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CHAPTER 2, ACCESS TO ONLINE SERVICES, OF THE FALL 2013 REPORT OF THE AUDITOR GENERAL OF CANADA

Report of the Standing Committee on Public Accounts

**David Christopherson
Chair**

APRIL 2014

41st PARLIAMENT, SECOND SESSION

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THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

FOURTH REPORT

Pursuant to its mandate under Standing Order 108(3)(g), the Committee has studied Chapter 2, Access to Online Services, of the Fall 2013 Report of the Auditor General of Canada and has agreed to report the following:

CHAPTER 2: ACCESS TO ONLINE SERVICES

INTRODUCTION

Over the past decade, Canadians have increased their use of the Internet to interact with other individuals, businesses and the government, and to find information and services that meet their needs. Canadians expect the government to keep pace with advances in technology and to provide user-friendly, convenient, accessible and secure online services.

Prior to 1999, the federal government's online presence varied across departments. In October 1999, the government announced the Government On-Line (GOL) initiative, which provided a coordinated, consistent and client-focused online service that would deliver all key government services over the Internet by 2005. One result of the GOL initiative was the creation, in 2005, of Service Canada within what was then Human Resources and Skills Development Canada (HRSDC), to serve as a single window for Canadians to access government programs and services within its domain (as the name of the department has legally been changed to Employment and Social Development Canada (ESDC), the new name will be used in this report).¹

As a result, individuals and businesses can connect online with the government through the Government of Canada website, the Service Canada website and 1,500 departmental websites. The federal government also delivers services in person, by phone or by mail.

In its *Fall 2013 Report*, the Office of the Auditor General (OAG) released a performance audit of ESDC, the Canada Revenue Agency (CRA), Veterans Affairs Canada (VAC) and Industry Canada (IC), and examined whether there is a whole-of-government strategy for delivering online services; whether there is integrated service delivery among major partners; whether the audited departments have designed and implemented service delivery strategies that consider cost-effectiveness and client needs and expectations; and whether the audited departments deliver services in a secure, available, relevant and cost-effective way.² The audit also examined the role of the Treasury Board of Canada Secretariat (TBS) because it is the central agency responsible for several initiatives related to online services.

1 Human Resources and Skills Development Canada changed its name to Employment and Social Development Canada after Bill C-4: *A second act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures*, received Royal Assent on 12 December 2013.

2 Auditor General of Canada, "[Access to Online Services](#)," Chapter 2 in *2013 Fall Report of the Auditor General of Canada*, Ottawa, 2013, paragraph 2.14.

The House of Commons Standing Committee on Public Accounts (the Committee) held a hearing on this audit on 24 February 2014.³ From the OAG, the Committee met with Michael Ferguson, Auditor General of Canada, and Dale MacMillan, Principal. From TBS, the Committee met with Corinne Charette, Chief Information Officer of the Government of Canada, and Sharon Squire, Executive Director, Service and GC 2.0 Policy and Community Enablement. From ESDC, the Committee met with Carolina Giliberti, Senior Assistant Deputy Minister Services Management, Service Canada. From the CRA, the Committee met with Dave Bennett, Assistant Commissioner, Assessment and Benefit Services Branch. From VAC, the Committee met with Charlotte Bastien, Director General Field Operations, and Rick Christopher, Director Service Delivery. From IC, the Committee met with Éric Dagenais, Director General Small Business Branch.

DELIVERY OF SERVICES TO CANADIANS

The OAG examined how the four departments offered online services by looking at different life event scenarios, such as the birth of a child, retirement, applying for and receiving benefits, changing an address, registering a death or managing a business. The OAG found that the online transaction services provided by ESDC, VAC and IC had not progressed since the end of the GOL initiative in 2005.⁴ While the departments had implemented a number of improvements over the past six years, in some cases, individuals and businesses were required to use multiple service delivery channels to perform or conclude certain transactions and the instructions about what to do for certain life events were not complete. Michael Ferguson, Auditor General of Canada, described his assessment of the government's progress since 2005:

Indeed, in 2005, Canada was a world leader in online government services for its citizens, but since then, there has been a decline. We found that, since 2005, the government has not significantly expanded its online services. Users must often resort to using regular mail, phoning or visiting a service centre in person to finish a transaction. In 2012, a survey conducted by a third party showed that fewer than 56% of people who performed online transactions with the Canadian government were satisfied with the services they received.⁵

When it was pointed out that the Government of Canada was 11th out of 190 countries—within the top 6%—in providing online services to its citizens, Mr. Ferguson replied, “Whether where [the Government of Canada] is ranked now is sufficient or not I’ll leave for others to determine.”⁶

3 House of Commons Standing Committee on Public Accounts, *Evidence*, 2nd Session, 41st Parliament, 24 February 2014, Meeting 15.

4 Auditor General of Canada (2013), paragraph 2.18.

5 Meeting 15, 1550.

6 *Ibid.*, 1645.

More specifically, the OAG found that ESDC had made incremental improvements to its online services, such as introducing the My Service Canada Account and providing the ability to view records of employment, to access slips reporting employment insurance income and to maintain personal information for employment insurance, the Canada Pension Plan and the Old Age Security pension.⁷ However, individuals cannot determine the status of their claims online and applications for some programs cannot be completed online. Carolina Giliberti, Senior Assistant Deputy Minister of Services Management at Service Canada, told the Committee that ESDC is working on several initiatives so clients will be able to carry out transactions as easily as they do with private sector institutions, stating, "For example, we will be providing new, electronic self-serve tools and improving existing ones and auto-enrolling clients, where possible, into statutory benefit programs."⁸ She did note that certain technological challenges may constrain the department's ability to increase its delivery of online services. Ms. Giliberti remarked that while 74% of all the records of employment received were done online and that the goal is to reach 100%, software compatibility requirements may become barriers to achieving this goal, given that:

Some companies do not have the software that allows [record of employment (ROE)] allows, so we are working with that. It's the payroll service providers actually who have a paper ROE process, and it's a payer online ROE business model that is in fact paper, not online. Also, some payroll systems are not compatible with our ROE web, and it's a very high investment for those companies to adapt their ROE to our ROE web. What we also find is that there are some who just do not want to enrol online. One of the solutions could be something that makes it a mandatory process for them to apply online.⁹

The OAG found that since 2005 VAC had limited its online service offerings and had focused on other methods to deliver services to its clients.¹⁰ Though, in 2011 VAC began a five-year transformation agenda to enhance its online services. When it was pointed out that only about 9,000 individuals, or 4.3% of VAC's 207,900 clients, have registered under the My VAC Account to access services online, Charlotte Bastien, Director General of Field Operations at VAC, remarked that VAC faces certain constraints in this regard given that a number of its services, such as home visits for nursing or rehab assessments, can only be done in person. However, Ms. Bastien also discussed the opportunities to grow VAC's online enrollment rate, stating:

The plan is to provide better functionality. Right now they are limited regarding certain programs to which veterans can apply. By expanding the number of program applications that can be done online, that will grow the number [of individuals registered to My VAC Account].¹¹

7 Auditor General of Canada (2013), paragraph 2.20.

8 Meeting 15, 1600.

9 Ibid., 1650.

10 Auditor General of Canada (2013), paragraph 2.23.

11 Meeting 15, 1635.

Ms. Bastien also noted that VAC is taking efforts to promote its online services:

We have a communication plan to promote My VAC Account by adding a message regarding My VAC Account to all reservists' pay stubs. The Royal Canadian Legion has been trained on My VAC Account and their service officers encourage members to sign up. Our website has recently been redesigned and there is a My VAC Account button on every page. There have been several tweets specifically regarding My VAC Account. When we do presentations and [Second Career Assistance Network [SCAN]] seminars to reservists and Canadian Armed Forces members, we do talk about My VAC Account and what's available through My VAC Account.¹²

The OAG examined two of IC's programs with online services to small and medium enterprises and found that the Canada Business Network program had partnered with the provinces to provide information and links relating to government services, programs and regulations.¹³ Corporations Canada had added some online services, such as the ability to file annual returns and to update corporate information. When asked whether the Bizpal model, which is a partnership involving governments at the federal, provincial, territorial and municipal levels for identifying the permits and licenses required to start a business, would be implemented for other programs, Éric Dagenais, Director General of the Small Business Branch at IC, responded:

Not for the moment, but yes, we've implemented a very successful model in collaboration with the municipalities and the provinces. Right now we're consolidating BizPaL, adding municipalities and examining ways in which the BizPaL service could be deepened through elements like regulations. Right now it's only for permits and licences.¹⁴

The OAG noted that between 2009 and 2012 the CRA had expanded its online services to taxpayers, making 40 service enhancements to increase online functionality at a cost of just over \$6.4 million.¹⁵ Over this period, the CRA's My Account portal had registered a 76% increase in annual transactions, and the My Business Account portal had 329% more transactions.¹⁶ Dave Bennett, Assistant Commissioner at the Assessment and Benefit Services Branch of the CRA, described some of the improvements the CRA had made to its online services:

Some of the specific enhancements include that you can now access your T4s and your T4As online. You can find all those there. You can look up your tax-free savings amount, how much you can contribute this year. I previously mentioned that when viewing your return, you can look back 10 years. Submitting documents is a new feature that we have introduced and are rolling out in all the business lines. The simple description of that is that each year when we receive returns, some are selected for a follow-up. We may ask for additional information or a receipt that wasn't included at the time of filing. We now

12 Ibid., 1710.

13 Auditor General of Canada (2013), paragraph 2.24.

14 Meeting 15, 1720.

15 Auditor General of Canada (2013), paragraph 2.26.

16 Ibid.

have a facility for taxpayers and representatives to submit those digitally through a secure portal. What was previously always done on paper, we are now enabling that in a digital fashion. New payment features have been added where you can pay directly via your Interac account. There have been instalment payment calculators for those businesses that need to calculate how much their instalment should be. There is a facility online. Message centres and inquiry services have been added in the My Business Account portal. Currently, although it's not in this report, we are also looking at facilities for the delivery of your documents in an electronic fashion.¹⁷

The OAG's audit also considered whether the four audited departments had shared information in order to integrate their online service delivery, and found that two of the four departments—the CRA and ESDC—had developed ways to share information in specific circumstances, such as through the Newborn Registration Service.¹⁸ However, the OAG found that certain individual and business information, such as a change of address, is neither centrally managed nor shared among departments, and that certain common activities are not coordinated across the government. As a result, certain transactions require multiple interactions through different processes and multiple channels.¹⁹ The OAG concluded that, despite some instances of cooperation across departments, there is no incentive for departments to share information.²⁰ With regard to the sharing of information, Mr. Ferguson remarked that, “in some cases even programs within the same department people were having to enrol or make a change of address within each separate program rather than just within just that department. So, yes, some of these programs could be described as siloed.”²¹

In order to help address this issue, Ms. Giliberti told the Committee that through its Vision 2020 strategy, ESDC is looking to make all of its services available through the My Service Canada Account. However, programs from other departments, such as VAC or IC, would not be available through this account.²²

The OAG examined whether there is a Government of Canada strategy for delivering online services and found that the government had not developed a government-wide online service delivery strategy.²³ Mr. Ferguson indicated that the government had not conducted an overall assessment of client needs and satisfaction since 2005, and concluded that “Since 2005 the government hasn't been operating with full information, which would be the type of information that would be used to guide that

17 Ibid., 1700.

18 Auditor General of Canada (2013), paragraph 2.29.

19 Ibid., paragraph 2.30.

20 Ibid., paragraph 2.35.

21 Meeting 15, 1655.

22 Ibid., 1715.

23 Auditor General of Canada (2013), paragraph 2.37.

type of [a government-wide] strategy.”²⁴ The OAG recommended that the TBS and ESDC develop a government-wide service delivery strategy.²⁵

In response to the recommendation, Corinne Charette, Chief Information Officer of the Government of Canada at the TBS, noted:

Building on TBS policy work, the secretariat, in collaboration with Service Canada and other service delivery partners, will develop a government-wide service strategy to improve services to individuals and businesses online and to facilitate this in a cost-effective way with the cost-effective delivery of services. The strategy will be done by March 2015.²⁶

The OAG also examined whether the departments had developed strategies that were client focused and cost-effective. It found that only the CRA had developed integrated plans and strategies for delivering services.²⁷ The OAG recommended that ESDC, VAC and IC develop their own integrated strategies and plans for the online delivery of services.²⁸ In replying to the recommendation, Ms. Giliberti commented that ESDC “has developed a multi-year strategic plan to track and report progress on the initiatives being undertaken.”²⁹ Ms. Bastien observed that “the [\$2 million of funding provided in the 2014 budget] will allow [VAC] to continue to build My VAC Account existing functionality to create an industry-leading e-services portal for veterans.”³⁰ Mr. Dagenais stated, “Industry Canada is developing an integrated strategy and plan for delivery of services to business focusing on the department and the portfolio.”³¹

In order to ensure that the government makes progress in developing its government-wide service delivery strategy and that the departments develop their own integrated strategies, the Committee recommends:

RECOMMENDATION 1

That, by March 2015, the Treasury Board of Canada Secretariat and Employment and Social Development Canada provide the Standing Committee on Public Accounts with a government-wide service delivery strategy.

24 Ibid., 1650.

25 Auditor General of Canada (2013), paragraph 2.40.

26 Ibid., 1555.

27 Auditor General of Canada (2013), paragraph 2.41.

28 Ibid., paragraph 2.45.

29 Meeting 15, 1600.

30 Ibid., 1615.

31 Ibid., 1625.

RECOMMENDATION 2

That Employment and Social Development Canada, Veterans Affairs Canada and Industry Canada provide the Standing Committee on Public Accounts with an overview of their integrated strategies and plans for service delivery upon completion.

USABILITY OF ONLINE SERVICES

When providing services online, departments need to ensure that online information and services are accessible to all Canadians. The OAG found that departments were working to fully implement the Treasury Board's updated Standard on Web Accessibility by the end of the 2013-2014 fiscal year. Ms. Charette commented on the government's efforts in this area:

Over the last three years the government has been working very hard on online accessibility for people with visual and other impairments, and we have met our target objectives in this area and are now exporting, so to speak. The work we've done is now available on open source to other jurisdictions, internationally and provincially.³²

Recent cases of cyber-security breaches and the stealing of digital personal information at large corporations have led to increased concern about the challenge of keeping digital information secure. The OAG examined whether the government had an overall authentication strategy and whether departments could demonstrate that Canadians had secure and cost-effective access to information and services online. The OAG found that the TBS had taken steps to ensure that the mandated authentication services were secure and less expensive than previous offerings.³³ The OAG noted that as part of its GOL initiative, the government had developed Secure Channel, which was a single window for users to conduct online transactions with the government. Secure Channel cost \$377 million to develop and \$598 million to operate from September 2004 to December 2012.³⁴ Mr. Ferguson summarized the OAG's findings on Secure Channel:

[W]hat we've indicated here is that the cost of Secure Channel was very high. There was a recognition as well that it wasn't necessarily going to be the best solution to what they were trying to accomplish so there was this change of course in terms of how the secure access would be offered, and that's explained in here. There was a lot of money spent on this initiative. The more recent ways of dealing with this problem are going to be less expensive, so that's a good thing. Nevertheless, there's a lot of sunk cost related to the Secure Channel.³⁵

32 Ibid., 1720.

33 Auditor General of Canada (2013), paragraph 2.48.

34 Ibid., paragraph 2.49.

35 Meeting 15, 1725.

In November 2012, the TBS issued the Guideline on Defining Authentication Requirements, which identifies two authentication services that all departments must offer to provide access to their services online: GCKey and Sign-In Partner.³⁶ The OAG found that these authentication services were more cost-effective than previous alternatives, and complied with government security standards.³⁷ However, it concluded that these authentication services are neither simple nor practical, given that the authentication and enrolment process often includes a number of steps, requires the use of multiple delivery channels, offers a variety of authentication options, requires individuals and businesses to repeat the process with each department and can take up to 21 days to complete.³⁸

When asked about the challenges related to the security of online service delivery, Ms. Charette described a new approach to balancing convenience with security and the protection of personal, confidential information, stating that:

One of our solutions for online authentication is to be able to leverage the financial institution's security for online services. For instance, Canadians can now, using their bank debit card, go through the banking infrastructure for online access and access their government services that way. This allows us basically to take advantage of financial institutions, their great focus and continuing investment in cyber infrastructure, and by working with them to leverage that asset to provide single sign-on and use of service at the lowest possible cost.³⁹

The OAG recommended that the TBS work with departments to provide a simple enrolment process for individuals and businesses to transact online securely and cost-effectively with the government.⁴⁰ Ms. Charette responded to the recommendation:

The Treasury Board of Canada Secretariat will also continue to work with government departments to provide a simple enrolment process both for individuals and for businesses to transact online securely and cost-effectively with the government. We will continue to collaborate with our provincial and territorial colleagues to enable a simple and secure way to access Government of Canada services across Canada and achieve a “tell us once” approach, where personal information can be reused in confidential and secure ways, furthering proofs of concept right now with our federal partners.⁴¹

In its written response to the recommendation in the audit chapter, the TBS noted that the implementation of the Standard on Identity and Credential Assurance is expected to be completed by 31 March 2018.⁴² Given the long timeline, considerable work will be

36 Auditor General of Canada (2013), paragraph 2.53.

37 Ibid., paragraphs 2.54-2.55.

38 Ibid., paragraphs 2.56-2.57.

39 Meeting 15, 1630.

40 Auditor General of Canada (2013), paragraph 2.61.

41 Meeting 15, 1555.

42 Auditor General of Canada (2013), paragraph 2.61.

required. In the meantime, the Committee believes that departments and agencies, with the guidance of the TBS, need to ensure that Canadians can conduct secure and cost-effective online transactions with the government.

CONCLUSION

Canadians are increasingly able to conduct online transactions quickly, securely and simply with private institutions, and have reasonable expectations that they should have similar experiences when they attempt to access information about and conduct transactions with government programs. Not only can online services be quicker and easier to use, they are also more cost-effective for the government to deliver. The federal government has recognized the importance of improving Canadians' access to online services, but it needs to keep up with progress made in the private sector.

The OAG's observations make it clear that federal departments and agencies need to develop a more focused, client-centered and integrated approach to online services. While the CRA has made good progress, other departments and agencies need to make similar efforts. The OAG noted that some online services were difficult to use, and there was little integration between departments. All federal departments and agencies need to work together to ensure that Canadians can easily access government services online in a manner that is secure, accessible and cost-effective. The Committee expects that the government will complete its work on a government-wide service strategy and departments and agencies will develop their own integrated plans for service delivery.

APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
Canada Revenue Agency Dave Bennett, Assistant Commissioner, Assessment and Benefit Services Branch	2014/02/24	15
Department of Employment and Social Development Carolina Giliberti, Senior Assistant Deputy Minister, Services Management, Service Canada		
Department of Industry Éric Dagenais, Director General, Small Business Branch		
Department of Veterans Affairs Charlotte Bastien, Director General, Field Operations Rick Christopher, Director, Service Delivery		
Office of the Auditor General of Canada Michael Ferguson, Auditor General of Canada Dale MacMillan, Principal		
Treasury Board Secretariat Corinne Charette, Chief Information Officer of the Government of Canada Sharon Squire, Executive Director, Service and GC 2.0 Policy and Community Enablement		

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 15 and 18](#)) is tabled.

Respectfully submitted,

David Christopherson

Chair

