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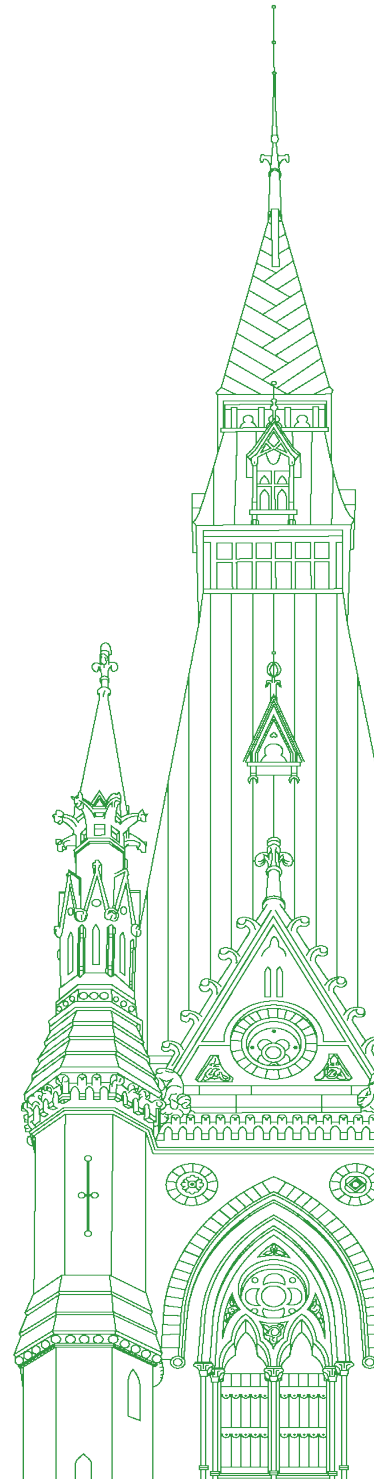
Standing Committee on Public Accounts

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Monday, October 5, 2026

Chair: John Williamson



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• (1530)

[Translation]

The Chair (John Williamson (New Brunswick Southwest, CPC)): Good afternoon, everyone. I call this meeting to order.

I would like to welcome you to meeting number 48 of the House of Commons Standing Committee on Public Accounts.

[English]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders, but I believe that all members and witnesses are attending here in the room.

[Translation]

Pursuant to Standing Order 108(3)(g) and the motion adopted by the committee on Wednesday, May 6, the committee is beginning its review of the management and impact of the benefits delivery modernization program.

[English]

I'd like to remind participants of the following points. Please wait until I recognize you by name before speaking. All comments should be addressed through the chair.

I'd like to remind witnesses that committee members may ask questions in either French or English. If you will need interpretation, please take a moment now to prepare your earpiece and select the listening channel you need, in advance, in order to take full advantage of the time allotted for questions and answers.

I'd like to welcome our witnesses. Again, thank you all for agreeing to come in. It's never easy to bring together so many witnesses all at once.

We have with us, as an individual, Mr. John Ostrander, who is a former business lead, benefits delivery modernization, Department of Employment and Social Development.

From the Department of Employment and Social Development we have with us Brian Hickey, assistant deputy minister, benefits delivery modernization implementation and services design branch; and Cliff Groen, associate deputy minister and chief operating officer for Service Canada.

From the Department of Public Works and Government Services we have with us Joëlle Paquette, acting associate assistant deputy minister.

From the Treasury Board Secretariat we have with us Jody Lobb, executive director, digital investment strategy and oversight, office of the chief information officer.

I believe there will be four sets of opening remarks. You will each have about five minutes. We're going to go in the following order: first, the Department of Employment and Social Development, followed by the Department of Public Works and Government Services, then the Treasury Board, and, Mr. Ostrander, you'll close it out at the end.

Without further ado, I will turn it over to the Department of Employment and Social Development, please, for about five minutes.

Cliff Groen (Associate Deputy Minister and Chief Operating Officer for Service Canada, Department of Employment and Social Development): Thank you very much, Chair.

Good day, everyone.

[Translation]

My name is Cliff Groen. I'm the associate deputy minister of Employment and Social Development Canada and chief operating officer for Service Canada. Old age security, employment insurance and the Canada pension plan are the foundation of Canada's social safety net.

[English]

We have long known that the IT systems supporting these critical benefits were at serious risk of failure. In fact, in 2010, the Office of the Auditor General highlighted the risks posed by aging government IT systems. The benefits delivery modernization program, or BDM, was established to address these risks, replacing aging systems to ensure the secure, reliable delivery of benefits Canadians depend on.

[Translation]

In March 2025, old age security was the first program to be onboarded on the Cúram platform. In 2025-26, the platform delivered approximately \$83 billion to seniors. Today, it issues old age security payments to 7.9 million seniors every month.

[English]

The system has delivered benefits reliably, on time and with no disruption, and exceeds our 95% service standard for payment accuracy. While application volumes are increasing year-over-year due to an aging population, Service Canada is steadfastly committed to improving client service, and has implemented an action plan to reduce processing times and remove barriers for seniors applying for OAS.

As of September 30, 2026, there were approximately 33,000 clients who had not received their first payment within their first month of eligibility, which is a decrease of 60% from the end of January 2026. It is also very important to note, however, that Service Canada has contacted approximately 22,000 of these clients to obtain additional information needed to confirm their entitlement to OAS. This means that there are approximately 11,000 who have not yet been actioned by the department.

• (1535)

[Translation]

The employment insurance program is also onboarding on the Cúram platform. In fall 2025, employment insurance compassionate care benefits for the self-employed migrated to the new platform.

This summer, we also continued with the family caregiver benefits for the self-employed. We're on track to complete the migration of all employment insurance self-employed benefits by spring 2027, and the migration of all employment insurance programs by the end of 2028.

I would also like to take a moment to clearly explain the program costs.

[English]

Large-scale, multi-year projects like the BDM program are inherently complex, which can significantly influence scope, timelines and costs. Not surprisingly, the scope of the program has had to be refined over time, including expanding to include migration of our contact centres to a modern platform.

The BDM program authority is currently \$6.6 billion. This represents an overall multi-year estimated forecast for the entire BDM program through 2031. In addition to OAS, EI and contact centres, this includes work on CPP, which has not yet started. It also includes contingency funding, which has not been required to date. As of June 30, 2026, the program has spent \$2 billion since 2017, and the OAS project was delivered approximately 7% under budget.

The myriad costs needed to be considered could not possibly have been known at the outset. In the largest IT transformation in the history of the Government of Canada, we are doing many things for the first time. Given what we know today and the experience gained from the successful delivery of OAS, I am pleased to confirm that the total cost of the program is expected to be less than the \$6.6-billion forecast.

[Translation]

Lastly, the crucial transformations enabled through the BDM program have been undertaken in a responsible and transparent manner in a series of well-planned and prudent phases within the appropriate budget.

I look forward to your questions.

The Chair: Thank you.

Joëlle Paquette now has the floor for five minutes.

[English]

Joëlle Paquette (Acting Associate Assistant Deputy Minister, Department of Public Works and Government Services):

Good afternoon, Mr. Chair.

Before I begin, I would like to acknowledge that we are gathered on the traditional unceded territory of the Algonquin Anishinabe people.

I am pleased to appear before the committee today to discuss Public Services and Procurement Canada's role in supporting Employment and Social Development Canada in the delivery of the government's benefit delivery modernization program.

As the government's central purchaser, Public Services and Procurement Canada is committed to ensuring all procurements are conducted in a fair and transparent manner while delivering the requirements defined by client departments. Public Services and Procurement Canada is supporting Employment and Social Development Canada by overseeing many of the procurement processes for the benefits delivery modernization program.

[Translation]

I must note that the role of Public Services and Procurement Canada is limited to procurement and contract management, supported by a strong governance structure. The benefits delivery and modernization program planning, cost estimation, system operation, requirement definition and benefit payments are managed by Employment and Social Development Canada. The program and procurements are being delivered in an iterative manner to reduce the risk that Canadians won't receive their benefits.

The total value of contracts awarded by Public Services and Procurement Canada under the program to date is approximately \$1.3 billion plus taxes. This includes core technology, or software and licenses; prototyping; foundation work; system integration for old age security and employment insurance; program transformation; and support and maintenance.

I'll outline the three major projects carried out to date.

● (1540)

[English]

In 2021, following an open competitive process, Public Services and Procurement Canada, on behalf of Employment and Social Development Canada, awarded a competitive contract to the winning bidder, IBM, which proposed its current software as the core technology platform to deliver old age security, employment insurance and Canada pension plan benefits. The current contract value is \$149 million, excluding taxes. IBM provides Canada with software licences, maintenance and support for the Cúram software, specialized technical services and training.

It's important to note that Cúram was designed specifically for government-operated social programs. It is currently being used to deliver more than 900 government social programs for more than 60 million people in nearly two dozen countries.

[Translation]

Public Services and Procurement Canada also launched a call for tenders for information technology professional services in order to configure the software for specific benefits programs and to provide ongoing support. Contracts were awarded to four suppliers. These suppliers were Fujitsu, CGI, Deloitte and Accenture.

[English]

In spring 2022, old age security implementation work was completed between these four suppliers. Deloitte was selected to do this work, and old age security became the first benefit delivered on the Cúram-based software in 2025, with a current cost of \$347.5 million excluding taxes.

[Translation]

At the beginning of 2024, employment insurance was competed between the four system integrators. Accenture was selected to initiate the planning and implementation work in January 2025. The work continues today with a current contract value of \$393.6 million plus taxes. The Canada pension plan is the last major benefit to be onboarded on the Cúram platform with the competitive solicitation planned for 2027.

[English]

Mr. Chair, Public Services and Procurement Canada plays an important role in supporting the benefits delivery modernization program by providing procurement services. We will continue to support Employment and Social Development Canada and other partners with timely and responsive procurement services to enable the delivery of departmental mandates and serve Canadians.

On that note, I'm happy to take any questions you may have.

The Chair: Thank you very much.

Up next, we have Jody Lobb, please.

You have the floor for about five minutes.

Jody Lobb (Executive Director, Digital Investment Strategy & Oversight, Office of the Chief Information Officer, Treasury Board Secretariat):

Thank you, Chair.

Good afternoon.

My name is Jody Lobb. I'm the executive director responsible for digital project oversight within the office of the chief information officer of Canada at TBS. Treasury Board itself, as the cabinet committee, serves as the management board of the Government of Canada, with responsibilities for overseeing the management of major investments.

The secretariat supports the board in carrying out those responsibilities. Within this broader mandate, the office of the chief information officer of Canada provides oversight of major digital and IT projects, bringing an independent perspective to initiatives across government. That includes benefits delivery modernization.

Throughout a project's implementation, we provide independent challenge, advice and risk-based assessments. We look to whether major initiatives are positioned to achieve their intended business outcomes, identify significant risks that could affect delivery, and provide advice where attention or action may be needed.

This role complements, but does not replace, the accountability of departments. Departments remain accountable for the delivery and management of their projects and programs.

Thank you, and with that, I'd be pleased to answer any questions you may have.

The Chair: Thank you very much.

Finally, we'll go to Mr. Ostrander for about five minutes, please.

You have the floor.

John Ostrander (Former Business Lead, Benefits Delivery Modernization, Department of Employment and Social Development, As an Individual): Thank you.

Good afternoon, Chair and members of the committee.

I'm appearing here today in my former capacity as the business lead and technical lead of the BDM program. Thank you for the opportunity to appear before you today and to speak about my time with Employment and Social Development Canada and, in particular, the benefits delivery modernization program.

I joined the program in 2022 as its technical lead and master systems integrator. In January 2024, I was appointed to the position of business lead for benefits delivery modernization, a role I held until January of this year.

Benefits delivery modernization is a multi-billion-dollar transformation of the systems and services that support some of the most important programs in Canada's social safety net: old age security, the Canada pension plan and employment insurance.

My responsibilities spanned both the technical and business dimensions of the transformation. As technical lead, I worked to establish the technical direction and integration model for the replacement of the aging systems with a modern, cloud-based social program management platform, supported by common and repeatable business processes.

As business lead, my mandate broadened to align policy, operations, service delivery and technology around the modernization effort, with accountability for business outcomes, program governance, delivery integration and stakeholder alignment.

The program was never simply an information technology program. Its purpose was to improve how government delivers essential benefits to Canadians: making services more accessible and efficient; strengthening service management; and giving government greater flexibility to respond to policy and program changes. The transformation also encompassed digital services and contact centre modernization.

A hallmark of that work was the successful deployment of old age security to the new platform in March 2025. That milestone demonstrated the program's ability to modernize a critical benefit, while continuing to deliver benefits accurately and on time to 7.9 million citizens. A program of this scale, in consequence, requires disciplined governance, clear decision rights and strong integration across business policy, operations and technology. It also requires a sustained focus on managing risk while maintaining the continuity of benefits on which Canadians depend.

Those principles shaped my approach throughout my time with the program. I was privileged to work alongside talented public servants and partners who were deeply committed to that mission. I remain proud of the work we did together during my tenure, and of the foundation the team established for continuing modernization of benefits delivery in Canada.

I welcome the committee's questions and I will do my best to assist you, based on my responsibilities and experience during my time at ESDC.

Thank you.

• (1545)

The Chair: Thank you very much for the opening statements.

We'll turn to our first round, which will consist of three members for six minutes each.

Ms. Roberts, you'll kick us off first, please. You have the floor for six minutes.

Anna Roberts (King—Vaughan, CPC): Thank you, Mr. Chair.

Thank you to the witnesses. You've enlightened us with your information.

I'm going to start with Mr. Ostrander.

You served as technical lead for benefits-delivered modernization before becoming business lead. A letter from a Service Canada employee, which was recently brought to my attention, alleges that employees and testers identified numerous problems with Cúram before the OAS rollout and believed the system was not ready but the rollout proceeded anyway.

At the time OAS was moved into Cúram, were you personally satisfied that the system was ready, yes or no?

John Ostrander: Yes, 100%.

Anna Roberts: Did you or anyone on your team recommend delaying the rollout because of technical or operational concerns?

John Ostrander: The rollout went ahead in March. It was previously scheduled for November. In November, I did not proceed because we still had some challenges, but when we went live in March, that system worked, and it did exactly what it was supposed to do.

Anna Roberts: The employee also alleged that frontline OAS employees did not feel that their concerns were being heard and that the employees had identified problems and potential improvements were not being acted upon. During your time as leading BDM, were significant concerns or recommendations from employees or technical staff raised with senior management that were ultimately not acted upon?

John Ostrander: I believe, Mr. Chair, that all concerns from all employees were acted upon, based on the severity of what was being reported. I think what's important and that everyone should understand is that we were asking our staff to learn how to use a new system in a new context, and everything they knew about how to operate OAS in the old system really had to be forgotten.

We had planned for a very extensive learning curve. That learning curve was planned to be between nine and 12 months before people that were processing in the system became completely competent in how to administer the benefits. We invested heavily in tools to support users in the moment. We—

Anna Roberts: I'm sorry. I don't mean to cut you off, but my time is limited.

I'm understanding, then, that your department was ready to go.

Am I correct in saying that in your testimony today all significant concerns raised by employees and technical staff regarding the OAS rollout were adequately addressed before implementation? Is that how I understand that?

• (1550)

John Ostrander: OAS was ready to be deployed in March 2025 and pay all senior citizens accurately and on time, which it did.

Anna Roberts: Okay.

My next questions are going to be for Mr. Hickey.

The department's response to my Order Paper question Q-1394 identified 413 Cúram defects between January and July 2026, including 92 at severity level 2. Did any of those defects cause or contribute to delays in processing OAS benefits, yes or no?

Brian Hickey (Assistant Deputy Minister, Benefits Delivery Modernization Implementation and Service Design Branch, Department of Employment and Social Development): I'm sorry. Can you repeat the question? I'm curious as to which Order Paper question—

Anna Roberts: I have the Order Paper question.

The Chair: Ms. Roberts, just so you know, I've paused the time for you so you won't lose your time. Go ahead and repeat the question.

Anna Roberts: My Order Paper question Q-1394 identified that there were severe defects. Did any of those defects cause or contribute to delays in processing OAS benefits, yes or no?

Brian Hickey: No.

Anna Roberts: Then what specifically caused so many OAS clients to be put into pay outside of the service standard? I think it was mentioned earlier that there were 11,000 still pending.

Cliff Groen: Thank you, Ms. Roberts. I'll be pleased to answer the question. As the head of service standards, I think I'm best positioned to answer that question.

I think it's important to understand there are 7.9 million Canadians who receive the old age security benefit, and they receive it accurately and on time every month. When you are delivering benefits and services and being responsible for service standards and the millions upon millions of Canadians that we serve every year, unfortunately there are situations where someone might not receive their benefit on time.

There's a myriad of different reasons why that might occur. Sometimes there is information that is not being provided. That limits our ability to be able to determine someone's eligibility for benefits. As I indicated in my opening remarks, currently within the inventory of those who have not received their payment within the first month of entitlement, about two-thirds of them are clients who we have followed up with, and we are waiting to obtain additional information back from them. That is an example.

Anna Roberts: Let me ask you something, because this was a huge project; there's no doubt about it. We all agree on that.

Was there a pilot project done prior to implementing it across the country? For example, would you have taken a smaller province

and tried to iron out any of the issues before implementing it across the entire country?

Cliff Groen: Yes. In implementing OAS, it was a multiphase approach.

We first implemented OAS under the current system for foreign beneficiaries. There are about, I believe, 600,000 clients who receive old age security as foreign beneficiaries. We implemented the first release for OAS on Cúram back in—I want to make sure I have the year right—2023 as part of the phased approach to make sure that, as we went live, it was within a manageable context.

When that was successfully deployed, a year and a half later is when we went live with OAS across the board for all the clients within the....

Anna Roberts: I ask the question because I've had numerous calls in my constituency about the delays. For one particular individual, it was a nine-month delay.

I'm sure you are aware that seniors can't wait nine months. The affordability crisis has not allowed them the luxury of being able to wait for their OAS payments.

The Chair: Thank you.

That's the time, Ms. Roberts.

I'll allow a response if you have one. If not, I'll move on.

Cliff Groen: Absolutely. Paying Canadians on time is fundamentally important. That's why, at different appearances, both the minister and I have committed to addressing any urgent needs, and we closely track responses to different parliamentary questions. We've reported on the average processing time for urgent needs, and I believe that, in the material we've provided, the average processing time is four days once we are made aware of an urgent requirement.

The Chair: Thank you.

Ms. Roberts, I will come back to you on these questions.

I'll turn now to Mr. McKinnon.

You have the floor for six minutes, please.

Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Thank you, Chair.

In my former life, I was a data processing guy. I spent 35 years in software development and implementation, so I know how things can go sideways really quickly from when it starts to when it finishes.

I'm interested in behind the scenes, the nuts and bolts of how this happened. This project was started for OAS in 2017. It was ready to get started in 2023, and it was finally implemented in 2026, I guess.

What were the major stumbling blocks to overcome in that period? I'm interested, and I'm wondering if you had to upgrade substantial amounts of hardware. I think training was mentioned as one of the other things that took time but, in terms of implementation and development, what were the major undertakings that had to be accomplished?

• (1555)

John Ostrander: I'll start with that. I wasn't around for the 2017 to 2022 period, so I'll speak about from 2022 on.

I would say we had three major challenges that we had to overcome, and I think you'll appreciate these.

First was data. We had a system where the data was unstructured. It needed to be moved into Cúram, which is a system that requires more structured data. Data quality and integrity was probably our biggest challenge, and that was where we spent the majority of our time in testing and payment validation exercises.

Second, we were unravelling over 65 years of business rules that were layered on and layered on a very old, antiquated system. We had to decompose every business rule. We had to rewrite them into Cúram, and we had to test them with the data that we had available. That would have been the second challenge.

Third, I think you can appreciate that, as we undertake anything like this—and to the prior questions—there's a lot of change management. We spent a lot of time understanding and assessing not just the change for citizens—because that was to be transparent, and it was—it was really the change for our colleagues who every day process benefits on behalf of citizens. We were asking them to really forget everything they knew about how the old system worked and get used to working in a new system in a new context. That took a fair bit of work, which is why we made investments in other technologies to help them in the moment when they were sitting in front of a console and having to make a decision around a benefit.

I would say data, rules and change management, sir.

Ron McKinnon: The current system comes with a large amount of functionality built in that is oriented toward this kind of thing, but then you have to customize it for the Canadian circumstance, and then there's a lot of data conversion.

Is that what I'm hearing?

John Ostrander: I would say “configure,” sir, before “customize.”

One of our principles was not to customize. That drives us into a lot more technical debt in the future. We configured Cúram to the OAS rules, and once that was done, we then had to test every rule against all the data that we had. It took a significant amount of time to get it right.

Ron McKinnon: The conveyance of the data from the old system into the new system would have taken a substantial amount of development, I should think.

John Ostrander: It took years of development, sir.

Ron McKinnon: This is spoken about in my notes as a cloud system. I come from the days of Fortran, so the cloud is sort of blurry to me.

What exactly does that mean? Where are these data located? Did you have to buy a lot of new hardware? It's all located in Canada, I'm hoping.

John Ostrander: Yes. The infrastructure that we are now running OAS on is on the Azure cloud. It is all in Canada. It is in Azure data centres. Our data never leaves the country. Our data is encrypted at rest and in transit.

As part of the deployment to the cloud, our colleagues at SSC and the security establishment created a classification for security called high-value assets, where we had to implement a very strict protocol around the system controls, including the data. We did not have to buy any infrastructure. We simply consumed cloud as the infrastructure. Think of it as infrastructure as a service. In fact, by moving off the on-premise mainframe environment, we'll be able to decommission that and not have to pay the ongoing maintenance and support charges.

• (1600)

Ron McKinnon: I understand the other systems such as EI are under development still. Would you consider the OAS implementation essentially stable and good to go for the long term?

Cliff Groen: I will answer that question, given that it's about the current state of the system.

The OAS system that runs on the Cúram platform is stable. For technologies of this size and scope, as committee members will be aware, there are always regular updates that happen with all software; that's the nature of software.

Absolutely, OAS on the Cúram system is in a stable period now, and we are continuing with the implementation of the EI program.

Ron McKinnon: Thank you, Mr. Chair.

The Chair: That's your time.

Thank you very much.

[Translation]

Next up is Mr. Blanchette-Joncas.

You have the floor for six minutes.

Maxime Blanchette-Joncas (Rimouski-Neigette—Mitis—Matapédia—Les Basques, BQ): Thank you, Mr. Chair.

I would like to extend my greetings to the witnesses here today.

Mr. Groen, in your opening remarks, you said that the Cúram program had been implemented and onboarded within the appropriate budget. What amount was initially allocated?

Cliff Groen: For the old age security project—

Maxime Blanchette-Joncas: For the Cúram project, what was the initial budget?

Cliff Groen: Sorry. If you're referring to the old age security project with Cúram, that project had a budget of \$674 million. We carried out this project at a total cost of \$627 million.

If you're referring to the benefits delivery modernization—or BDM—program as a whole, I find it necessary to understand that this isn't just about Cúram. Cúram, yes, is the platform that will help administer the programs. However, many other aspects of the BDM program involve many different projects, including projects related to call centres.

The total estimated cost of the benefits delivery modernization program is \$6.6 billion.

Maxime Blanchette-Joncas: I would like to verify a piece of information. A memo addressed to the minister of citizens' services, dated September 20, 2023, states that the budget for the benefits delivery modernization program was \$2.2 billion in December 2020. This figure included old age security, employment insurance and the Canada pension plan.

So, who is telling the truth today? You're telling me that it should cost \$6.6 billion. As of the December 2020 budget, it was \$2.2 billion. What was the initial budget allocated for the services that I just brought up?

Cliff Groen: When implementing this type of major program that combines many different projects, the cost assessment is a normal and ongoing part of the process. When the BDM program first began in 2017, an initial forecast was made. Over the years, and as a result of the budget decisions made between 2017 and now, these costs have evolved. Based on the 2023 memo that you're referring to—I don't have that memo in front of me—I imagine that it was the budget authorization at that time, in 2023.

Maxime Blanchette-Joncas: Okay.

You're saying that it's normal and common for a cost estimate to go from 2.2 billion to 6.6 billion. If we do the math, that's a 200% increase. In your view, it's normal and common for an information technology program's initial estimate to run over budget by 200%. So your contingency fund was a 200% cost overrun. Is that what you're saying today?

Cliff Groen: No, that's not what I'm saying. I think that one of our issues lies in the perception of the benefits delivery modernization program. People think that, in 2017 or 2019, there was a clear understanding and estimate of all the costs. Yet when the programs in question are 50 or 60 years old, clearly it would have been impossible in 2017 or 2019 to truly know how much these programs would cost in total. In addition, the scope of the benefits delivery modernization program has evolved. For example, the migration of call centres wasn't part of the program at first.

Maxime Blanchette-Joncas: Okay.

I can't seem to understand a response provided to the parliamentary budget officer by the following departments, which are Employment and Social Development Canada and the Treasury Board Secretariat. They estimated the cost at \$2.2 billion. Now you're telling me that, no, that isn't right, it was \$6.6 billion from the start.

Someone's getting their figures mixed up. Either you haven't been telling us the truth from the start, or you don't want to admit that this ultimately amounts to a massive cost overrun, from 2.2 billion to 6.6 billion. How did you end up telling the minister of citizens' services in 2023 that it was 2.2 billion? Now, today, October 5, 2026, you're telling us that it was ultimately \$6.6 billion.

• (1605)

Cliff Groen: With all due respect, I never said that we always thought that the cost would be \$6.6 billion. In 2017 and then in 2019, and in other budget decisions, we knew that the costs would evolve and change. I never said that it was \$6.6 billion from the start.

Maxime Blanchette-Joncas: What I'm saying today is public. The first question that I asked you was about the initial cost. You said that it was 6.6 billion. Yes or no?

Cliff Groen: As far as I can remember, no. If I had said that it was 6.6 billion—

Maxime Blanchette-Joncas: Okay. We'll play today's recording for you again, and we'll invite you back. Something isn't right here. Either you misunderstood, or you don't want to give us the exact figures. I'm trying to figure this out.

You'll be migrating the employment insurance program. What specific indicators will you use to measure whether it's working? Is there any success? What indicators will you use to measure the migration of the employment insurance program?

Cliff Groen: First, I would like to address the last point. You seem to think that I said that the cost was \$6.6 billion. I'm certain that I never said that. I have participated in a number of parliamentary committee meetings. In my testimony at those meetings, I clearly pointed out that, yes, indeed, the cost estimate had increased quite significantly.

When it comes to employment insurance, I'm really glad that you asked me this question. As I said in my opening remarks, two types of employment insurance benefits are now on the new Cúram system, including benefits for the self-employed. For employment insurance, we'll be implementing more than 10 systems to ensure that everything will run smoothly. At this time, few clients receive benefits for the self-employed each year. That's why we started with these types of benefits, given the small number of recipients. We'll then assess how the system is working for the current clients to ensure that we're ready to move on to the next phase of this program.

The Chair: Thank you.

Maxime Blanchette-Joncas: Mr. Chair, is it possible to suspend the committee meeting so that the witnesses can listen again to what was said?

The Chair: We'll continue. We'll decide at a later time whether it wasn't clearly understood or explained, or whether something more serious occurred. For now, we'll continue, because we have only two hours. There isn't really a way to check this quickly.

[English]

We will now begin our second round, which will consist of five members with various times.

Ms. Goodridge, you will kick us off for five minutes, please.

Laila Goodridge (Fort McMurray—Cold Lake, CPC): Thank you, Mr. Chair.

It's lovely to see you again, Mr. Groen. This is becoming all too common, but I think it's safe to say that after the number of months we've had meetings on this, while it may have met the expectation of ESDC, I think this rollout did not meet the expectation of many Canadians. The frustration felt by the people who are stuck waiting is very real. In most of our offices right across Canada, we hear on a regular basis from individuals who are stuck in that space where their benefits are not being paid out in a timely manner. They're already waiting 180 days to get paid.

We last met in March, over nine months ago. How many cases are being dealt with every single month by ESDC to try to catch up on the backlog?

• (1610)

Cliff Groen: Thank you very much for the question.

I would first express that I would not fully agree with the notion that we are not meeting the expectations of the majority of Canadians in that 7.9 million Canadians have received, and continue to receive, their OAS on time every month. We know that we did—I've appeared before this committee and other parliamentary committees on this in the past—about 85,000 back in January who were beyond the first month of entitlement. We know that paying on time matters to Canadians.

That's why I'm pleased to report that we are down to 11,000 clients we've not followed up with and still need to address. We are working hard on addressing those. That's why we have seen that steady decline since January until today.

Laila Goodridge: In January we were sitting at 80,000. At the end of March, we were sitting at just over 50,000. We're still at 11,000, so 11,000 Canadians still haven't been paid the money they are entitled to. You're sitting here saying it is an overwhelming success. To those 11,000 Canadians, that is a failure. The fact that the answer keeps being that this is an overwhelming success is a problem.

We continually have people who fall into this space where they're not getting paid on time. They try contacting Service Canada and they get a runaround. If they are lucky, they might eventually get into whatever queue and get treated fairly quickly and get their payments. But it's not a simple process. Those people who are trying to get paid have often been waiting for quite a while.

What work is being done by ESDC to make sure that 11,000 goes down to zero?

Cliff Groen: I would love to be able to make a commitment that it would be zero. Unfortunately, the reality of delivering very, very, very large programs and services is that it will never be zero.

There are reasons that our service standards, which have long been reported to government and long been reported to the Office of the Auditor General, are never 100%. Individual circumstances can be very complex. Our service standard for paying old age security clients is to pay 90% of clients within the first month of entitlement. That is an important standard that we strive to meet. It's very important to us. That service standard has existed for decades. What it does mean, however, is that 10% will—

Laila Goodridge: I appreciate that. You guys accept that you can have a 10% failure rate. To most people, that might sound okay. What specific actions have been taken by ESDC to make sure that those people who are stuck, who are not getting paid, are actually being triaged so that they can get paid as quickly as possible, and that people who are in extreme financial duress are actually getting triaged through? We're not seeing that.

Cliff Groen: That is why we implemented the action plan. Back in January it was too high. There were too many Canadians waiting too long. That's why we implemented—

Laila Goodridge: When it comes to the number of people who are waiting in a queue to get the money they're entitled to, what number is acceptable to ESDC?

Cliff Groen: As I was trying to express, we have implemented the action plan. I'm pleased to report that for urgent cases, the average processing time in January was 5.2 days. In July it was 4.3 days.

Laila Goodridge: Okay. What's the longest processing time for the people who are needing urgent pay?

Cliff Groen: In those situations, it is very difficult to give you an exact—

Laila Goodridge: You gave me an exact number for your average, so you should be able to give the extreme on the one side and the extreme on the other. I'm assuming, based on math, that some are taking 14 days and some might be taking one day. What are the extremes on both sides?

Cliff Groen: I have the median data. The median data is two days.

I think it's very important for this committee to have an understanding that the delivery of benefits can be very complex. We need information from Canadians in order to be able to determine their entitlement. In the absence of that information, sometimes we cannot make a decision until we get that information, and that is absolutely critical.

The Chair: I'm afraid that is your time, Ms. Goodridge. You are welcome to pick this up again.

I'll remind you as well that you're more than free to ask the witnesses to provide any information they may not have with them here, and they'll have a few weeks to get back to us.

• (1615)

[Translation]

Mr. Gobeil, you have the floor for five minutes.

Daniel Gobeil (Chicoutimi—Le Fjord, Lib.): Thank you, Mr. Chair.

I would like to thank all the witnesses.

Mr. Groen, you spoke about a timeline for the rollout. We know that this is, after all, a major project for Canada. In terms of the timeline for completing the work, where do things stand today? What milestones have we reached, and what do we still need to do to complete the various tasks?

Cliff Groen: Great. Thank you for the question.

As I said, the migration of old age security to the new platform is 100% complete. It's up and running, and all recipients are receiving their benefits through this new platform.

The next major step for the benefits delivery modernization program is to implement employment insurance on this platform. We've already launched two types of benefits. We'll then roll out about ten other types of benefits on the new platform by 2028. This will be implemented.

Another key component of this program is the modernization of our call centres. We have 14 call centres at Service Canada that need to migrate to this new platform. We currently have three of these call centres on the new platform. The remaining 11 will be migrated by 2028.

Daniel Gobeil: There were nevertheless many concerns about costs. We know that, for a project of this scale involving software, including some dating back more than 60 years, the task was difficult.

Perhaps my question is for other witnesses. Are any governance or oversight mechanisms in place specifically to ensure compliance with the schedule for deliverables and adherence to budgets? We're talking about a project that reportedly costs around \$6.6 billion. Have any measures been added to your procedures?

Cliff Groen: Yes, absolutely. A project of this magnitude, which will cost billions of dollars, absolutely must have strong governance and multi-faceted and complex oversight. To that end, we're working closely with the secretary of the Treasury Board of Canada, with Public Services and Procurement Canada and with the Office of the Auditor General. The Office of the Auditor General has already audited the program, and we're working with that office. We also have a team of internal auditors working on this project to ensure good governance and timely delivery of the project within the budget.

Daniel Gobeil: Good.

Ms. Lobb, we've been discussing cost oversight. In your role, when you carry out monitoring, what steps are taken to alert managers and the government about costs? What might happen with a project of this nature, which could exceed its budget and incur new expenses?

[English]

Jody Lobb: The oversight that we do over projects is not specifically around costs. We are looking at the key indicators of the ability to achieve business outcomes.

It's been touched upon by my colleagues, but I'll reiterate that BDM, benefits delivery modernization, is a massive program of change, so it's not simply one project. Multiple projects have been happening in tandem since 2017, and I think that right now it's scheduled for full completion in 2031.

Within that space, we definitely are watching the cost management reported by the project, as well as the program governance and schedule management. We're also looking more specifically at how they're managing risks and issues through the system, how their governance is working and the attention that they're paying. These are the indicators we're looking at overall, I would say.

[Translation]

Daniel Gobeil: Thank you.

The Chair: Thank you.

Mr. Blanchette-Joncas, you have the floor for two and a half minutes.

• (1620)

Andréanne Larouche (Shefford, BQ): Mr. Chair, I'll take the floor on behalf of my colleague for the second round of questions.

Mr. Groen, the government finally admitted for the first time that the Cúram software has had a negative impact on seniors. As of June, more than 40,000 seniors were still facing delays resulting from the Cúram system. These figures come from the responses to our Order Paper questions. The number of seniors still dealing with Cúram-related issues is now reportedly 33,000.

How many cases still require manual intervention to ensure proper payment?

Cliff Groen: The old age security program is quite complex. Perhaps people who don't really understand old age security might think it's fairly simple, that if someone is 65, it's easy enough, and the benefits can just be sent out. In fact, it's actually very complex because eligibility for the program depends on the number of years a person has lived in Canada. In addition, we have more than 50 international agreements with other countries that can affect eligibility for this program.

It would be great if we could automate the entire process of delivering these benefits, but that's not possible because the benefits are quite complex. As a result, many of the factors we use to determine eligibility for benefits currently require manual intervention, and they always will. This isn't a Cúram issue; it's the reality of this benefit.

Andréanne Larouche: We have also heard that the public curator of Quebec, who safeguards the interests of incapacitated individuals, has highlighted the problems people face in obtaining benefits. However, neither the government nor you have ever admitted that there are problems with the system. How do you explain that?

Why did you emphasize that the program had only minor problems? Incapacitated seniors who didn't receive the money they were owed—I don't call that a minor problem, and I don't call it a success story. What is your response? Why did you downplay the impact?

Cliff Groen: I think it's very important not to think that we don't take the late payment of benefits very seriously. In this committee, we have never said that it wasn't important. One senior who has to wait too long is one senior too many. It's absolutely important.

Andréanne Larouche: How many seniors fall under the jurisdiction of the public curator?

Cliff Groen: I don't have that number, but we can get it. However, as far as I'm concerned, it's absolutely essential to make sure that everyone can receive the benefit as soon as possible.

Andréanne Larouche: We would like to have those figures broken down by province and in Quebec under the public curator to see how many seniors are affected across Canada.

Thank you.

The Chair: Thank you very much.

[English]

Mr. Falk, you have the floor for five minutes, please.

Ted Falk (Provencher, CPC): Thank you, Mr. Chair.

Thank you to our witnesses here today.

Mr. Groen, I'd like to begin with you.

I thought I understood that, in your opening comments, you said your service standard level was 95%, but about five minutes ago I heard 90%. To clarify, is it 90% or 95%?

Cliff Groen: For the payment accuracy rate, which I referenced in my opening remarks, the standard is 95%, but for payment of benefits, to pay an individual within their first month of entitlement, that is 90%.

Ted Falk: Where do those standards targets come from?

Cliff Groen: Government of Canada service standards are developed in a number of different ways. For old age security, the 90% service standard.... I've been involved in the program in some way, more or less, over the last 20 years, and for at least 20 years the 90% service standard has been in place.

Service standards, generally, as dictated by Treasury Board Secretariat policy, are based on an analysis of the ability to meet the service standard and what the service expectations of Canadians are, as well.

Ted Falk: A lot of fast food restaurants have 100% targets. What would be wrong with a 100% target?

Cliff Groen: I think the challenge is it would be a target we could never achieve. The delivery of benefits—

Ted Falk: That's not the point. The point is to have a target of 100%. I don't think fast food restaurants expect 100% either, but that's their target.

Cliff Groen: Our objective is to pay every single Canadian within their first month of entitlement for OAS or within 28 days for EI. That is absolutely what our objective is.

However, I think it is important to understand what a service standard is. The service standard, as dictated by Treasury Board policy, not only needs to reflect the needs of Canadians but also needs to, as per the policy and based on consultation that Treasury Board conducted when it developed the policy, be achievable. When you are setting forward a service standard, it is really important that clients have an understanding of what type of service they can expect. That is also why the service standard is different from our objective.

Would we like to pay every single Canadian on time within their first month of entitlement? For sure, that is what we would like to be able to achieve.

• (1625)

Ted Falk: I have another question on OAS.

I heard from one of my constituents that they received a T4 at the end of last year, but they didn't recall ever receiving any payments. Would that have been possible?

Laila Goodridge: I have one of those too.

Cliff Groen: The generation of a T4 is based on someone's having received a payment. The data that we use to populate a T4 comes from the system that makes payments. If there is some situation where a client—and this does happen at times as well—may have a misunderstanding of some type of payment, because a lot of Canadians receive different payments from different levels of government, they might not know.

If anyone has any questions about their T4 or about whether it's accurate, we would want them to contact us, and we would be happy to be able to clarify something. However, it would not be possible for a T4 to be issued if a payment had not been issued, because those two systems are interconnected.

Ted Falk: Okay, so the payment.... It's as though a payment should have gone out and didn't go out, but the T4 still went out.

Cliff Groen: I can't imagine that would be the situation. Again, when dealing with nearly eight million clients, I'm very, very hesitant to say "never" and provide absolutes. I would love to have that specific information, and we would be very happy to look into that.

Ted Falk: Thank you.

Ms. Paquette, you talked about the IT contractors you retained to do some of the work. Your four large ones all received their tender award based on a competitive bid process. How many sole-source contractors did you use throughout this process?

Joëlle Paquette: They actually all competed to obtain their initial contract. Then we do some small contracts that we actually move around to all four suppliers for some initial planning or to understand the business. Those will be identified as direct contracts. However, they were suppliers that competed. They competed to be a system integrator on the BDM.

Ted Falk: They would have actually done work as one of the competitive contractors that was successful.

Joëlle Paquette: We did an ITQ. We had six suppliers that showed interest, and we ended up negotiating contracts with four of them. Then, when we actually went for the OAS and the EI, we competed both of those amongst the four system integrators. One went to Deloitte; the other went to Accenture. However, there is some work that is being done in between those for planning. That is not necessarily competed on by the four, but we make sure that we rotate and provide similar allocation to all four.

This was identified as being an allowable item to do within the system integrators.

The Chair: Thank you. That is your time. It's up already; time flies. You're well over, and we'll come back to you again, Mr. Falk.

Ms. Yip, you have the floor for five minutes, please.

Jean Yip (Scarborough—Agincourt, Lib.): Thank you.

Thank you to the witnesses for coming. Modernization of IT infrastructure is a huge job, so thank you for your efforts.

Mr. Groen, you mentioned that approximately 22,000 people had to be contacted for additional information. What kind of information was missing?

Cliff Groen: There's a myriad of different types of information that could be missing. One of the most typical is about years of residency, because your eligibility for OAS is absolutely dependent on.... Actually, we say years, but it's not even years. It's actually months of residency in Canada over the course of 40 years. Very often, unfortunately, when we receive applications, there's information that is incomplete. There are certain years that are not provided, or there are certain periods that aren't clear, so we need to go back to the client to confirm their years of residency in order to be able to make sure that they receive their full entitlement to benefits.

That's one example, but there's a myriad of other different pieces as well. Sometimes it's marital status. If the marital status is not clear—because that can have an impact on eligibility for OAS as well as for GIS—that's another example of the type of information we need.

• (1630)

Jean Yip: How will the accuracy of information be improved to streamline the process and improve services?

Cliff Groen: The accurate payment of benefits is fundamentally important. Given the size of the programs—EI, OAS, and CPP combined pay over \$160 billion a year every year to Canadians—it's an essential part of our social safety net. Making sure that those payments are accurate is fundamentally important. That's why we have a program in place in which we are actively monitoring, and the Auditor General uses our ongoing monitoring to ensure that we are making those payments accurate. Through the implementation of the new system, we have better use of data matching that is able to ensure payment accuracy as well as greater automation of different tasks, which reduces the risk of human error as well.

Jean Yip: Is there a significant risk that ESDC's migration of the OAS, CPP and EI programs to the new cloud platform could be further delayed?

Cliff Groen: Sure. OAS has been completed, so there's no risk related to OAS because it has been deployed and implemented. EI currently remains fully on track. We have implemented two of the benefits onto the new platform, and we have very much a phased release, and we are tracking that very closely. Right now it is fully on track. For CPP, there has not been a final decision or budget allocation related to the implementation of CPP, so that decision is still pending, and that could impact the overall timelines.

I would love to say that all the rest of the project will be fully delivered 100% on time; however, with projects of this scale and magnitude, it would be foolhardy at this point to state that. Absolutely, the two projects that are under right now, EI and the contact centre modernization program, are currently 100% on track.

Jean Yip: We hear a lot about the privacy of data and other risks with cloud platforms. What security controls are being assessed?

Cliff Groen: I'll turn to my colleague Mr. Ostrander.

John Ostrander: In order to get what they call authority to operate in the Government of Canada, which means we can bring a system live, there's a series of controls that we must adhere to, and we must provide evidence that we have adhered to them. They're called high-value asset controls in addition to our regular controls for any computing environment. That is the standard by which we are held before we receive what is called authority to operate.

Jean Yip: Once implemented, how often will the department assess the risks and controls associated with this new cloud platform?

John Ostrander: I'm no longer here, but I would tell you that it's an ongoing process in any IT environment. We are always testing our security controls. We're testing for cyber. We do ongoing penetration testing to make sure that the bad guys can't get in. We often look at all of our defences to make sure that all of our controls are operating as they should. I would say it's not a check mark in a box; it is an ongoing process that we are required to adhere to. That's not just a government standard; I think that's a standard across the industry for cloud computing.

Jean Yip: Mr. Groen, what is the potential impact of using AI on these types of IT projects? Will it help with better cost estimates and timelines?

Cliff Groen: I would with Mr. Ostrander first because he's familiar with those pieces, but then maybe I'll close on that one.

John Ostrander: I think there are things that we can do with AI today that we couldn't have done two years ago that we would have liked to have done. AI is advancing very, very quickly. Could we use AI to potentially help us write business rules more quickly to reduce our costs? Yes, possibly. Again, with anything we do to deploy AI in the development side, we still have to make sure that we're not introducing bias or hallucinations into models and that we're interpreting the rules correctly.

I would say that there is a lot of opportunity but, like with anything, we would have to approach that with caution. I think industry has come a long way in terms of their maturity around using AI models. We would look at those cautiously before we were ever going to accept to let AI write our code for our most important statutory benefit. There are some who would say, "Well, you should, because it will make it go faster and be cheaper." I would ask, "Maybe, but do you really want to jeopardize the integrity and accuracy of the system?" That is why we do the rigour and the testing that we do. Yes, there's opportunity, but with caution.

• (1635)

The Chair: Thank you.

I'll have to cut it off there, but I'm sure that question will come back. We're well over.

Ms. Yip, we'll be back to you in a few rounds.

We will begin our third round. Five members will have various times.

Again, Ms. Roberts, kick us off, please.

Anna Roberts: Thank you, Mr. Chair.

Mr. Groen, the AG projected a \$6.6-billion budget for 2031. Is that accurate, yes or no?

Cliff Groen: It is not accurate that the OAG projected it. The \$6.6 billion is what the program authority for BDM has. The OAG would be aware of that, because we have provided them with that information. The OAG is not the one who developed that projection.

Anna Roberts: Okay.

On February 9 the Secretary of State for Seniors told the House that the OAS modernization was complete. She also defended the system in the House while concerns were being raised about OAS delays.

Mr. Groen, at the time the Secretary of State was making those statements, had your department briefed her, or her office, on the number of seniors whose OAS applications were outside the service standard, yes or no?

Cliff Groen: We certainly briefed our ministers and secretary of state. Certainly, I remember that this past late winter and spring there were briefings I did with the minister and the secretary of state.

Anna Roberts: I'll go back to my previous questions from the last round. If I'm correct in understanding your testimony today, all significant concerns raised by employees and technical staff regarding the OAS rollout were adequately addressed before implementation.

You received numerous concerns from Service Canada employees. Were the technical issues with the system...? Did they have a toll on their mental health? They believed their concerns were not being heard. Employees had identified numerous problems and potential improvements that were not being acted upon. The overtime was astronomical, in excess, I believe, of over \$10 million. Is that accurate?

Cliff Groen: Regarding your first question, about whether the technical issues were adequately addressed, I think the evidence is in the fact that 7.9 million Canadians receive the benefit accurately and on time every month. I think that is absolutely critical.

As Mr. Ostrander indicated, however, certainly change management was a huge and complex piece. I think it's important to understand our workforce within Service Canada and old age security. The system is 65-plus years old. Many of our officers who work on the system have been working in the program for 25 or 30 years.

Anna Roberts: I'm going to be totally transparent here. I've received, and my colleagues have received, numerous letters anonymously from employees. I'm just trying to get a picture of what we've done to ensure the mental health of the employees who are responsible for making these transactions. At the end of the day, if we don't have employees, it's just going to get delayed even further.

Cliff Groen: One hundred per cent; as I was trying to explain, the type of change involved in moving from a system that you've worked in for 20 or more years, in largely an MS-DOS program with green screens—people who worked in computers maybe 30 years ago might remember that—to a true Windows-based platform, which is modern, is enormous if you've been doing that same job for 30-plus years. It has been a struggle for some employees.

You've asked about the types of tools we have put in place for our employees. We have different tools that we have implemented. We have a constant feedback channel. We have a new agent assistance tool that has also been implemented. We've implemented peer coaches. We have implemented a variety of pieces to be able to help our officers be able to deliver.

Anna Roberts: I don't mean to be rude and cut you off, but my time is limited. This is what concerns me, because we continue to get these letters.

My next question is for Mr. Hickey.

CPP is also expected to transition under this program. Given what was experienced by seniors during the OAS transition, can you assure this committee that CPP will not be migrated until the department can demonstrate that senior pension payments will not be put at risk?

• (1640)

Brian Hickey: As my colleagues have said, I don't think we would ever implement something that would knowingly put the payments at risk.

Anna Roberts: We still have 11,000 people who haven't received it. As my colleague said earlier, restaurants strive for 100%, but yet your standard is 90%. Seniors who call my office are upset that they haven't received their payments. I understand that they're reporting them or whatever, but we still have 11,000 people in this country who are waiting for payments. We can't continue on with this process if we can't produce the total acceptance of 100%.

Brian Hickey: I would also like to clarify that the 11,000 people are not the same group of people who may have been waiting six months ago—not that it matters, because there are still people waiting. There is flow in that number of clients. Those 11,000 people are not necessarily the same ones who have been waiting since January.

To your other question, I think we've invested significantly to try to make sure that these problems are avoided down the road, and I'll give you an example. After BDM was completed on OAS, there was work done around establishing lessons learned and what we could do better. Some of those takeaways are being applied now in the change management practices for call centres. The three call centres have gone very well.

On CPP, I'd like to also say that this project has not received funding authority to date, so we have not had the time to do what we traditionally do, which is set up the planning exercises and discovery to see exactly what we're dealing with. Obviously we're led by the end-users, Canadians, in trying to make sure we have a system that works for them and is intuitive—

Anna Roberts: Can you explain to the seniors—

The Chair: Ms. Roberts, I'm going to have to cut you off. Your time is well over.

Just so new members know, once your time is up, I do allow the witnesses to give an answer. I never like to have a member ask a question that's not answered, but you are well over. I do see that you're back again for the final round, so we'll come back to you shortly.

We'll turn now to Ms. Tesser Derksen.

You have the floor for five minutes, please.

Kristina Tesser Derksen (Milton East—Halton Hills South, Lib.): Thank you so much, Mr. Chair.

I have a question for Mr. Groen. This question comes out of my surfing the web, so have caution.

I came across a response to an article that was written by John Ivison in the National Post. Do you remember this? It was from November 2023. The title of the article is “How is Ottawa's biggest IT job going?”. It was in reference to this.

In your response, you set the record straight on a few things that Mr. Ivison had written. You also noted, and I'm going to quote you here:

The government is using extensive research, best practices and lessons learned from similar transformations in both the private and public sectors of Canadian provinces, the U.K., Australia and the U.S.

The government is managing BDM in this way because we have learned the lessons of less successful IT-enabled transformations, such as the Phoenix pay system.

I know this committee talked about Phoenix quite a bit before I was elected. I don't want to cause any PTSD for my fellow members, but I do want to ask a little bit about specific lessons that were learned.

Could you pull out two or three pitfalls that happened through the Phoenix experience that you've been able to avoid or that you were able to anticipate with the BDM?

Cliff Groen: I certainly do remember Mr. Ivison's article and the response that I provided to it back in 2023.

I think it's important to remember that back in 2023, other than the partial implementation of the first phase of release for OAS, we had not implemented BDM at all. Three years later, we have now implemented OAS onto the new platform, and 7.9 million Canadians are receiving their payments accurately and on time. I think that's a testament that the implementation of our program of work has been successful.

I can't count the number of times I was asked, prior to implementing OAS, what I was doing to ensure that we would not Phoenix—it became a verb—seniors. Yes, not paying public servants on time is an important issue, but not paying 7.9 million seniors on time is a way more significant issue.

There were a number of lessons learned, but there are two that I would really flag. The first is about the importance of phased releases. That is absolutely fundamental in being able to successfully implement a program and project of this size. Given the nature of the program, we did have three phased releases for OAS. Through EI and through CPP, we're going to be able to have many more. For EI, there are going to be 12 to 15 different distinct releases to really mitigate the notion.

Under Phoenix, there was no fallback. Once the system went live, there was essentially no option other than to just continue with that program. Having phased releases is fundamentally important.

The second element is change management. Even though I've led the BDM program for a number of years, I'm not a technologist by background. That is not my background and experience. Technology is important, but the end-user is absolutely fundamentally important, and having a strong, robust change management plan is fundamentally important. Those are things that we implemented as part of OAS, and we are continuing to drive our lessons learned from the OAS implementation to ensure that the implementation for EI, the contact centres and the CPP program will be successful.

• (1645)

Kristina Tesser Derksen: Okay, that's great.

You've already waded into my next question. I was going to extend my original question and ask what has happened so far and ask about additional pitfalls this time around that you would avoid next time if you were doing this again. You've already touched on that. Is there anything else?

Cliff Groen: I would say change management. We have over 5,000 Service Canada employees who have some type of role related to the delivery of OAS. They can be call centre staff. They can be in-person staff. They are in processing, and they are the ones making the decisions about entitlement.

We knew change management was important, but the extent of change was something we found very interesting. Our officers who had less than five years' experience in the department had minimal challenges using the new system. There's another aspect of the age profile of our employees and their years of experience working in the program. Those who had more years in the program working under the old system found that it was a much harder change.

That was something we knew, and we devoted a lot of energy and effort to it. Honestly, that is something that we are seized with, because there have been challenges related to that, and we want to make sure that those issues are addressed for the future releases under the program.

Kristina Tesser Derksen: Thank you.

Do I have a bit more time, Mr. Chair?

The Chair: You have 10 seconds. Why don't I give it back to you later?

Kristina Tesser Derksen: Thank you.

The Chair: Thank you.

[Translation]

Mr. Blanchette-Joncas, you have the floor.

Maxime Blanchette-Joncas: Thank you, Mr. Chair.

Mr. Groen, is it correct to say that, in 2017, the Auditor General budgeted \$1.75 billion for the benefits delivery modernization program, which included old age security, the employment insurance program and the Canada pension plan?

Cliff Groen: I think there's some confusion here. It's not the Office of the Auditor General that makes cost projections for programs. The Office of the Auditor General uses the projections prepared by the government. In fact, in 2017, the initial estimate for total costs was \$1.7 billion.

Maxime Blanchette-Joncas: We were talking about \$1.75 billion. The figure is currently \$6.6 billion. Is that correct?

Cliff Groen: As I mentioned in my opening remarks, the expenditures associated with implementing the old age security project were 7% lower than the projected budget. We are now confident that the costs of the benefits delivery modernization program will be less than \$6.6 billion.

Maxime Blanchette-Joncas: Okay.

I'm just trying to understand, for the sake of the public who are following our work and paying taxes. This project went from an estimate of \$1.75 billion to \$6.6 billion. Who in the government agreed to continue funding this program knowing that the initial assessment was unreliable or that the costs had been underestimated?

Cliff Groen: I think it's very important to understand how programs are evaluated and approved.

In 2017, there was an initial estimate of \$1.75 billion, but, in fact, the government did not approve \$1.75 billion at the time. If I remember correctly, in 2017, the initial budget allocated to the program was \$12 million. This wasn't because the government thought we could deliver this program for \$12 million, but rather because it knew that it was difficult, if not impossible, to know exactly what the costs and scope of this program would be, a program that represented the largest IT transformation in the history of the Government of Canada.

That's why, for several budgets, namely, those for 2017, 2019, 2021, I believe, and others, the government decided to approve spending in stages. That's also why the budget for the Canada pension plan has not yet been approved, as this project hasn't yet begun. Yes, the plan is for this program to include the Canada pension plan on this new platform, but the decision hasn't yet been made because it's very important that this type of IT project be managed in phases.

The notion of the \$1.7-billion budget established in 2017 and the notion of a current budget of \$6.6 billion have been misunderstood. That's not the case. There was no \$1.7-billion budget in 2017. In fact, we don't currently have a budget of \$6.6 billion because the program is progressing in stages, and the government is making decisions accordingly.

• (1650)

Maxime Blanchette-Joncas: How much do you think this is ultimately going to cost?

Cliff Groen: I'm sure it's going to cost less than \$6.6 billion, but we don't yet know how much. I wish I could give you an exact percentage. All I can tell you is that we completed the old age security project for 7% less than the initial estimate. We're confident that the total cost will be less than \$6.6 billion, but I'm not in a position to say what the total cost will be.

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

Mrs. Goodridge, you have the floor for five minutes.

[English]

Laila Goodridge: Thank you, Mr. Chair.

Mr. Groen, I appreciate that you guys learned from the Phoenix pay debacle. However, to say to the public servants who work diligently, who did not get paid in a timely manner and got paid haphazardly that this was okay, but having seniors not get paid was somehow more.... That is a huge disrespect, especially to the armed forces members who struggled to pay mortgages. I really think that trying to pit one group of people as if it's okay for them to go without pay when it's not okay for seniors.... It's not okay for anyone and the government really should be doing its part to make sure that doesn't happen for anyone, period.

Similar to what Mr. Falk had brought up earlier, there is a case in my office of a woman who got a T4 for money she did not receive. She asked to have her OAS deferred. That deferral was not respected by Service Canada, even though they received the request in writing. We have a stamp of deferral. It's been quite the process. The process would probably have been a lot simpler for this particular woman if she didn't live up in Fort Chipewyan, but because she lived in Fort Chipewyan, it was extra challenging. The level of service she received from My Service Canada was deplorable. The lack of consistent information she received from My Service Canada was horrific, to the point where it was only in engaging our office that we were able to solve this. The only answer for solving it was for her to physically go into a bank, which isn't possible in Fort Chipewyan. She had to wait until she had to go to Fort McMurray to be able to do a basic piece because there is no e-transfer available for her to return the money that she was paid from OAS, which she had requested specifically not to receive.

These are the kinds of pieces where this might be one case, but Mr. Falk has one case, and I bet you most of our offices have one case. To that one person, this is a really big deal. When they can't get accurate information from My Service Canada, they lose trust in the system.

Why don't you have a goal of 100%? Why has the department of ESDC decided that a 100% goal is unattainable, so you're not going to even attempt to get 100% for payment accuracy?

Cliff Groen: Mr. Chair, there are a number of points I'd like to clarify for the record.

First of all, I think it is completely wrong to indicate that I suggested the Phoenix pay challenges that thousands of public servants experienced, including probably the majority of people at this table, including myself.... By no means did I say that that was acceptable. I think that's a misinterpretation of the comment that I made. Paying people and providing them what they are entitled to, whether it's public service pay or the benefits that they are entitled to, absolutely that is fundamentally important. The comparison I was making is eight million seniors are 20% of the Canadian population. For OAS, if we had gone live in March 2025 and we did not pay seniors one month, it would have had a dramatic impact on the overall Canadian economy. The importance of these payments is so fundamental, and that's why we needed to ensure that we would not have the payment issues that were experienced elsewhere and that is why paying 7.9 million people is absolutely fundamentally important.

Regarding the situation of your client from Fort Chipewyan, by all means I would be very happy to get the specific details about this particular client. Unfortunately, the program is complex and individual circumstances can be very complex, as well. That's why we have a service standard to be able to address these issues as quickly as possible. That's why I'm pleased to report that of the urgent cases that we received, the average processing in January was six days for urgent cases. It's now down to four days. The median for urgent cases is two days.

• (1655)

Laila Goodridge: A lot of these people don't get deemed urgent. It's important, but it doesn't get deemed as urgent because there are all kinds of weird calculations that seem to happen. They get inconsistent information from My Service Canada, which means that at the time they call, it comes down to the person who deems it to be urgent or not.

I have a couple of questions and am wondering if you could provide in writing to the committee how much overtime is still being put forward by employees to try to get rid of the backlog—specifically to the backlog—and how much overtime is still being used on this program in general.

As you stated, some of the newer employees are having an easier transition. Some of the longer-standing employees are having a harder transition. I don't think it takes a rocket scientist to think that would probably have been the case. Was that anticipated when you guys created this program and the program rollout, or is that new information? As well, what plan do you have in place to get the backlog down to zero? If we could get that in writing, that would be really appreciated.

The Chair: Can you endeavour to get back to us?

Cliff Groen: Yes.

The Chair: Thank you. I appreciate it. Thank you for your time.

Up next is Mr. Osborne for five minutes, please.

Tom Osborne (Cape Spear—Mount Pearl—Paradise, Lib.): Mr. Ostrander, thank you for coming in. You're no longer a federal public servant and I want to recognize the effort you've made to come in.

This is the largest technology transfer project in the Canadian government's history. While it is not acceptable to any individual to not have their pay, to take on a project of this size it is expected that there will be some challenges along the way. I commend you for undertaking it. The old system is older than I am. We have to keep that in mind. I know you're working diligently to ensure that people who deserve their money get that money. I wanted to recognize that as well.

Can you talk about the old system and the complexities of some of the cases and of the outages and the warnings by the Auditor General of the dire consequences of not replacing that? Compare it to the new system, because under the old system you faced the same complexities. There were people who would have had to wait because of missing information or other complexities. Can you compare the old system to the new system?

Cliff Groen: Thank you very much. Maybe I'll start, and if Mr. Ostrander wants to add....

Absolutely, we were frankly terrified about the risk of system failure. With a 65-year-old system—and for EI it's a 55-year-old-plus system—we have known for decades. It's not like we woke up one day and said in 2017, "Oh, these systems. The system is now 57 years old and we need to replace it." Over the course of generations, there have been decisions made about whether or not to move with a modernized system. There were previous attempts between 2010 and 2025 to migrate onto a new system. Those were not successful. That's why we implemented the BDM program: to be able to proceed.

We were very worried that.... Actually, there are examples in other jurisdictions. For the same mainframe platform that OAS uses, there were other jurisdictions that use the same type of system, including Veterans Affairs in the United States, which made a small change to their program, not a major change, not like BDM and putting it onto a new platform. They implemented a small policy change and something went wrong, because there was code in the background that was developed in the sixties or seventies by somebody. By making that change, it started to unravel, and they were unable able to pay some veterans their benefits for several months.

There was great concern that some type of situation like that could happen for OAS. That was the type of challenge we were dealing with, and it was absolutely critical to get it off the old platform and put it onto a modern platform that has all the built-in resilience.

I'll turn to Mr. Ostrander to talk about the current resilience of the existence of the new system.

• (1700)

John Ostrander: To add to what Mr. Groen said, the application was built over 65 years, I think. Change upon change upon change...it wasn't really the underlying infrastructure as much as it was the application, and changes to that application would take months of testing. The opportunity to make a change that would create another problem, which may not be seen initially, was quite significant, and it required very robust testing.

I think that getting onto this new platform does a couple of things. One, policy changes can be implemented far more quickly than they were in the old legacy system. On the security of the system, even though people say, "Oh, the cloud is...", etc., this is even a far more secure system than what we had on-prem. I can tell you that because I know that the cloud providers invest more in security in a year than we would ever invest in our lifetime. The systems are hugely secure. They're able to make changes far more quickly.

The other point that I think is important to raise, between old and new, is that this isn't an old system that has been put on a new infrastructure. OAS is effectively a new system. It uses the old business rules, but it's a new system, so we have very good documentation now. We are no longer relying on memory. We no longer have some of the challenges we had around retention of key employees who knew the system.

I would say, all in all, that moving this to a new platform has provided a greater degree of resilience than what we had in the old system.

Thank you.

The Chair: That is your time, I'm afraid. Thank you.

We will have time for one more round of, again, five members, for various times.

Mr. Falk, you'll lead us off again, please.

Ted Falk: Thank you, Mr. Chair.

Mr. Groen, I want to get back to the service standard levels of 90% and 95% again. You said they have been around for years. Is that something the minister would instruct to the department?

Cliff Groen: Service standards are determined based on Treasury Board policy related to service standards, and we need to meet certain criteria.

To my recollection, as I said, I've been involved in the program, in some manner, for over the last 20 years. I'm not aware of any change to the OAS service standard in the last 20 years.

Ted Falk: Okay. Thanks.

Your rate of 85,000 down to 50,000, and now at 11,000 outstanding cases, what would be the average delay? You've talked about how most are resolved within six days, but do you know what the average would be of the 11,000 that are remaining?

Cliff Groen: There are a couple of pieces to it, I would say—and, because I want it to be clear, for the record, the six days I was referring to are cases that have been flagged as urgent, either by the client, through their interaction with us, or by information from an MP or other sources. That's the six days I was referring to.

Regarding the 11,000, it is certainly within two to two and a half months, on the outside. For anyone who has passed their month of entitlement, we will have looked at that within two to two and a half months. We have some clients who are waiting longer because we are waiting for additional information from them, but for clients in the 11,000—those are files that we have not yet reviewed—theirs would all be less than two and a half months old.

Ted Falk: Based on your experience, in most cases is it a system or a departmental failure, or is it actually an individual failure from someone waiting for benefits?

Cliff Groen: I would say it is not a system failure. The Cúram system is operating correctly. We have replied to a couple of.... There were a couple of different bugs. When you implement a large system of this nature, it is impossible to not have bugs. There are bugs that are in the Microsoft applications that people encounter every single day. Definitely, the system is operating accurately and correctly, so it is not a system issue.

Sometimes there's information that we need from clients and something hasn't been completed accurately. Sometimes there's a workload challenge in order to pay people on time, and that's why we are leveraging.... To go back to the question from another member of the committee, we do leverage overtime, when appropriate, as well. There are a variety of different reasons that some people might not get their benefit within that first month of entitlement.

• (1705)

Ted Falk: When it's a department or a system failure or responsibility and not a situation in which you're waiting for information from an individual, how do we keep people whole? How do we make it right?

Cliff Groen: For any client, including those who have applied late or haven't replied to our request for information on a timely basis, we do make them whole. Your payment can go back 11 months from your date of application. Therefore, if somebody applies two months late—say they applied today, but they wanted their benefit to start in August—we can go back up to 11 months prior to when they first submitted their application.

Then if there are delays in determining their entitlement because we need additional information from them or, sometimes, from another country, because that can have an impact on entitlement, that does not impact the amount that they will receive. They will receive their full entitlement once the information is available.

Ted Falk: Maybe I wasn't clear enough. It's not so much whole in that they would get what they were owed. Do we compensate people?

I know CRA is very quick to assess interest and penalties. Does it work the other way when people have had to wait an egregious amount of time to get their benefits and it's not their fault?

Cliff Groen: Under the OAS legislation, we only have the authority to pay people the amount that they are entitled to based on the determination about their eligibility. There are no other provisions about whether they would receive an additional payment if there's a delay in payment. There are no provisions—

Ted Falk: They'd have to be happy with an "I'm sorry."

Cliff Groen: We definitely do apologize when there are delays. Any delay is absolutely one delay too many, and we do regret that, but there are no provisions to provide any other type of payment.

Ted Falk: Thank you.

Getting back to contractors that work for you in the system, either sole-sourced or single-sourced contract awards, do you have a dollar figure on the amount that would have been in the process? I think it's about \$1 billion so far in total.

Joëlle Paquette: No, \$1.3 billion plus tax has been spent so far, and close to \$900 million has gone to the IBM, OAS and EI—

Ted Falk: It's just over \$2 billion in total between the two.

Joëlle Paquette: No, that's included in the \$1.3 billion.

Ted Falk: That's included. Okay.

Joëlle Paquette: Yes, so \$1.3 billion plus tax has been spent on contracting so far.

Ted Falk: What percentage of that is single- or sole-sourced?

Joëlle Paquette: It's not sole-sourced. We actually compete in.... We have the four system integrators, and we will give them contracts rotationally. They come out showing as sole-sourced, but they're not truly sole-sourced, because they competed in the first place. We're giving them task authorizations.

Ted Falk: In my work as a general contractor, I love those change orders, because that's where you make the money.

Joëlle Paquette: They're not change orders. They're task authorizations.

The Chair: You're over your time, Mr. Falk. You can discuss with Ms. Roberts, who we're going to finish off with here, and you can share any questions with her to wrap things up.

Before that, though, we have Mr. McKinnon for five minutes, please.

Ron McKinnon: Thank you, Chair.

I haven't heard anybody talk about GIS. Is that encompassed in any of these programs coming forward?

Cliff Groen: Yes, it's under the old age security program. There's the OAS basic pension, but then there is also the guaranteed income supplement. You need to be eligible for OAS to be potentially eligible for GIS, but GIS is based on your income level.

Ron McKinnon: It's encompassed currently in the OAS rollout.

Cliff Groen: That's right.

Ron McKinnon: When we're talking about service delivery levels in the current system, we're seeing there's a backlog of 11,000 or so. How does that compare with the old system before the conversion?

Cliff Groen: There are a couple of pieces I would flag there, and I'll come back to your GIS question in one second.

Within the service standard of 90%, if we achieve that, it means 10% have not received their entitlements within that first month. Under the old system, there were similar service standard results, so they're very comparable.

Related to GIS, this is one example of how BDM is delivering benefits on a more timely basis. The GIS entitlement is determined every single year, because it's based on a person's previous tax year's income. The most effective way for people to continue to receive their GIS is to file their taxes on time. We then receive the data from CRA and determine an individual's GIS entitlement for the next year.

Unfortunately, every year [*Technical difficulty—Editor*] 100,000 to 150,000 Canadians [*Technical difficulty—Editor*]. We have implemented what we have seen in the last two years, where we had the [*Technical difficulty—Editor*] in place. Actually, the rate of automation that BDM has enabled has meant that there is a much lower percentage of clients [*Technical difficulty—Editor*] is impacted because of delays in the reporting.

• (1710)

[*Translation*]

Andréanne Larouche: Mr. Chair, I have a point of order. There are problems with the interpretation, and the sound is cutting out a lot. It's not working very well.

The Chair: Okay.

[*English*]

I'm going to suspend the meeting for just one second while we get this worked out.

• (1710)

(Pause)

• (1720)

The Chair: We'll bring the meeting back to order.

Mr. McKinnon, you have about two and a half minutes, but I'll have Mr. Groen start his answer from the top, please.

Cliff Groen: By all means, and thank you, Mr. Chair.

Coming back to the question and just for the committee's memory, the question was related to what we have seen related to BDM, GIS and the impact. Is GIS included within OAS? Yes, it is. When we talk about the old age security program, it definitely includes the guaranteed income supplement and a couple of other benefit types as well.

One thing we've seen over the last two years since the implementation of OAS onto the new platform is greater automation related to the annual renewal of clients under the program. If we don't receive income tax information from CRA because our client has not filed their income taxes on time, it can require manual intervention. Under the new platform, we've had a greater degree of automation, which has meant that, even for clients who haven't filed their taxes on time, there's a greater percentage that we are able to automate, and we maintain their payment on an ongoing basis and do not require manual intervention. That's an example of how BDM has provided better service for Canadians.

Ron McKinnon: Thank you.

I have a whole bunch more, but I think I'll switch over to the Treasury Board.

On estimates, when the government approves funding for a project of this kind, how do we manage overruns? How do we approve them? How do we get more money for them when it's needed? How do we make sure that we're getting value for the money that we're spending?

Jody Lobb: First, for a little more precision, I'll just say that decisions on funding as a whole are a matter for government.

Once those are made, what happens within the Treasury Board process—and I think it was sort of coming up before in a bit of the conversation—is that there's a difference in estimates that come for what we call program or project authorities. I use “programme” in this space, with “mme”, because it's about many projects. It's a program of change. There's a program authority that's given, and then there's an expenditure authority within that. When Mr. Groen—I believe it was Mr. Groen—was speaking about how much was spent at different times, there may be authority given to spend up to x amount, but then only a certain amount of funds are given at a certain time.

The iteration they were speaking about, going through the project by phases, is really critical and, through that learning space, there is greater precision learned through that estimation process.

You mentioned cost overruns. Is that what you were speaking about? Let me just say here that, like the specifics of any cost overruns I can't speak to, I would turn back to my colleagues, but I would go back again to the fact that these are major transformation initiatives. What may appear as overruns are part of a broad range of cost estimates.

Recently, with Treasury Board policy, we've just published a new space around cost range estimates that are being done and presented in that way. I would suggest, just for a little more precision, that in the past when pieces have come forward and were given an indicative cost, that was often misinterpreted or not understood fully and seen as being a substantive cost, as a final cost. These things, again by the fact of the nature that they move through, the massive change again.... This is at the end about a 14-year process through change. There's going to be an evolution of that in terms of risks, new technologies, as we were talking about, and new business processes.

• (1725)

The Chair: Thank you. That is your time, I'm afraid.

Brian Hickey: May I jump in, Chair, just to make a point?

The Chair: I'm afraid we're out of time, but the government members have one more slot left, so I'm sure one of them will be agreeable to giving you the mic for a few seconds at the beginning. That is a common practice. There are other committees that are squeezing this one now.

[Translation]

Mr. Blanchette-Joncas, you have three minutes.

Maxime Blanchette-Joncas: Thank you, Mr. Chair.

Mr. Ostrander, you were recruited to the government after a long career at IBM Canada, in large part because of your expertise in major IT projects. After the Phoenix scandal—I would even call it a fiasco—the government knew that it had to exercise better control over its suppliers, its risks and its costs.

With the benefit of hindsight and your expertise, has the government learned any lessons from Phoenix in the management of Cúram?

Is the interpretation not working?

[English]

John Ostrander: My apologies, but the translation is not working.

The Chair: Oh dear. I'm going to suspend the meeting once again.

• (1725)

(Pause)

• (1725)

[Translation]

The Chair: I call the meeting back to order.

Where were we? Mr. Blanchette-Joncas, let's start from the top, please.

Maxime Blanchette-Joncas: Mr. Chair, I'll start over.

Mr. Ostrander, you were recruited because of your expertise, particularly at IBM Canada. I'm trying to understand: From your perspective, did the government learn any lessons from the Phoenix fiasco in implementing the new Cúram software?

[English]

John Ostrander: Yes, I think so.

I did come from IBM. You are correct. I will state for this committee that I was never part of anything to do with Phoenix. That was not anything that was in my remit while I was at IBM.

I can tell you a couple of things that I believe were instrumental to our success. We tested extensively. We made sure the system worked. We made sure the system paid, and we made sure of that to the penny. If we had payments that were not accurate, if we were out by a cent, we went to understand why and what the root cause was. I can't speak for Phoenix, but I don't think that was done in Phoenix.

We paid a great deal of attention to change management and to supporting the folks who were going to use the system. We stayed with the same staff. We didn't change staff. We didn't change processing locations. We focused significantly on change.

I give credit to the government of the day for the decisions in the strategic assessment that was prepared under our former Government of Canada CIO, Ms. Luelo, where it said that if you're going to run a project like this, don't run it off the side of the desk. Dedicate leadership to it. That was a decision of the government. That was why I was brought in. That's why Mr. Groen was appointed at the time to be my colleague as the business lead. We ran it as a dedicated project, and I do not believe that was the original undertaking of Phoenix.

I do believe, from those three examples, we did learn the lesson.

Frankly, sir, BDM was not Phoenix. It did what it was supposed to do. It paid 7.9 million seniors on time and to the penny.

Thank you.

• (1730)

[Translation]

Maxime Blanchette-Joncas: Okay.

Mr. Groen, the government has already presented the modernization of its digital services, particularly Cúram, as a success story. Do you consider Cúram a success today?

Cliff Groen: Yes. From my perspective, that's clear and certain.

Maxime Blanchette-Joncas: On a scale of one to 10, how do you rate the success of the project so far?

Cliff Groen: I think it's hard to give a grade.

To me, the test we have is this: Are we able to pay Canadians? I say it's absolutely a success, because we are able to pay 7.9 million Canadians.

Maxime Blanchette-Joncas: Okay.

We went from budget planning of \$1.75 billion to \$6.6 billion. There are delays and problems with payments, and manual intervention is required. Despite those criteria, you think it's a success story.

Cliff Groen: Excuse me, sir, but you are repeating the incorrect notion that the initial budget estimate was \$1.75 billion, unfortunately, that isn't the case.

Maxime Blanchette-Joncas: What indicator are you using to determine that it's a success today?

Cliff Groen: For me, the key indicator is payment to recipients. The fact that we were able to pay 7.9 million Canadians the right amount on time is the criterion of success.

The Chair: That's it. Thank you very much.

Next we have Mrs. Roberts for five minutes.

[English]

Anna Roberts: Thank you, Mr. Chair.

I recently brought to our attention a few weeks ago that a constituent of my colleague, Mr. Brassard, received a notification for his GIS payment of \$148,000. That's like a lottery win. You can imagine the frustration of the individual or maybe the happiness that he's going to get all this money.

You recently stated that your program worked and there weren't a lot of issues. This is not the only issue that we're hearing of individuals getting incorrect information, not on a timely basis and incorrect amounts. How do we justify saying the system is working and we're about to incorporate CPP as well when we can't get this right?

Cliff Groen: That's an interesting client situation you've just described. I obviously can't speak about any specific client's entitlement.

If a client did receive a payment for \$148,000 for GIS, I can absolutely say it has nothing to do with Phoenix—I'm sorry; my apologies—it has nothing to do with Cúram. Anyone who would receive a retroactive payment covering \$148,000, first of all, that would be extremely exceptional. As I mentioned earlier, I would never say never because there are always exceptions when you're dealing with 7.9 million different individuals. That payment would absolutely go back years and years, way before the implementation of Cúram. The notion that it's in any way connected to BDM fundamentally would be incorrect, because it's just not possible. Since the implementation of Cúram a year and a half ago, no individual has received a total of \$148,000 in GIS, because your entitlement to GIS is less than \$1,000 per month. It's just absolutely impossible.

Anna Roberts: You're absolutely right. This letter came from your department. I have a copy of it. It's dated November 26, 2025.

Cliff Groen: Certainly; to be clear, the payment could have been made in November. That is entirely possible. But the payment would have covered years of entitlement, going back years and years—

Anna Roberts: Is this just a technical error, do you think? I know that the individuals have made Service Canada aware, so they

are aware of this error. Could it have been a technical error, or could it have been...?

I don't know. I guess my concern is this: Had we sent out the money and the individual had spent it, we would be going after him and charging him interest.

Cliff Groen: What I would say for this particular situation is that I am very confident that it would not have been a technical issue. It would have been an issue related to an individual's entitlement and incorrect information that would have been entered probably manually in the system. Doing quick math, I imagine \$148,000 goes back at least 15 years.

● (1735)

Anna Roberts: This wasn't a payment. It was a notice from Service Canada. It was the anticipation of what he would be expecting.

Anyway, obviously it was an error. Whether it was human or technical, I don't know, but these are the kinds of situations individuals are facing.

I have a question for Ms. Lobb.

According to the Auditor General, BDM had an earlier plan estimated at approximately \$1.75 billion. The government's current program authority is approximately \$6.6 billion through 2031.

Ms. Lobb, at what point did Treasury Board know that the original cost estimate was no longer realistic?

Jody Lobb: Throughout the life of a project and through the various authorities that come through, those updates are provided. I would have to turn to my colleague to say when that was updated. I can certainly provide more follow-up from Treasury Board Secretariat subsequent to the meeting.

Anna Roberts: Were the ministers informed when Treasury Board was made aware of this significant increase?

Jody Lobb: I'm sorry, were the ministers...?

Anna Roberts: Was the parliamentary secretary for seniors informed about the overrun?

Jody Lobb: I don't have that information. I apologize.

Cliff Groen: Mr. Chair, I have the answers to these questions, if you would like.

The Chair: It's the member's time.

Ms. Roberts, it's over to you.

Anna Roberts: If you have an answer, that's great. Go ahead.

Cliff Groen: In May 2017, the initial program authority of \$1.75 billion was established as a result of a Treasury Board decision. Treasury Board ministers approved the \$1.75 billion. In December 2020, the program authority changed to \$2.1 billion. In December 2023, another Treasury Board decision changed it to \$7.1 billion.

As of November 2024, it is now \$6.6 billion.

Anna Roberts: Going back—

The Chair: Ms. Roberts, this is your last question. Tee it up well.

Anna Roberts: My colleague from the Bloc mentioned earlier the estimate of \$6.6 billion to the completion of 2031, so that's an accurate statement.

Cliff Groen: Currently, the program authority, which is an overall total forecast for the entire program, is \$6.6 billion. As I indicated in my opening remarks, we do anticipate that the total cost will be below that \$6.6 billion.

[Translation]

The Chair: Thank you very much.

Once again, Mr. Gobeil, you have five minutes.

Daniel Gobeil: Thank you, Mr. Chair.

Mr. Hickey, earlier, my colleague Mr. McKinnon asked a question. You had something to add to my colleague's question about cost planning for multi-year projects. I'd like to hear that additional comment.

Brian Hickey: Thank you.

It will be fairly brief. I just wanted to explain the following.

[English]

For BDM, it's in a special purpose allotment account, meaning that it's guarded. It's fenced. You're not able to subsidize work outside the scope of the BDM program.

Just given the question and the line there, I felt it necessary to make sure you were aware of the fact that it does exist in a separate account.

[Translation]

Daniel Gobeil: I have another question, but I don't know who the best person is to answer it.

In a multi-year budget, it is difficult to predict all the costs at the outset of such a project. Does Treasury Board have the tools and resources it needs to stay informed about the rollout of the various stages of these projects?

[English]

Jody Lobb: I'll start by saying that within the Treasury Board Secretariat we do have a costing centre of expertise that supports

and sets certain aspects of supporting policy, etc. I don't have those folks with me here today, so I could provide more precision on the work that they do. Then, with regard to the costing estimate, they are there to support the department in doing its estimates.

I will say again—I mean, I think we've touched on it a few times here—that this would have started in.... Well, the first set of authorities was in 2017, meaning that the planning the department was doing preceded that, I would say, maybe even back to 2014 or 2015. Again, as you work through that time, the precision around the estimates or the cost ranges potential in something of this size evolves. The complexity and understanding of what is being undertaken—again, there are multiple projects within the BDM frame—are better understood.

When you were speaking about the iterative implementation that was taken under OAS and then looking forward at EI, at employment insurance, I think you mentioned several iterations of releases.

● (1740)

Cliff Groen: It's about 15 releases.

Jody Lobb: That is also part of that learning and helps with the cost estimation of understanding as we go slowly.

[Translation]

Daniel Gobeil: Is there a frequency for these implementations? It's because this is a very important project. There will be other very important projects. In terms of best practices, should there be implementation deadlines and costs for delays, or should this be done within specific time frames to ensure that costs are monitored on a regular basis?

Cliff Groen: Yes. Monitoring costs, expenditures and forecasts for the entire project plan is very important for a project of this size and for other projects of a similar scale.

For the benefits delivery modernization program, one thing that has been put in place is semi-annual reporting. That was one of the conditions for receiving the funding we were given. We are required to submit reports to Treasury Board, not just to the secretariat. In fact, we must submit them to Treasury Board every six months to show that we are following the project plan, that we have costs under control and that we are spending the funds appropriately.

Daniel Gobeil: That's perfect.

I've exhausted my questions, Mr. Chair.

The Chair: Thank you very much.

[English]

With that, I want to thank the witnesses for their testimony and for participating today in relation to the management and impact of the benefits delivery modernization program.

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