



Veterans Affairs
Canada

Anciens Combattants
Canada

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AUDIT OF CENTRALIZED MAIL

Audit and Evaluation Division

Canada 

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Table of Contents

EXECUTIVE SUMMARY	i
1.0 BACKGROUND	1
2.0 ABOUT THE AUDIT	3
2.1 Audit Scope and Objectives	3
2.2 Methodology	3
3.0 AUDIT RESULTS	4
3.1 Business Processes and Training	4
3.2 Management of hard copy documents after scanning	6
3.3 Quality Assurance	7
3.4 Audit Opinion	8
Appendix A - Audit Criteria	A-1
Appendix B – Risk Ranking of Recommendations and Audit Opinion	B-1

1.0 BACKGROUND

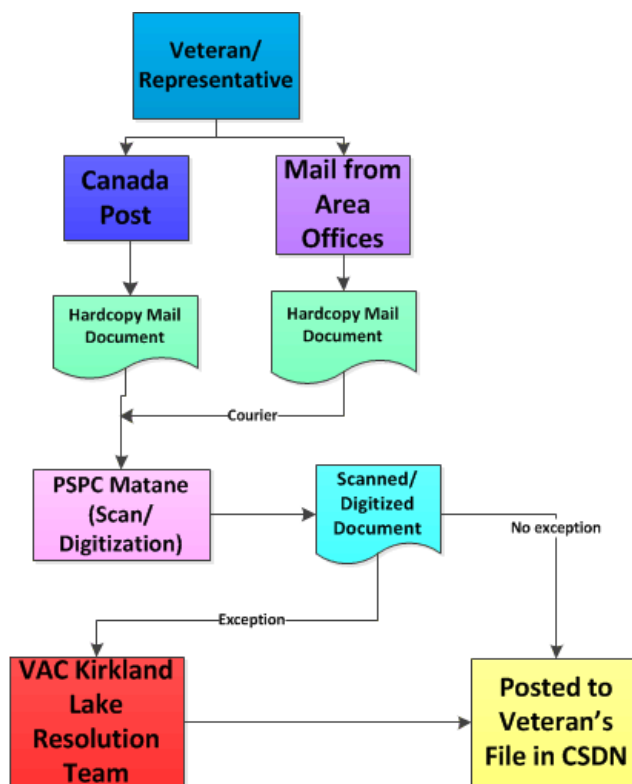
The Centralized Mail initiative was designed in 2011 to direct all incoming Veteran documents to a central receipt location in order to reduce confusion resulting from multiple address choices. The VAC return address for all forms is PO Box 6000, Matane, Quebec. Documents received at PSPC Matane originate as Canada Post mail, registered mail, undeliverable mail, and mail sent by courier. All documents received at the VAC area offices through Canada Post or delivered in person by Veterans are forwarded to PSPC Matane by courier. Forms sent from VAC to Veterans are now digitized to allow for electronic routing and tracking and include a unique barcode that identifies the Veteran and type of form.

The Centralized Mail project was implemented in phases, by program, becoming fully operational by April 1, 2016.

Previously, documents from Veterans were received at numerous Veterans Affairs Canada (VAC) locations across the country, where they were sorted, repackaged and shipped to their final destination. The turnaround times and lack of a single national mail tracking system resulted in a large number of calls to VAC where employees were challenged to answer queries about the status of a Veteran's correspondence. Through a partnership with Public Services and Procurement Canada (PSPC Matane), documents are now received centrally at that location, digitized and uploaded to the Client Service Delivery Network (CSDN)².

² CSDN – The Client Service Delivery Network (CSDN) is an information system used by VAC staff to assist in the delivery of services to Veterans, including Veterans benefits and case management.

Chart 1 – Centralized Mail Workflow



As presented in Chart 1, when a Veteran sends mail via Canada Post, registered mail, or courier it goes directly to PSPC Matane. Mail brought in person to an area office is packaged and subsequently sent to PSPC Matane.

When the hardcopy mail is received at PSPC Matane, it is prepped for scanning. The documents are scanned to create a digital image in preparation for posting to Veteran's file in CSDN.

However, if required information is missing on the document it will be identified as an exception and will not be posted to the Veteran's file in CSDN until resolved. Exceptions are resolved by VAC Kirkland Lake and then posted to the Veteran's file in CSDN.

Documents scanned without exception are immediately posted to the Veteran's file in CSDN and a work item is created to notify the appropriate employees that action may be required.

Approximately 1.5 million pages of Veteran mail were scanned in the 2015-16 fiscal year.

2.0 ABOUT THE AUDIT

2.1 Audit Scope and Objectives

The scope of the audit includes Veteran documents received at PSPC Matane between April 1, 2016 and July 31, 2016.

The audit team examined Veteran correspondence processed at PSPC Matane as well as management and oversight of the centralized mail process, from initial receipt at PSPC Matane to the date the correspondence is digitized and available in CSDN. Currently, only correspondence related to delivery of services is processed through centralized mail. Correspondence directed to the Office of Veterans Ombudsman, Veterans Review and Appeal Board, Strategic Policy and Commemoration Branch, Strategic Oversight and Communications Branch, Bureau of Pensions Advocates, Medavie Blue Cross, and Royal Canadian Legion are not part of the centralized mail process.

The objectives of this audit were:

- Assess the adequacy of the management control framework.
- Assess compliance with VAC's guidelines and business processes.
- Confirm turnaround times and identify opportunities to improve efficiency.

The audit criteria is provided in Appendix A.

2.2 Methodology

The audit team conducted a review of VAC's policies, guidelines, and business processes as well as a data analysis and file review of centralized mail documents during the period under review. Staff interviews and direct observation sessions at VAC Head Office, area offices and PSPC Matane were undertaken to obtain an understanding of the centralized mail processes and to assess compliance with relevant policies, guidelines and business processes.

This audit engagement was planned and conducted to be in accordance with the Internal Auditing Standards for the Government of Canada.

3.0 AUDIT RESULTS

Overall, the centralized mail system is functioning as intended. Mail is received at one location, and once scanned the information is available as required to all users improving the effectiveness of delivery of service. The audit team identified opportunities to improve the processing and overall management of mail as described below.

3.1 Business Processes and Training

Centralized mail business processes and tools are available to staff.

Current business processes must be available to all VAC staff to maximize the efficiency of processing centralized mail documents. Interviews with staff at VAC Kirkland Lake and area offices confirmed that they are provided sufficient tools to complete the processing of centralized mail. The audit team observed that all staff had required tools with appropriate workstations and individual computers and that VAC Kirkland Lake had a well-equipped training room.

Some centralized mail business processes are out of date.

Business processes for VAC Kirkland Lake and PSPC Matane were provided to the audit team. Most business processes were current; however, with ongoing changes to the processes since the 2013 implementation, it was found that some need to be updated.

Specifically, the audit team found documented business processes with respect to the area office forwarding documents to PSPC Matane for scanning were not current. The business processes provided to the audit team directed all mail from area offices to be couriered to VAC Kirkland Lake. VAC Kirkland Lake staff advised that business processes had been changed to direct area offices to send mail directly to PSPC Matane. Confirmation of these outdated business processes was verified by interviews and a review of copies of business processes received from the following area offices: Halifax/Dartmouth, Saint John, and Vancouver.

VAC staff need training on centralized mail processes.

To avoid delays in processing documents, all required information must be visible at the time of scanning to avoid exceptions³ which need to go to VAC Kirkland Lake for resolution.

³ An exception occurs when required information is not available at the time of scanning (i.e. missing CSDN ID).

The area of most concern to the audit team relates to missing CSDN IDs⁴ on documents to be scanned. Scanned documents without these IDs are identified as exceptions and take longer to be processed to the Veteran's file in CSDN.

Area office staff need to be aware that the ID is required on all documents for scanning. When the ID is not available, manual intervention is required to locate and record the CSDN ID on the Veteran's document. This causes delays in the information being available for the Department to take appropriate action in response to the Veteran's correspondence.

The audit team reviewed 50 documents that were identified as exceptions at PSPC Matane and sent to VAC Kirkland Lake for resolution. Of these exceptions, six had originated in an area office and only three of them (50%) included a CSDN ID. VAC Kirkland Lake staff indicated this process issue is caused primarily by a gap in training.

To ensure consistency in the delivery of service, area office staff, including all heads, administrative services, should receive up-to-date training in order to ensure consistency of the processes.

Recommendation 1

It is recommended that the Director General, Field Operations, ensure that business processes are kept current, reviewed regularly, and communicated and that training is provided as required. (Essential)

Management Response

Corrective Action to be Taken	Office of Primary Interest (OPI)	Action Completion Date
Business processes have been updated and shared with appropriate staff. Training will be provided to staff as needs are identified.	Director of Planning and Administrative Support	Dec 2016 (Completed)
Review of all business processes will be completed annually. All business processes will be dated to identify when review took place.		March 2018

⁴ CSDN ID is a unique identifier assigned to each client in Client Service Delivery Network (CSDN).

3.2 Management of hard copy documents after scanning

Guidance is needed with respect to the management of hard copy documents after scanning.

All documents, after being scanned, are boxed, sealed and stored at PSPC Matane. No scanned documents have been destroyed since the implementation of the project.

Currently the Department has retention and disposition (RDA) schedules that set out how long information may be retained before it is disposed of or sent to Library and Archives Canada. These RDAs do not distinguish the format of the information or how it is stored. As a result, duplicate information is considered part of the RDA and will be kept even after being scanned.

Consideration should be given to address the unique situation that the centralized mail initiative has created, namely the known creation of duplicate information. Given that this situation is known, the existing RDA, and/or storage practices should be updated to avoid storage of duplicate information if it is not needed by program areas (e.g., notarized documents may need to be kept whereas envelopes could perhaps be destroyed).

Recommendation 2

It is recommended that Director General, Information Technology, Information Management, Administration and Privacy investigate the viability of developing a retention and disposition authority to address duplicate documents held at PSPC Matane as part of the scanning process and implement as required. (Essential)

Management Response

Corrective Action to be Taken	Office of Primary Interest (OPI)	Action Completion Date
The Director General, ITIMAP Division will work with the Treasury Board Secretariat to obtain guidance on duplicate documents and implement either a: <ol style="list-style-type: none">1. Whole of government approach; or2. Develop options for an authority specific to VAC.	Privacy and Information Management Directorate	December 31, 2017

3.3 Quality Assurance

Strengthen the Quality Assurance (QA) processes for centralized mail.

In 2015, VAC implemented a Quality Management Framework (QMF) to consolidate existing expertise and standardize processes and practices directly affecting the work of front-line staff. As part of the QMF, quality assurance (QA) processes ensure effective measuring and reporting to help identify gaps, challenges and training needs and lead to timely resolution and corrective action for service improvement.

The audit team found limited QA processes at VAC Kirkland Lake. PSPC Matane does have a cleanup/quality control process but reviews documents to ensure overall image quality, correct orientation of images, and removal of blank pages only. As a result, there is a risk that Veteran's mail may not be processed completely.

Operations managers at PSPC Matane and VAC Kirkland Lake are responsible for monitoring their respective error rates and addressing these errors. Although the current memorandum of understanding (MOU) between VAC and PSPC Matane establishes an acceptable scanning error rate, the MOU does not require a QA process to ensure effective measuring and reporting is occurring.

Recommendation 3

It is recommended that Director General, Field Operations:

- a) Develop, document and implement a quality assurance process for centralized mail in accordance with the Department's Quality Management Framework. (Essential)
- b) Revise the memorandum of understanding to include a quality assurance process at PSPC Matane. (Essential)

Management Response

Corrective Action to be Taken	Office of Primary Interest (OPI)	Action Completion Date
An expanded formal Quality Assurance (QA) Process has been implemented for centralized mail and is performed weekly. A QA business process has also been created. Results will be used to monitor and address performance issues as well as identify any training requirements.	Director of Planning and Administrative Support	Implemented February 8, 2017
PSPC Matane has agreed to mirror this process and is implementing it as of March 13, 2017. This will be reflected in 2017-18 MOU.		March 2018

3.4 Audit Opinion

The audit team found that roles and responsibilities had been clearly established and although business processes were available, some were found to be out of date. As with any new process, ongoing training is required. A file review identified general compliance with key requirements and confirmed that documents are being processed promptly. Compliance gaps will be addressed with the recommended training. A formalized QA process should be implemented at VAC Kirkland Lake and PSPC Matane. An RDA should be developed for managing hard copy documents after they have been scanned.

Overall, the audit team determined the management control framework, compliance with guidelines and business processes and efficiency relating to the centralized mail process is “Generally Acceptable.”

Appendix A - Audit Criteria

Objective	Criteria *
Assess the adequacy of VAC's Management Control Framework	The organization provides employees with the necessary training, tools, resources and information to support the discharge of their responsibilities.
	Oversight exists to monitor and provide assurance on the quality and due diligence in decision-making.
	A documented approach to risk identification, assessment and management is in place and used.
	Lines of communication exist between VAC, the users and Public Services and Procurement Canada (PSPC).
Assess compliance with applicable guidelines and business processes	Records and information are processed and maintained in accordance with guidelines and business processes.
	Item exceptions are processed successfully.
	Retention schedules for processed items are identified.
Confirm turnaround times and identify opportunities to improve efficiency	Management has identified appropriate performance measures linked to planned results.
	The organization leverages information technology to enhance user service and access.
	The organization takes measures to facilitate access to its services.

* The audit team confirmed that all of the above criteria were met unless otherwise stated in this audit report.

Appendix B – Risk Ranking of Recommendations and Audit Opinion

The following definitions are used to classify the ranking of recommendations and the audit opinion presented in this report.

Audit Recommendations

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

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

Audit Opinion

Well Controlled Only insignificant weaknesses relating to the control objectives or sound management of the audited activity are identified.

Generally Acceptable Identified weaknesses when taken individually or together are not significant or compensating mechanisms are in place. The control objectives or sound management of the audited activity are not compromised.

Requires Improvement Identified weaknesses, when taken individually or together, are significant and may compromise the control objectives or sound management of the audited activity.

Unsatisfactory The resources allocated to the audited activity are managed without due regard to most of the criteria for efficiency, effectiveness and economy.