

Report 9

Reports of the Auditor General of Canada
to the Parliament of Canada

Investing in Canada Plan



**Independent Auditor's
Report | 2021**



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada



2021

Reports of the Auditor General of Canada
to the Parliament of Canada

Independent Auditor's Report

REPORT 9

Investing in Canada Plan



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada (OAG) under the authority of the *Auditor General Act*.

A performance audit is an independent, objective, and systematic assessment of how well government is managing its activities, responsibilities, and resources. Audit topics are selected on the basis of their significance. While the OAG may comment on policy implementation in a performance audit, it does not comment on the merits of a policy.

Performance audits are planned, performed, and reported in accordance with professional auditing standards and OAG policies. They are conducted by qualified auditors who

- establish audit objectives and criteria for the assessment of performance
- gather the evidence necessary to assess performance against the criteria
- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

Performance audits contribute to a public service that is ethical and effective and a government that is accountable to Parliament and Canadians.

This publication is available on our website at www.oag-bvg.gc.ca.

Cette publication est également offerte en français.

© Her Majesty the Queen in Right of Canada, as represented by the Auditor General of Canada, 2021.

Cat. No. FA1-27/2021-1-9E-PDF

ISBN 978-0-660-37830-5

ISSN 2561-343X

Table of Contents

| | |
|----------------------------------------------------------------------------------------------------|-----------|
| Introduction | 1 |
| Background | 1 |
| Focus of the audit | 3 |
| Findings, Recommendations, and Responses | 4 |
| Meeting plan objectives | 5 |
| Infrastructure Canada was unable to report complete information on the Investing in Canada Plan... | 5 |
| Incomplete and inconsistent reporting against the plan's expected results | 8 |
| Legacy programs not reporting against the plan's expected results | 9 |
| Inconsistent reporting on programs included in the plan | 10 |
| Reporting on projects is constrained | 11 |
| Federal partner organizations did not spend infrastructure funds as quickly as planned | 12 |
| Delayed spending..... | 12 |
| Conclusion | 14 |
| About the Audit | 15 |
| Recommendation | 22 |

Introduction

Background

Investing in Canada Plan

9.1 The Investing in Canada Plan is the Government of Canada's infrastructure plan to provide predictable and sustainable funding for projects to build modern, resilient, and green communities for all Canadians. Over the plan's 12 years, starting in 2016, the government intends to spend \$188 billion in 5 theme areas:

- public transit
- green infrastructure
- social infrastructure
- trade and transportation infrastructure
- rural and northern communities

9.2 Infrastructure Canada was tasked with developing the plan, through the 2015 mandate letter that the Prime Minister sent to the Minister of Infrastructure and Communities. Infrastructure Canada published the finalized Investing in Canada Plan in 2018.

9.3 The plan combines new spending commitments and programs announced in Budget 2016 and Budget 2017 with earlier spending commitments on legacy programs, some of which had been in place for decades. Together, the plan's programs support various types of projects, including not only conventional bricks-and-mortar infrastructure, but also services, housing, capacity development, asset management, innovation projects, and training sessions.

9.4 The Investing in Canada Plan has 3 objectives:

- Generate long-term economic growth to build a stronger middle class.
- Improve the resilience of communities, and transition to a clean growth economy.
- Improve social inclusion and socio-economic outcomes for all Canadians.

9.5 Programs included in the plan are intended to contribute to achieving at least 1 of 7 expected results:

- The rate of economic growth is increased in an inclusive and sustainable way.
- Environmental quality is improved, greenhouse gas emissions are reduced, and resilience of communities is increased.
- Urban mobility in Canadian communities is improved.
- Housing is affordable and in good condition, and homelessness is reduced year over year.
- Early learning and child care is of high quality, affordable, flexible, and inclusive.
- Canadian communities are more inclusive and accessible.
- Infrastructure is managed in a more sustainable way.

By contributing to these expected results, programs would help meet the plan's objectives.

9.6 The plan is a **horizontal initiative**, in which the contributing programs are administered by 21 federal organizations: 13 federal departments (including Infrastructure Canada), 2 Crown corporations, and 6 regional development agencies. Some of these programs operate through bilateral agreements between the federal government and the provinces and territories. Other recipients include municipalities and Indigenous and rural communities.

Roles and responsibilities

9.7 **Infrastructure Canada.** As the lead department for the Investing in Canada Plan, Infrastructure Canada collaborates with 20 federal partner organizations and 2 central agencies to meet reporting requirements and oversee the plan's implementation. The department also receives funding for some programs under the plan and is responsible for the administration of those programs. Infrastructure Canada houses the Investing in Canada Plan Secretariat, which acts as a central point of coordination for federal partner organizations. The secretariat is responsible for

- collecting the plan information from all federal partner organizations for reporting, as a supplementary table, in Infrastructure Canada's annual departmental plan and departmental results report
- providing input and responses to ministerial and Cabinet-level requests

Horizontal initiative—An initiative for which 2 or more federal organizations receive common funding to achieve a clearly defined shared outcome and that has been designated a horizontal initiative by Cabinet or the Treasury Board.

- organizing and coordinating various governance committees, including deputy ministerial committees
- displaying and maintaining mandated and proactive public reporting tools on the plan's progress and results
- acting as the lead on plan-related inquiries and ad hoc requests from federal partner organizations and central agencies

9.8 **Federal partner organizations.** Twenty federal departments, agencies, and Crown corporations are responsible for supporting Infrastructure Canada in implementing the plan. This support includes collecting and reporting performance information to support Infrastructure Canada's secretariat function. Federal partner organizations are also responsible for implementing their own programs under the plan.

9.9 **Central agencies.** The Privy Council Office and the Treasury Board of Canada Secretariat provide guidance and support on horizontal initiatives. They do not receive funding for programs under the plan. The Privy Council Office provides advice about whether to declare an initiative horizontal and identifies the department that will lead on reporting. The Treasury Board of Canada Secretariat provides guidance and support to departments on managing and reporting on initiatives.

**United Nations'
Sustainable
Development Goals**

9.10 In September 2015, Canada committed to achieving the United Nations' 2030 Agenda for Sustainable Development. In 2017, the Office of the Auditor General of Canada committed to examining through our audit work how federal organizations are contributing to the United Nations' Sustainable Development Goals. In this audit, we examined the actions of Infrastructure Canada and federal partner organizations to incorporate the goals into the design of the Investing in Canada Plan.

Focus of the audit

9.11 On 29 January 2020, the House of Commons passed a motion asking the Auditor General to audit the Investing in Canada Plan. This audit focused on whether Infrastructure Canada and key federal organizations could demonstrate that the plan was meeting its objectives and whether they were providing complete, reliable, and timely reporting on the plan to Canadians.

9.12 The audit focused on Infrastructure Canada, the Canada Mortgage and Housing Corporation, and Indigenous Services Canada, which together accounted for around 83% of the plan's \$188-billion commitment.

9.13 This audit is important because the plan is a large collection of new and existing programs that commits \$188 billion in public funds toward addressing long-term economic, environmental, and social challenges for Canadians. Furthermore, the government has committed to open and transparent reporting on the results of these investments.

9.14 More details about the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this report (see pages 15–21).

Findings, Recommendations, and Responses

Overall message

9.15 Overall, Infrastructure Canada—as the lead department for the Investing in Canada Plan—was unable to provide meaningful public reporting on the plan's overall progress toward its expected results. There were several reasons for this. First, the department had to rely on data provided by its federal partner organizations for its reporting, and that data was often inconsistent. Second, in its reporting against expected results, the department did not include legacy programs that existed before the plan was created but were nevertheless part of the plan. Legacy programs represented almost half of the plan's \$188-billion commitment. These problems were exacerbated by incomplete and inconsistent reporting on the plan's expected results over the years. Also, the plan did not incorporate the United Nations' Sustainable Development Goals, even though it could play a significant role in helping the government achieve some of these goals.

9.16 Furthermore, funds were not being spent as quickly as planned. For example, we found that approximately a fifth of planned spending was unspent in the first 3 years of the plan and was moved to later years. No one was tracking the effect of the reallocation of unspent funds to later years on the plan as a whole. However, delaying and reallocating unspent funds each year means that Infrastructure Canada and its federal partner organizations risk not meeting the plan's objectives by the 2027–28 fiscal year. In turn, this may hinder the overall objectives of improving economic, environmental, and social outcomes for all Canadians over the course of the plan.

Meeting plan objectives

Infrastructure Canada was unable to report complete information on the Investing in Canada Plan

What we found

9.17 We found that Infrastructure Canada's reporting provided only a partial picture of progress toward the Investing in Canada Plan's objectives and expected results. Furthermore, the plan and its reporting framework made no mention of the United Nations' Sustainable Development Goals, despite the government's commitment and the plan's potential to contribute to achieving them.

9.18 We found that the department was not reporting on legacy programs against expected results. These programs amounted to almost half of the plan's funding.

9.19 We also found that the federal organizations receiving funding under the plan provided Infrastructure Canada with inconsistent data. As well, the design of some programs placed constraints on detailed reporting by Infrastructure Canada on the full set of projects under the plan.

9.20 The analysis supporting this finding discusses the following topics:

- Incomplete and inconsistent reporting against the plan's expected results
- Legacy programs not reporting against the plan's expected results
- Inconsistent reporting on programs included in the plan
- Reporting on projects is constrained

Why this finding matters

9.21 This finding matters because complete, reliable, and timely information is needed to determine whether investments are achieving their intended results and to communicate these results to the public. It would also better inform decisions about the plan.

Context

9.22 The \$188-billion plan has 3 components:

- Phase 1 funding (\$14.4 billion) was announced in Budget 2016. It was intended to rehabilitate and modernize public transit and water and wastewater systems, improve affordable housing, and mitigate climate change's effects on existing infrastructure. The funding was intended to be spent on projects over 5 years, mostly

between the 2016–17 and 2017–18 fiscal years, to meet immediate needs.

- Phase 2 funding (\$81.2 billion) was announced in the Fall Economic Statement 2016 and confirmed in Budget 2017. Phase 2 was aimed at introducing long-term infrastructure investments in small- and large-scale projects. These projects are to be delivered over 11 years to advance Canada’s progress on the environment, modernize the economy, and create a more inclusive society.
- Legacy funding (\$92.2 billion) had already been committed before Budget 2016. It is to be spent on infrastructure programs between 2016 and 2028.

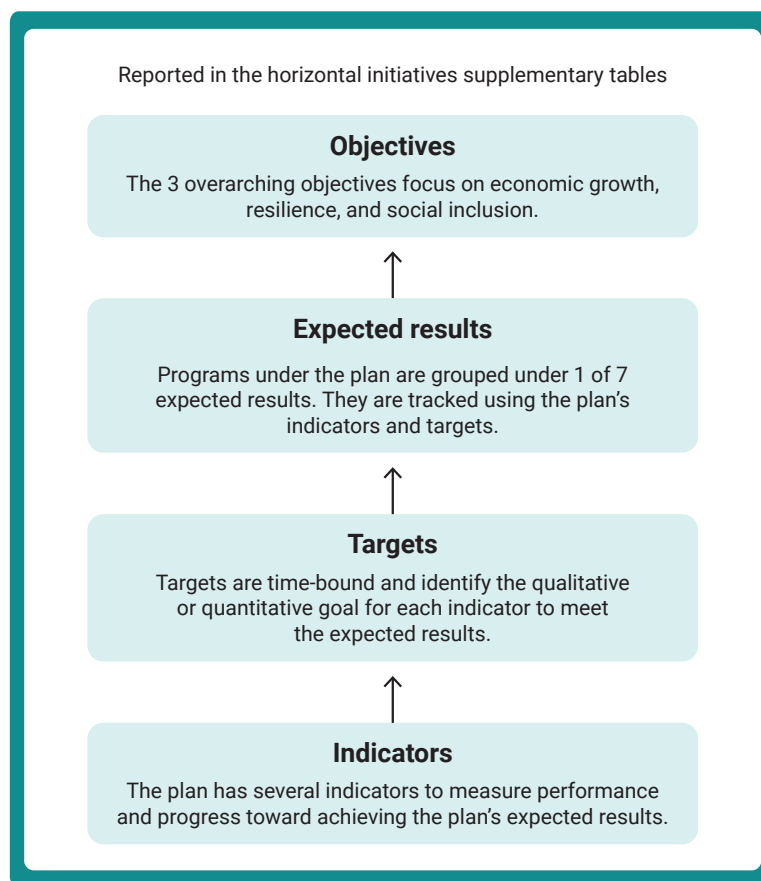
9.23 The Investing in Canada Plan has a horizontal reporting framework with 2 levels of performance information:

- For the plan as a whole, the framework lists the 7 expected results (also sometimes referred to as outcomes in plan documents). Infrastructure Canada, in consultation with other federal organizations, identified the performance indicators for each expected result and identified the Phase 1 and Phase 2 programs that would contribute to meeting it. Because some indicators would apply to programs that had not yet been created, the horizontal reporting framework has evolved.
- For each Phase 1 and Phase 2 program contributing to the plan, the framework identifies the federal organization that delivers it, the theme it contributes to, the funding allocation from the plan, and the performance indicators specific to that program.

The framework also includes an annual commitment from each federal partner organization’s deputy head to provide Infrastructure Canada with complete data on the performance of the organization’s programs.

9.24 Infrastructure Canada reports on the performance of the plan and of Phase 1 and Phase 2 programs through the supplementary table of its departmental results report. To obtain information on those programs, Infrastructure Canada sends the federal partner organizations the table to complete. The table is intended to include all Phase 1 and Phase 2 programs in the plan and all performance indicators and targets for the expected results (Exhibit 9.1). The table is also supposed to provide the planned and actual spending levels for these programs.

Exhibit 9.1—The reporting framework for the Investing in Canada Plan



Note: This exhibit shows how targets and indicators contribute to the expected results of the Investing in Canada Plan. Programs also have their own targets and indicators that are tracked by each organization.

9.25 Infrastructure Canada also uses data from its federal partner organizations to publish

- an online map (called the Investing in Canada Plan Project Map) that shows where and what investments are being made across Canada (first published in December 2017)
- a summary of spending by program, including funding allocations, the federal share of the approved value of activities, and reimbursements claimed by the funding recipients (first published in November 2018)
- a partial list of projects funded by the plan (first published in June 2020)

Recommendation

9.26 Our recommendation in this area of examination appears at paragraph 9.53.

Incomplete and inconsistent reporting against the plan's expected results

9.27 We found that Infrastructure Canada reported annually on the Investing in Canada Plan as a horizontal initiative in the supplementary tables in its departmental results report. To date, 4 such tables have been published. However, we found that although reporting evolved, some of the changes led to year-to-year inconsistencies in the information reported in the tables, and some of the reported information was incomplete. Here are some examples:

- Performance indicators in some tables aligned with the 3 plan objectives, while others aligned with the 7 expected results or with the 5 themes.
- Depending on the year, the tables reported against different expected results' performance indicators.
- Depending on the year, between a third and half of the expected results' performance indicators in the table did not have associated targets. Where targets existed, we found that they were clear and measurable.

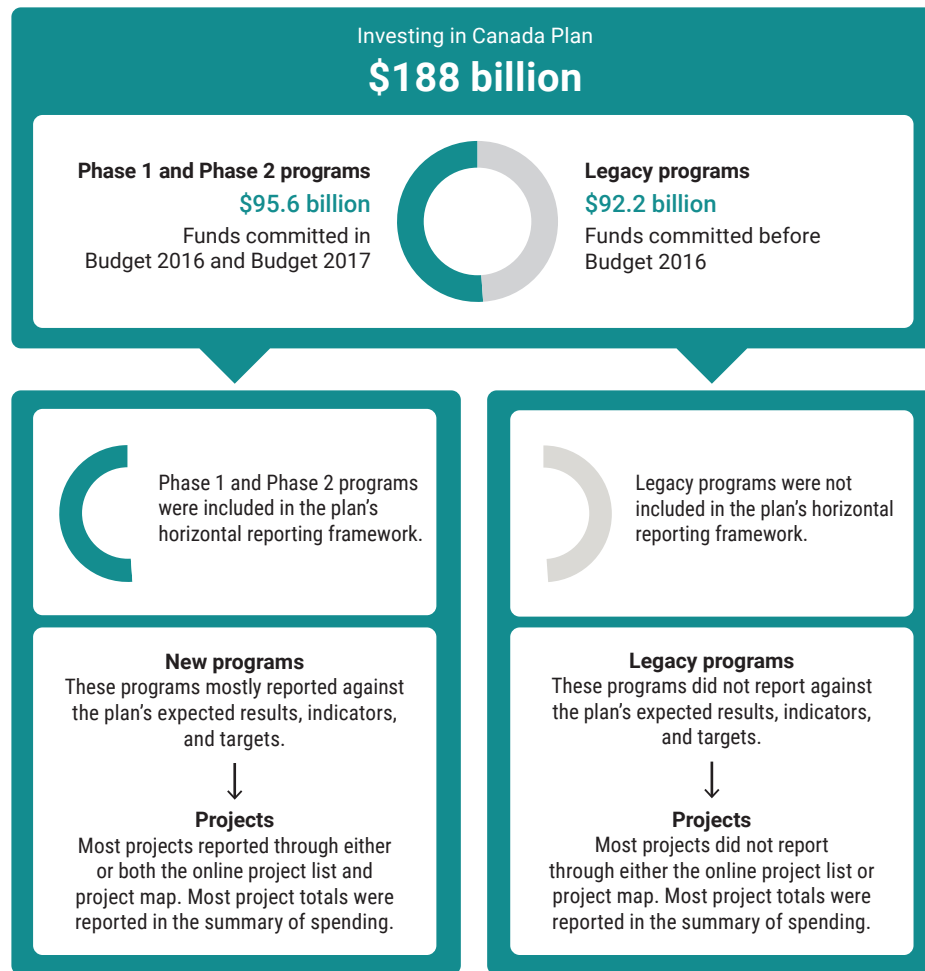
9.28 We also found that reporting on the Investing in Canada Plan did not include consideration of the United Nations' Sustainable Development Goals, even though the plan could play a significant role in helping the government achieve some of the goals. In 2019, the government published an interim document, Towards Canada's 2030 Agenda National Strategy, to help achieve the Sustainable Development Goals. The strategy emphasized the importance of collaboration across the Government of Canada to maintain a focus on the goals. However, the Investing in Canada Plan's governance committees' records of meetings did not contain any reference to the Sustainable Development Goals.

9.29 In addition to its formal obligation to publish the supplementary table on the horizontal initiative in its departmental results report, Infrastructure Canada committed in 2018 to publishing annual progress reports on the plan. The department published the first progress report in 2019, covering the years 2016 to 2019. This report presented some progress on the plan's outputs but did not show how the plan was meeting expected results. Infrastructure Canada told us that a second progress report, due in 2020, had been deferred, with no clear publication date.

Legacy programs not reporting against the plan's expected results

9.30 We found that legacy funding (\$92.2 billion) was not well integrated into the plan. The horizontal reporting framework required reporting only for Phase 1 and Phase 2 programs, while legacy programs continued to operate without explicitly aligning with the plan's objectives, expected results, or themes (Exhibit 9.2). The legacy programs, which represent almost half of the total \$188-billion commitment, were therefore not included in the supplementary table on the horizontal initiative.

Exhibit 9.2—Infrastructure Canada was unable to capture complete program information



Programs and projects—A program is a group of related activities intended to achieve specific results. Projects are activities that receive funding from programs under the Investing in Canada Plan. Projects can be traditional physical infrastructure or services.

9.31 Legacy programs were listed in the separate summary of spending, with how much had been allocated to the programs, how much had been committed to projects, and how much had been reimbursed. However,

the summary grouped multiple legacy programs by department rather than listing them individually as Infrastructure Canada did for Phase 1 and Phase 2 programs.

9.32 Legacy programs had their own objectives and intended results, and federal organizations reported these results only in their own public reports. Therefore, what contribution these legacy programs were making, or could make, to meeting the plan's objectives was unclear. Since Budget 2017, the government has continued to invest in infrastructure outside of the Investing in Canada Plan.

9.33 As early as 2017, the issue of including information on legacy programs to report against the full \$188 billion was raised in one of the plan's oversight committees, but we found little evidence that Infrastructure Canada was addressing it. A 2019 internal evaluation of the plan conducted by Infrastructure Canada also found gaps in reporting on legacy funding. However, the issue had not been resolved at the time of our audit.

Inconsistent reporting on programs included in the plan

9.34 We found that federal organizations did not always align their programs and reporting with the plan's horizontal reporting framework.

9.35 We reviewed a sample of 32 programs included in the Investing in Canada Plan that were administered by Infrastructure Canada, the Canada Mortgage and Housing Corporation, or Indigenous Services Canada. We found that fewer than 20% of these programs mentioned the plan in their strategic documentation. This suggests that the federal organizations did not consider how their programs might reflect or affect the plan's overall objectives.

9.36 Infrastructure Canada acknowledged that it was responsible for horizontal reporting and for managing its own programs under the plan. However, it was not responsible for managing programs under its federal partner organizations.

9.37 Federal partner organizations did not always align the reporting of Phase 1 and Phase 2 programs with the plan's various reporting requirements. This affected Infrastructure Canada's ability to provide accurate and complete results on programs under the plan. Here are some examples:

- Indigenous Services Canada allocated and reported both funding and targeted community infrastructure investments through a portfolio approach, in which projects might be funded from a variety of sources. Although the Investing in Canada Plan was only one of these sources, the department's reporting under the plan reflected results achieved across the whole portfolio.

- Twelve programs included in the plan, representing \$3.4 billion, did not report their performance through the plan but instead through other federal horizontal initiatives.

9.38 We found that some results were to be reported only after the related programs end. For example, for the largest program under the plan (the Investing in Canada Infrastructure Program, representing \$33 billion), Infrastructure Canada was not expected to report results until 2028, when the plan is scheduled to end. With no publicly available interim targets or tracking to measure progress, Infrastructure Canada will not be able to demonstrate whether the program is on track to meet its expected results and objectives before 2028.

Reporting on projects is constrained

9.39 We found that Infrastructure Canada could publish only a partial list of projects funded by programs included in the plan.

9.40 The project list published online by Infrastructure Canada in June 2020 had approximately 33,000 entries and had not been updated since it was first published. A more complete accounting of projects was published in the summary of spending, which reported about 65,000 projects, and had been updated more recently than the project list. The summary reported totals of projects for most programs under the plan. It also provided an accounting of the full \$188-billion budget for the plan, although some programs were grouped together.

9.41 We found that there was a difference between the project list and the summary of spending because some legacy programs did not require the recipients to report at the level of detail necessary to be included in the itemized list of projects. For example, some of the legacy funding under the plan was delivered to First Nations under agreements that had very limited reporting requirements. Indigenous Services Canada told us that this aligned with the government's direction in support of reconciliation and aimed to reduce the reporting burden on First Nations.

9.42 Moreover, some programs do not report on projects—for example, programs that provide services rather than build physical infrastructure. Likewise, some programs are not designed to report on individual projects, such as initiatives to support individual rent-geared-to-income units or to provide supports to low-income homeowners. And some projects, such as those related to individual houses or shelters for victims of family violence, are not made public because of privacy and security concerns.

9.43 Infrastructure Canada told us that the department was implementing a solution to better align the reporting of the summary of spending and the project list.

Federal partner organizations did not spend infrastructure funds as quickly as planned

What we found

9.44 We found that the programs contributing to the Investing in Canada Plan were not spending their allocated funding on projects as quickly as planned. Each year, federal partner organizations moved planned spending to later years. We also found that no one was tracking the effect of funds being moved into the future for the plan as a whole, in part because of gaps in information about the progress of projects. This could put meeting the plan's objectives by the 2027–28 fiscal year at risk.

9.45 The analysis supporting this finding discusses the following topic:

- Delayed spending

Why this finding matters

9.46 This finding matters because the government is investing billions of dollars in infrastructure over 12 years through the Investing in Canada Plan to generate long-term economic growth, improve communities' resiliency, transition to a green economy, and improve social inclusion and socio-economic outcomes for all Canadians. When spending is delayed, there is a risk that these objectives might not be met and Canadians might not benefit fully from the investment by the 2027–28 fiscal year.

Recommendation

9.47 Our recommendation in this area of examination appears at paragraph 9.53.

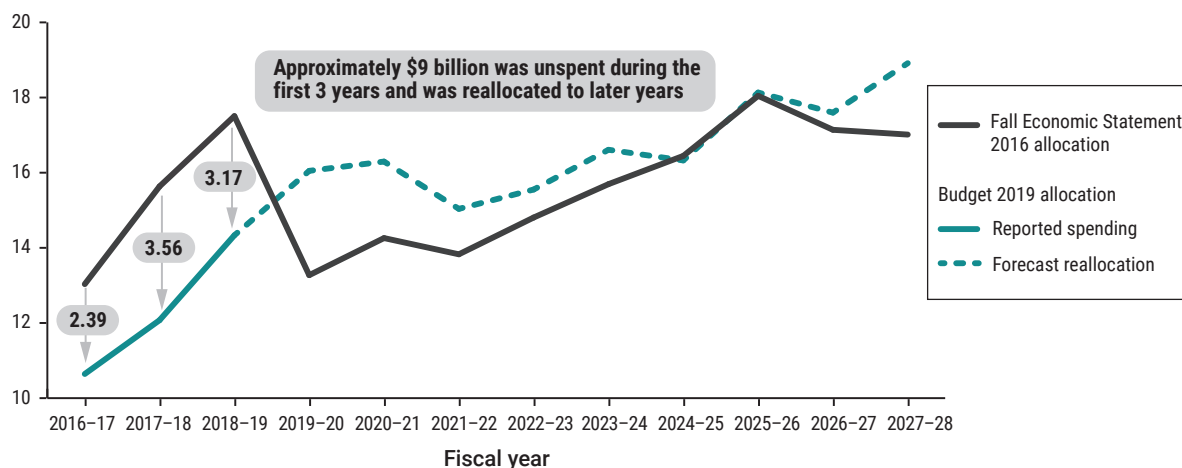
Analysis to support this finding

Delayed spending

9.48 We found that in the first 3 years of the plan, federal organizations consistently spent less than they had initially planned. This led to funding reallocations that increased expected spending levels for later years (Exhibit 9.3). As a result, for Phase 1, Phase 2, and legacy programs, approximately \$9 billion was moved to later years, representing 20% of initially planned spending. Likewise, in the fourth year of the plan (the 2019–20 fiscal year), about \$3 billion of Phase 1 and Phase 2 funding was not spent as planned and would have to be reallocated to future years. Budget 2019 provided an update of allocated infrastructure funding up to the 2027–28 fiscal year and showed that about half of the total spending was planned for the last 5 years of the plan.

Exhibit 9.3—Federal organizations reallocated plan funding to later years

Plan funding allocation for Phase 1, Phase 2,
and legacy programs combined
(in \$ billions)



9.49 In Phase 1 of the plan, which was intended to meet immediate needs, organizations were expected to spend \$13.6 billion of the \$14.4 billion by the end of the 2019–20 fiscal year. However, we found that they fell short of this goal by about a quarter, leaving \$3.3 billion unspent. We also found that 11 of the 34 Phase 1 programs did not spend any money in the first fiscal year of that phase (2016–17).

9.50 Infrastructure Canada officials told us that one reason for delays in spending was that eligible recipients were submitting claims later than originally planned. Other reasons included project delays and cancellations. The same officials stated that project approvals, along with project start and completion dates, indicated economic activity better than spending.

9.51 We found, however, that available project data did not include enough information to determine why spending was often delayed. The data lacked complete information on

- project approval, start, and completion dates
- when payments had been made
- whether projects had been delayed

9.52 We also found that Infrastructure Canada was not tracking the potential effects of these delays in spending on meeting the plan’s objectives by the 2027–28 fiscal year. Without ongoing monitoring of these delays and their effects, federal partner organizations might have to spend some of the planned amount after the last year of the plan, compromising some of the results expected by 2027–28.

9.53 **Recommendation.** To improve monitoring, tracking, and reporting on progress toward the Investing in Canada Plan's objectives, Infrastructure Canada should work with its federal partner organizations in the plan and with central agencies to determine

- how to better measure projects' progress toward the plan's objectives
- which legacy programs are meant to contribute to the plan's objectives and how to report on them
- what information the department needs from federal partner organizations to provide public reporting on the plan that is consistent, comprehensive, and easy to understand

The department's response. *Agreed. Infrastructure Canada will continue to engage with its federal partner organizations in the Investing in Canada Plan and central agencies to*

- *better measure and report on progress toward the outcomes and objectives of the plan, incorporating data demonstrating the impact of these investments as it becomes available*
- *clarify and improve reporting on the contributions of legacy programs toward the objectives of the plan*

As part of its ongoing commitment to provide consistent, comprehensive, and easy-to-understand public reporting on the plan, Infrastructure Canada will engage with its delivery partners on data automation for public progress reporting, building on lessons learned from existing horizontal automated reporting processes.

Conclusion

9.54 We concluded that Infrastructure Canada and key federal organizations could not demonstrate that the Investing in Canada Plan was on track to meet its expected results and objectives. The horizontal reporting framework was incomplete, mainly because it did not include legacy programs. Infrastructure Canada's public reporting on the plan continued to evolve but at the time of the audit was still incomplete and inconsistent, in part because the information provided by federal partner organizations was inconsistent. Furthermore, federal organizations were spending Investing in Canada Plan funding more slowly than planned.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on the Investing in Canada Plan. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs, and to conclude on whether Infrastructure Canada and selected federal organizations with responsibilities under the plan complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

Audit objective

The objective of this audit was to determine whether Infrastructure Canada and key federal organizations could demonstrate that the Investing in Canada Plan was meeting its objectives and that they were providing complete, reliable, and timely reporting against the plan to Canadians.

Scope and approach

The audit included the following key organizations:

- Canada Mortgage and Housing Corporation
- Indigenous Services Canada
- Infrastructure Canada
- Privy Council Office
- Treasury Board of Canada Secretariat

This audit examined whether

- Infrastructure Canada had developed a horizontal reporting framework that outlined how the Investing in Canada Plan's objectives and expected results would be measured, tracked, and reported
- Infrastructure Canada and other relevant departments were tracking, measuring, and reporting results on progress against plan objectives and expected results
- the plan was reporting complete, reliable, and timely information to Canadians
- selected programs aligned with the plan's objectives
- the horizontal governance structure was effective

The audit included a review of relevant documentation, interviews, and data analysis. It also included a sample of Investing in Canada Plan programs under Infrastructure Canada, the Canada Mortgage and Housing Corporation, and Indigenous Services Canada, covering the period from the plan's inception (Budget 2016) to Budget 2017. We also examined programs preceding Budget 2016 because the plan includes legacy funding from before the plan's inception. The audit team examined 33 programs, of which 32 were representative samples and 1 was a targeted sample.

We did not examine projects and programs funded by the plan under departments other than Infrastructure Canada, the Canada Mortgage and Housing Corporation, and Indigenous Services Canada.

During our audit, we conducted interviews with entity officials and reviewed documents to determine whether the federal partner organizations' actions supported the achievement of the United Nations' Sustainable Development Goals.

Criteria

| Criteria | Sources |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We used the following criteria to determine whether Infrastructure Canada and key federal organizations could demonstrate that the Investing in Canada Plan was meeting its objectives and that they were providing complete, reliable, and timely reporting against the plan to Canadians: | |
| Infrastructure Canada has a horizontal reporting framework that includes clear and measurable targets and is tracking and reporting accurate and timely results against the expected results of the Investing in Canada Plan. | <ul style="list-style-type: none"> • Investing in Canada – Canada’s Long-Term Infrastructure Plan, Infrastructure Canada, 2018 • Treasury Board submissions • Supporting Effective Evaluations: A Guide to Developing Performance Measurement Strategies, Treasury Board of Canada Secretariat, 2010 • Guide to Departments on the Management and Reporting of Horizontal Initiatives, Treasury Board of Canada Secretariat, 2018 • Transforming our World: The 2030 Agenda for Sustainable Development, United Nations, September 2015 • Achieving a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2016–2019, Environment and Climate Change Canada, 2016 • Towards Canada’s 2030 Agenda National Strategy, Employment and Social Development Canada, 2019 • Outcome Management Guide and Tools, Treasury Board of Canada Secretariat, 2009 • Directive on the Evaluation Function, Treasury Board, 2009 (rescinded 1 July 2016) • Policy on Evaluation, Treasury Board, 2009 (rescinded 1 July 2016) • Policy on Management, Resources and Results Structures, Treasury Board, 2012 (rescinded 1 July 2016) • Policy on Results, Treasury Board, 2016 • Directive on Results, Treasury Board, 2016 • Policy on Transfer Payments, Treasury Board, 2012 |

| Criteria | Sources |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We used the following criteria to determine whether Infrastructure Canada and key federal organizations could demonstrate that the Investing in Canada Plan was meeting its objectives and that they were providing complete, reliable, and timely reporting against the plan to Canadians: | |
| <p>Infrastructure Canada has a horizontal reporting framework that provides complete, reliable, and timely information to Canadians.</p> | <ul style="list-style-type: none"> • Guide to Departments on the Management and Reporting of Horizontal Initiatives, Treasury Board of Canada Secretariat, 2018 • Guidelines on the Reporting of Grants and Contributions Awards, Treasury Board, 2018 • Investing in Canada – Canada’s Long-Term Infrastructure Plan, Infrastructure Canada, 2018 • Supporting Effective Evaluations: A Guide to Developing Performance Measurement Strategies, Treasury Board of Canada Secretariat, 2010 • Transforming our World: The 2030 Agenda for Sustainable Development, United Nations, September 2015 • Towards Canada’s 2030 Agenda National Strategy, Employment and Social Development Canada, 2019 • Guide to Integrated Risk Management, Treasury Board of Canada Secretariat, 2016 • Communications Policy of the Government of Canada, Treasury Board, 2012 (rescinded 11 May 2016) • Policy on Management, Resources and Results Structures, Treasury Board, 2012 (rescinded 1 July 2016) • Policy on Transfer Payments, Treasury Board, 2012 • Policy on Evaluation, Treasury Board, 2009 (rescinded 1 July 2016) |

| Criteria | Sources |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We used the following criteria to determine whether Infrastructure Canada and key federal organizations could demonstrate that the Investing in Canada Plan was meeting its objectives and that they were providing complete, reliable, and timely reporting against the plan to Canadians: | |
| <p>Selected Infrastructure Canada, Canada Mortgage and Housing Corporation, and Indigenous Services Canada programs are aligned with the objectives of the Investing in Canada Plan, and the organizations are tracking, measuring, and reporting complete, timely, and accurate results to support the achievement of the plan's objectives.</p> | <ul style="list-style-type: none"> • Investing in Canada – Canada's Long-Term Infrastructure Plan, Infrastructure Canada, 2018 • Supporting Effective Evaluations: A Guide to Developing Performance Measurement Strategies, Treasury Board of Canada Secretariat, 2010 • Prime Minister of Canada ministerial mandate letters, 2015–2019 • Policy on Management, Resources and Results Structures, Treasury Board, 2012 (rescinded 1 July 2016) • Guide to Departments on the Management and Reporting of Horizontal Initiatives, Treasury Board of Canada Secretariat, 2018 • Results for Canadians: A Management Framework for the Government of Canada, Treasury Board of Canada Secretariat, 2000 • Outcome Management Guide and Tools, Treasury Board of Canada Secretariat, 2009 • Guidelines on the Reporting of Grants and Contributions Awards, Treasury Board, 2018 • Policy on Evaluation, Treasury Board, 2009 (rescinded 1 July 2016) • Policy on Information Management, Treasury Board, 2018 (rescinded 31 March 2020) • Policy on Results, Treasury Board, 2016 • Directive on Results, Treasury Board, 2016 |

| Criteria | Sources |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| We used the following criteria to determine whether Infrastructure Canada and key federal organizations could demonstrate that the Investing in Canada Plan was meeting its objectives and that they were providing complete, reliable, and timely reporting against the plan to Canadians: | |
| <p>The horizontal governance structure for the Investing in Canada Plan ensures accountability and complete, reliable, and timely reporting.</p> | <ul style="list-style-type: none"> • Investing in Canada – Canada’s Long-Term Infrastructure Plan, Infrastructure Canada, 2018 • Supporting Effective Evaluations: A Guide to Developing Performance Measurement Strategies, Treasury Board of Canada Secretariat, 2010 • Guide to Departments on the Management and Reporting of Horizontal Initiatives, Treasury Board of Canada Secretariat, 2018 • Results for Canadians: A Management Framework for the Government of Canada, Treasury Board of Canada Secretariat, 2000 • Outcome Management Guide and Tools, Treasury Board of Canada Secretariat, 2009 • Memoranda to Cabinet • Treasury Board submissions • Achieving a Sustainable Future: A Federal Sustainable Development Strategy for Canada 2016–2019, Environment and Climate Change Canada, 2016 • Transforming our World: The 2030 Agenda for Sustainable Development, United Nations, September 2015 • Towards Canada’s 2030 Agenda National Strategy, Employment and Social Development Canada, 2019 • Prime Minister of Canada ministerial mandate letters, 2015–2019 • Policy on Management, Resources and Results Structures, Treasury Board, 2012 (rescinded 1 July 2016) • Policy on Results, Treasury Board, 2016 • Policy on Transfer Payments, Treasury Board, 2012 |

Period covered by the audit

The audit covered the period from fall 2016 to December 2020. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 3 February 2021, in Ottawa, Canada.

Audit team

Principal: Dawn Campbell
Principal: Nicholas Swales
Director: Gabriel Lombardi

Cassandra Bishop
Carley Casebeer
Leslie Lapp
Sacha Lavoie-Guilini
Alexandra MacDonald
Rebecca McNie
Sheryar Nasir
Robyn Roy
Jeff Stephenson

Recommendation

The following table lists the recommendation and response found in this report. The paragraph number preceding the recommendation indicates the location of the recommendation in the report, and the numbers in parentheses indicate the location of the related discussion.

| Recommendation | Response |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Meeting plan objectives</p> <p>9.53 To improve monitoring, tracking, and reporting on progress toward the Investing in Canada Plan's objectives, Infrastructure Canada should work with its federal partner organizations in the plan and with central agencies to determine</p> <ul style="list-style-type: none"> • how to better measure projects' progress toward the plan's objectives • which legacy programs are meant to contribute to the plan's objectives and how to report on them • what information the department needs from federal partner organizations to provide public reporting on the plan that is consistent, comprehensive, and easy to understand <p>(9.27–9.43, 9.48–9.52)</p> | <p>The department's response. Agreed. Infrastructure Canada will continue to engage with its federal partner organizations in the Investing in Canada Plan and central agencies to</p> <ul style="list-style-type: none"> • better measure and report on progress toward the outcomes and objectives of the plan, incorporating data demonstrating the impact of these investments as it becomes available • clarify and improve reporting on the contributions of legacy programs toward the objectives of the plan <p>As part of its ongoing commitment to provide consistent, comprehensive, and easy-to-understand public reporting on the plan, Infrastructure Canada will engage with its delivery partners on data automation for public progress reporting, building on lessons learned from existing horizontal automated reporting processes.</p> |

