaluation. Volume 1 established that the RG's role as Custodian of the Consolidated Revenue Fund is complementary to the roles of its stakeholders, given the legislative mandate of the RG to accept remittances on behalf of other federal departments and agencies. Given BPS is part of the suite of banking arrangements, this complementarity extends to BPS.</p> <p>There was no evidence identified by BPS clients, program staff, or program documentation to suggest that there were other government departments or agencies offering bill payment services to departments or agencies.</p>		<p>to the roles of its stakeholders, given the legislative mandate of the RG to accept remittances on behalf of other federal departments and agencies. Given BPS is part of the suite of banking arrangements, this complementarity extends to BPS.</p> <p>Where feasible, BPS leverages the private sector to deliver its services.</p>
Extent to which RG services complement, duplicate or overlap with current services provided by the private sector	<p>There is complementarity with the private sector in that BPS leverages financial institutions for the processing of electronic remittances. The outsourcing of the tendering of the bank services was not considered feasible, because it would significantly reduce the RG's control over the contracting of the banking arrangements.</p> <p>The RG conducted a Request for Information for the BPS which found that the private sector had little to no interest in providing the customized processing and data capture services for paper-based remittances. The Request for Information also found that the outsourcing of the processing of mailed remittances was not considered feasible because the activity is integrated with other imaging workflows.</p>	Program Documents	

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Indicator	Finding	Source	Conclusion
	For both electronic and paper-based remittance processing, the reconciliation process is not outsourced because the reconciliation process is automated, uses few resources, and is also used for other remittance methods covered under the RG Stewardship function.		

Conclusion: relevance

The banking component of BPS derives authority from RG legislation and policy; while the paper-based service component of BPS derives authority from the *Common Services Policy*. A need for both aspects of BPS persists. While the demand for the customized processing and data capture services for paper-based remittances are likely to decline as electronic remittances increase, the need for paper-based remittances will persist, as citizens without access to the internet or banking services need accessible means to be able to make payments to the RG. The BPS Program was aligned with federal priorities and PSPC's Strategic Outcome. As established in Volume 1 of this evaluation, the role as Custodian of the Consolidated Revenue Fund is complementary to the roles of its stakeholders, given the legislative mandate of the RG to accept remittances on behalf of other federal departments and agencies. Given BPS is part of the suite of banking arrangements, this complementarity extends to BPS. Where feasible, BPS leverages the private sector to deliver its services.

Section 2: Performance

Outcome achievement: Remittances are accurate and timely; Efficient and timely banking services for Federal Institutions; and High-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions

Indicator	Finding	Source	Conclusion
Percentage of time bill payment services are delivered within established timeframes and without errors	<p>Given the electronic remittances are managed by the private sector contractor, data was not available on the delivery of services within timeframes. However, the Program did not raise any issues with the contractor's performance in this regard.</p> <p>With respect to the number of paper-based remittances processed within the same day relative to the total number of envelopes received, the BPS Program was slightly below the aggregate target by one to two percent in all three fiscal years in which this performance indicator was assessed.</p>	Program performance data	The BPS Program contributed to the achievement of the RG program's immediate outcome. While the BPS Program's processing of paper-based remittances was slightly below the aggregate performance target, program data demonstrated that electronic and paper-based remittance processing errors were mitigated. Moreover, client survey data demonstrated that most services were perceived to have been provided in a timely manner. The efficiency of service delivery is discussed below in the
Client satisfaction with services - Perceived areas of strengths and weaknesses	<p>Overall, client satisfaction ratings were high, specifically:</p> <ul style="list-style-type: none"> • All respondents (5/5) were satisfied or very satisfied with the electronic and paper-based services they had received (initial set-up and production activities, consolidated files, electronic files, imaging services, and error resolution) • Nearly all of respondents (4/5) perceived all of the electronic and paper-based services as timely and reliable. • Over half (3/5) indicated their organization used BPS because it improved quality and effectiveness and streamlined remittance processes. 	Client Survey	

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Percentage of service levels met	Aside from the aggregate performance target, BPS did not have any other performance data for its service levels. BPS assessed service levels informally through regular communications with clients, including working sessions and phone communications.	Program Documents	efficiency section of the report.
Numbers of operational incidents per severity	<p>Relative to severity, any operational incidents identified were not significant and/or were mitigated.</p> <p>In 2011 and 2012, the BPS Program had four errors (which include failed or delayed transfer of remittance files) that impacted the public or departments. Since 2012, no incidents have been reported because automated emails monitored file transfers and provided instant identification of errors and resolution before they could have an impact on departments and agencies or the public. Additionally, clients used a check-digit function to reduce keying input errors or rejects for online remittances.</p>	Program Data Program Documents	In meeting the immediate and intermediate outcomes, the BPS Program is contributing to PSPC's achievement of its strategic outcome.

Economy and Efficiency

Economy: The extent to which the BPS Program represents an economical choice to clients

19. The Evaluation examined the extent to which the BPS cost recovery model represented an economical choice to clients, which was measured through an examination of resource inputs and the cost of BPS compared to alternatives.
20. BPS managed its resources in an economical manner, as the costs of the services in support of the paper-based collection methods were fully recovered and a decline in the volume of paper-based remittances correlated with an equivalent reduction in full-time-equivalent resources and expenditures (see Appendix D). This reduction in resources may have been facilitated by the flexibility of the Cheque Redemption Control Directorate's staffing resource base due to smaller portion of indeterminate staff.
21. BPS leveraged existing resources used for the RG Stewardship Program; the RG's existing banking arrangements managed by the Banking and Cash Management Sector and the Cheque Redemption Control Directorate's paper-based remittance processing infrastructure were leveraged for the provision of BPS.
22. Client survey respondents perceived BPS as economical; the most frequently selected reasons (four of the five responses) that their organization chose BPS were to improve efficiency and reduce costs. Clients surveyed were unable to identify private or public sector alternatives to BPS.
23. BPS staff were unable to identify federal departments or agencies that had acquired their own bill payment services. The 2010 business case prepared by BPS indicated that private sector organizations had little to no interest in providing the optional paper-based services currently provided by BPS, and available data suggested that the provision of these services by the private sector would not result in cost savings.

Efficiency: The extent to which the BPS Program is undertaking activities and delivering services and products in an efficient manner

24. The BPS Program used the banking services of RG Stewardship and therefore did not directly bear the costs for electronic remittances. For the, customized components of the paper-based remittance services that were provided by the Cheque Redemption and Control Directorate (described in paragraph 9), the average unit cost per paper-based remittance increased from \$0.77 in 2010-11 to \$0.93 in 2014-15, representing a 21 percent increase in the average unit cost. Normal increases in salary partly account for the change in the average unit cost. The increase in the average unit cost was also due to the operating costs remaining unchanged, despite the reduction in the paper-based remittance volumes (as discussed under Economy). Given that this increase in average unit cost occurred over a five year period during which the paper-based remittance volumes decreased by 50%, a decline in economies of scale is reasonable.

Conclusion: performance

Overall, the BPS Program demonstrated that it was contributing to the achievement of the immediate outcome of processing remittances in a timely and accurate manner. Program data demonstrated that remittance processing errors were mitigated and client survey data demonstrated that most services were perceived to have been provided in a timely manner. In meeting the immediate and intermediate outcomes, the BPS Program is contributing to PSPC's achievement of its strategic outcome.

The use of resources by BPS was economical; there were no alternatives to BPS identified. Limited data suggests that outsourcing the paper-based services to the private sector would not result in cost savings. Participating departmental programs did not directly bear the costs related to the banking service component of the BPS as this falls under the RG Stewardship Role. The services related to paper-based BPS remittances were delivered in an efficient manner, although the reduction in paper-based remittance volumes reduced the economies of scale to a limited extent.

General conclusions

Relevance

25. The banking component of the BPS Program is mandatory and derives authority from the legislation, policies, and regulations that support the RG Stewardship Program. The optional component of BPS derives authority from the Treasury Board *Common Services Policy*.
26. The need for BPS persists. Demand for the customized processing and data capture services for paper-based remittances is likely to decline as electronic remittances increase. That said, the need for paper-based remittances remains, as people without access to the internet or banking services still need to be able to make payments to the RG.
27. BPS is aligned with PSPC's Strategic Outcome and federal priorities. As established in Volume 1 of this evaluation, the RG's role as Custodian of the Consolidated Revenue Fund is complementary to the roles of its stakeholders, given the legislative mandate of the RG to accept remittances on behalf of other federal departments and agencies. Given BPS is part of the suite of banking arrangements, this complementarity extends to BPS. Where feasible, BPS leverages the private sector to deliver its services.

Performance

28. Overall, the BPS Program demonstrated that it was contributing to the achievement of the immediate outcome of processing remittances in a timely and accurate manner. Program

data demonstrated that remittance processing errors were mitigated and client survey data demonstrated that most services were perceived to have been provided in a timely manner.

29. The use of resources for the BPS Program was economical. There were no alternatives to BPS identified and available data suggested that outsourcing the optional, customized services to the private sector would not result in cost savings. To a limited extent, the reduction in remittance volumes reduced the economies of scale for the optional component of BPS.
30. Given the relatively strong performance of the BPS Program, the lack of identified issues in the achievement of outcomes, the economical and efficient delivery of the Program, and in recognition that the RG Modernization Initiative is expected to address issues noted in the evaluation, recommendations resulting from the Evaluation were not provided to the ADM of the Accounting, Banking, and Compensation Branch.

Appendix A: About the Evaluation

Authority

The Deputy Minister for Public Services and Procurement Canada (PSPC) approved this Evaluation, on recommendation by the Audit and Evaluation Committee, as part of the 2013-2018 Risk-Based Multi Year Audit and Evaluation Plan.

Evaluation objectives

This Evaluation examined the Receiver General for Canada (RG). The RG is located as sub-program 1.3 in the 2014-2015 Program Alignment Architecture for PSPC and includes sub-program 1.3.1, Stewardship of Consolidated Revenue Fund & Accounts of Canada, and sub-program 1.3.2, RG Services. The RG is administered by the Accounting, Banking and Compensation Branch. This Evaluation had two objectives:

- To determine the relevance of the Program: the continued need for the Program, its alignment with governmental priorities and departmental outcomes and its alignment with federal roles and responsibilities.
- To determine the performance of the Program: the achievement of its intended outcomes and a demonstration of economy and efficiency by the Program.

Approach of the Evaluation

The Evaluation was conducted in accordance with the *Standard on Evaluation for the Government of Canada*. The Evaluation took place between April 2014 and August 2015 and was conducted in four phases: pre-planning, planning, examination, and reporting. The Evaluation Directorate completed a risk-based calibration assessment to determine the best approach for the conduct of this Evaluation. The Evaluation of the two sub-programs' relevance and performance is presented in two volumes:

- Volume 1: Stewardship of the Consolidated Revenue Fund and Accounts of Canada presented in traditional report format
- Volume 2: Receiver General Services presented in a matrix style report.

An evaluation matrix was developed using the Treasury Board's five core issues to be addressed in evaluations. The following data sources were used to inform the lines of evidence to answer the questions in the Evaluation Matrix:

- **Program document review:** The Program document review involved an assessment of primary documents that provided information on the Program and its context for the planning phase and also provided information for the assessment of the Evaluation questions. The primary documents included program administration, monitoring and reporting documents, such as reports, meeting minutes, client surveys, program-led studies as well as financial records.

- **Literature review:** The initial literature review involved an assessment of secondary documents that provided information on the Program and its context for the planning phase and also provided information for the assessment of the Evaluation questions. The secondary documents included: departmental documents (such as annual Reports on Plans and Priorities and Departmental Performance Reports), government documents (such as legislative and policy documents), and external publications.
- **Financial analysis:** Financial data related to the Program's budgets, revenues, expenditures, banking fees, and staff resources were reviewed.
- **Interviews:** Six structured interviews with a total of 10 participants were held with key stakeholders from central agencies and other federal organizations that interacted with the RG on matters pertaining to its government-wide financial reporting roles, responsibilities, and products.
- **Survey:** The Evaluation conducted client surveys for the RG treasury (Banking and Cash Management Sector and Cheque Redemption Control Directorate) and accounting services (Central Accounting and Reporting Sector) and the RG BPS Program. The RG survey of treasury and accounting clients had a response rate of 37 percent (82/221) and the survey of BPS clients had a response rate of 50 percent (5/10). To a limited extent, the results pertaining to the clients' perceptions of timeliness were compared to the results of the survey for accounting services that was conducted by Central Accounting and Reporting Sector in 2013. The previous survey did not, however, assess client perceptions of accuracy and accessibility of services.

Limitations of the Evaluation

The planning of the Evaluation applied a risk-based assessment to determine the most appropriate approach and level of effort to be applied in order to ensure the availability of timely and objective information to meet the needs of senior management. In the application of the approach, several issues were encountered. None of these issues were significant enough to prevent evaluation reporting.

- **Interviews:** A small number of interviews (6 interviews, with a total of ten participants) were conducted with key stakeholders, a few of whom had a very narrow and specific involvement with the RG. As such, interview results were triangulated with data obtained through other lines of evidence.
- **Survey:** The main limitations for the two client surveys were the small population and sample sizes. The population size of the survey of RG treasury and accounting services clients was 221. The response rate was 37 percent (82/221). Not all of the clients received both treasury and accounting services and some services were only provided to a small percentage of the respondents. As a result, the sample size for some services was less than 10 clients. The survey of BPS clients had a smaller population of 10 clients and a response rate of 50 percent (5/10). To the extent possible, this limitation was mitigated through triangulation with other lines of evidence.

- **Financial analysis:** There was a lack of financial data aggregated at the required level of the Program Alignment Architecture sub-programs for the five year time frame of the Evaluation (2010-11 to 2014-15). To address this limitation, data was collected separately from each RG Sector and Directorate and aggregated accordingly.
- **Data analysis:** Data was not available for the assessment of some of the Evaluation indicators (e.g. accuracy to which the Standard Payment System processed payments and BPS service level data). There were no performance targets or service standards for some data that was collected for the Evaluation indicators, (e.g. settlement instructions sent to financial institutions and RG investigations of payments). Where data was not available, other lines of evidence were used to assess the Evaluation indicators. Where targets were not available, to the extent possible, the results were benchmarked against the results for similar performance indicators.

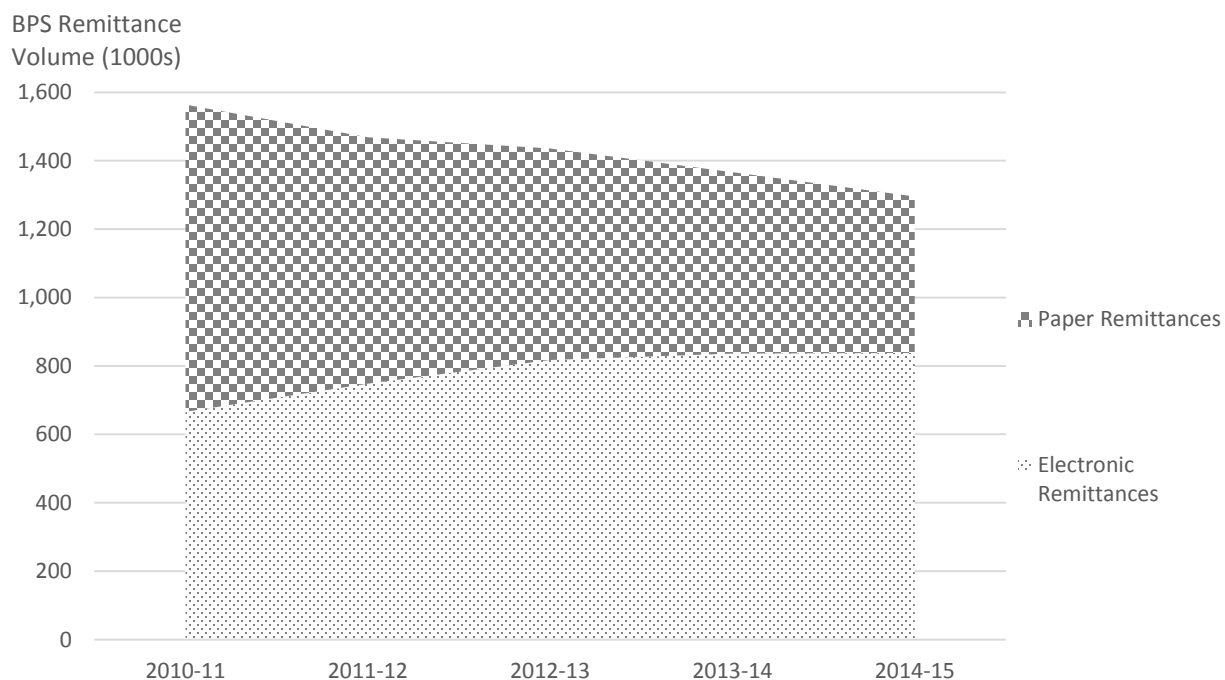
Reporting

Based on the lines of evidence, the Evaluation team prepared a Director's Draft Report presenting the findings and conclusions. This draft report was reviewed by the Quality Assessment and Practice Improvement Directorate within the Office of Audit and Evaluation and by the Chief Audit and Evaluation Executive. Subsequently, it was sent to the three Directors General responsible for the delivery of the RG services for review and comments. Validation of facts and any other comments on the Director's Observations and Conclusions for Validation were assessed and, where appropriate, incorporated in the Chief Audit and Evaluation Executive's Observations and Conclusions for Validation. This report was sent to the Assistant Deputy Minister, Accounting, Banking, and Compensation Branch for final acceptance. The draft Final Report was tabled at the Audit and Evaluation Committee for the Deputy Minister's approval in January 2016. The Final Report will be submitted to the Treasury Board of Canada Secretariat and posted on the PSPC website.

Project team

The Evaluation was conducted by employees of the Office of Audit and Evaluation, overseen by the A/Director of Evaluation and under the overall direction of the Chief Audit and Evaluation Executive. The Evaluation was reviewed by the Quality Assessment Practice Improvement function of the Office of Audit and Evaluation.

Appendix B: BPS remittance volumes

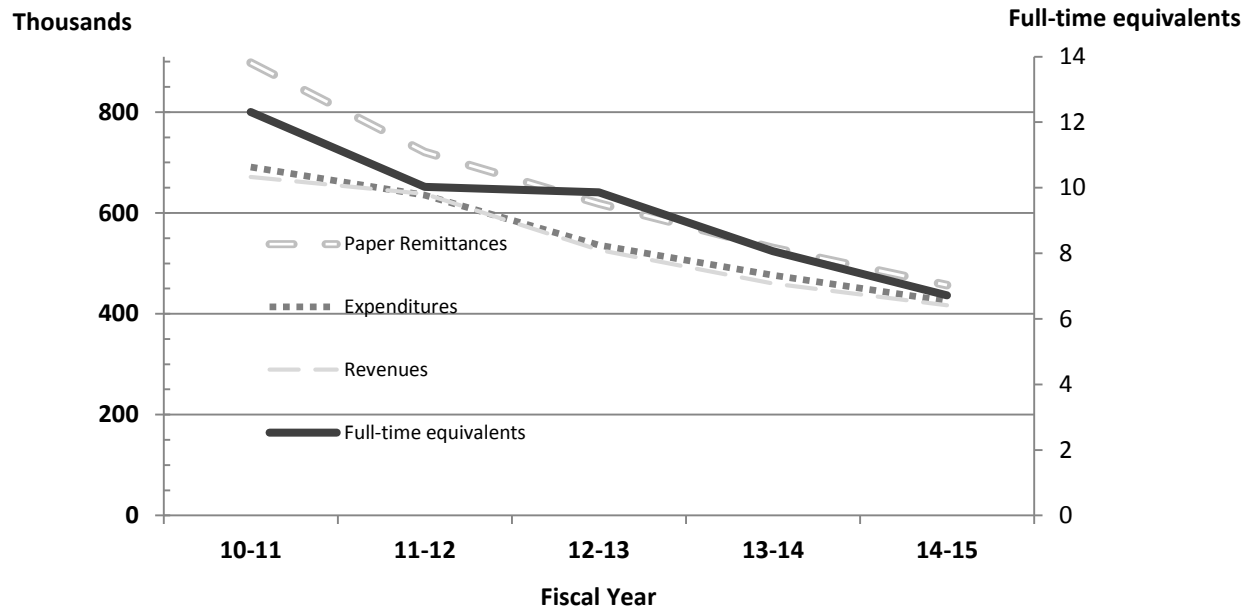


Source : BPS program data

	Electronic Remittance Volumes	Paper-based Remittance Volumes	Total Remittance Volumes
2010-11	666,063	898,014	1,564,077
2011-12	748,028	720,666	1,468,694
2012-13	817,374	618,871	1,436,245
2013-14	835,884	530,377	1,366,261
2014-15	838,421	456,819	1,295,240
Percentage change (2010-11 to 2014-15)	26%	-49%	-17%

Source: BPS program data

Appendix C: BPS human resources and paper-based remittance volumes



Source: BPS program data