

REPORT ON THE MESSAGE FROM THE AUDITOR GENERAL IN THE 2018 SPRING REPORTS

Report of the Standing Committee on Public Accounts

The Honourable Kevin Sorenson, Chair



OCTOBER 2018 42nd PARLIAMENT, 1st SESSION Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: www.ourcommons.ca

REPORT ON THE MESSAGE FROM THE AUDITOR GENERAL IN THE 2018 SPRING REPORTS

Report of the Standing Committee on Public Accounts

Hon. Kevin Sorenson Chair

OCTOBER 2018
42nd PARLIAMENT, 1st SESSION

NOTICE TO READER	
Reports from committee presented to the House of Commons	
Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.	

STANDING COMMITTEE ON PUBLIC ACCOUNTS

CHAIR

Hon. Kevin Sorenson

VICE-CHAIRS

Alexandra Mendès David Christopherson

MEMBERS

Chandra Arya Joyce Murray*

Shaun Chen Alexander Nuttall

Pat Kelly Randeep Sarai

Steven Mackinnon* Jean Yip

Rémi Massé

OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED

Gary Anandasangaree Matt Jeneroux

Gérard Deltell Kelly Mccauley

Fayçal El-Khoury Lisa Raitt

Kent Hehr Cathay Wagontall

CLERK OF THE COMMITTEE

Angela Crandall

^{*} Non-voting member, pursuant to Standing Order 104(5).

LIBRARY OF PARLIAMENT

Parliamentary Information and Research Service

André Léonard, Analyst Dillan Theckedath, Analyst

THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

FIFTY-SECOND REPORT

Pursuant to its mandate under Standing Order 108(3)(g), the Committee has studied the Briefing on the Message of the Auditor General in the 2018 Spring Reports, and has agreed to report the following:



REPORT ON THE MESSAGE FROM THE AUDITOR GENERAL IN THE 2018 SPRING REPORTS

INTRODUCTION

Included in the 2018 Spring Reports of the Office of the Auditor General of Canada (OAG) is a section entitled "Message from the Auditor General," whose purpose was to "explore the cause of incomprehensible failures in government." As such, the Message addressed several themes pertaining to the administration of the federal government.

In the Spring of 2018, the House of Commons Standing Committee on Public Accounts (the Committee) agreed to explore some of the themes raised in this Message.

MESSAGE FROM THE AUDITOR GENERAL

A. Failures in Program and Project Management and Oversight

Michael Ferguson, Auditor General of Canada (AG) described both the Phoenix pay system transformation project and federal programs for Indigenous Canadians as "incomprehensible failures." Regarding the former, the AG stated the following:

Why did no one realize the project would fail? Why did no one stop and fundamentally reassess the project? The only explanation is that there were fundamental failures of project management and project oversight.³

Regarding the administration of Indigenous programs, he added the following:

It's the incomprehensible failure of the federal government to influence better conditions for Indigenous people in Canada. Our recent audits are two more in a long line that bring to light the poor outcomes of Indigenous programs.⁴

Office of the Auditor General of Canada (OAG), <u>Message from the Auditor General of Canada</u>, of the 2018 Spring Reports of the Auditor General of Canada.

² Ibid.

³ Ibid.

⁴ Ibid.



The AG also noted that these two "failures" are not specific to any one mandate; rather, "both have been passed on from government to government."⁵

B. Accountability for the Phoenix Project

Regarding the decision to launch Phoenix, the AG noted the following:

- "It's as if the Phoenix project was set up to avoid responsibility either by design or by accident.
- There was no documented approval by anyone that the system should be launched.
- Three different deputy ministers [DMs] rotated through Public Services and Procurement Canada (PSPC) in the seven years before the launch of the system's first wave in February 2016.
- The Deputy Minister who was in place when Phoenix was launched was only in the role for about a year, and he left shortly after the first wave was implemented.
- PSPC tried to bring the whole Deputy Minister group into the launch decision at the last minute, but that group didn't have any authority to make decisions.
- The Treasury Board of Canada Secretariat realized late in the process that a problem was brewing, but it also didn't have any project authority."

Furthermore, the AG explained that the "paper trail ends" with the project executive's "missteps" and adds that although the "Deputy Minister was accountable for what happened on his watch, his staff didn't give him the information he needed to understand the serious project risks, there was no independent project oversight, and he had been given responsibility for a complex department just as the Phoenix project was

⁵ Ibid.

⁶ Ibid.

winding down."⁷ He also notes that the "former Deputy Minister should be held accountable for the decision to launch Phoenix, but he didn't cause the problem."⁸

Finally, the AG states that both governments, led by Prime Minister Stephen Harper and Prime Minister Justin Trudeau, are accountable for various problems of the Phoenix pay system.⁹

C. The Culture of the Federal Government

In framing this message, the AG asked the following question: "How could Phoenix have failed so thoroughly in a system that has a management accountability framework; risk management policies; program evaluations; internal audit groups; departmental audit committees; accounting officers; departmental plans; departmental performance reports; pay-for-performance compensation; and audits by the Office of the Auditor General?" Furthermore, the AG also observes that for many years, Indigenous programs have also failed to deliver substantive results.

In response to his own question, the AG posits that by maintaining the status quo—regarding the administration of the federal government—there will be more incomprehensible failures. ¹¹ However, the AG also noted that "a change in the culture of the federal government will be the best hope to prevent incomprehensible failures in the future." ¹²

The AG describes the culture of the federal government as follows:

- Tension between the political side and the public service is healthy; however, if that tension is not in balance, the risk of failure increases.
- "In the current culture, the two perspectives are out of balance, with the
 political perspective being dominant. This is largely because of instant
 digital communication, which means that politicians are more concerned
 with message and image management."

7	Ibid.	
8	Ibid.	
9	Ibid.	
10	Ibid.	
11	Ibid.	
12	Ibid.	



- "Because of the dominant political perspective, there has been an erosion of Deputy Minister influence. Two signs of this are the short tenure of deputy ministers and the increased influence of ministerial staff."
- The public service needs to promote the long-term view to ensure the sustainability of government programs—even at the cost of short-term political benefit.
- A short-term focus explains the problems with Indigenous programs;
 "The measure of success has become the amount of money spent, rather than improved outcomes for Indigenous people."
- As DMs are competing with ministerial staff regarding advising the Minister, it has become "easier for a Deputy Minister to just implement the will of the Minister without question rather than provide fearless advice on the pitfalls that could arise and how to avoid them. This is how deputy ministers keep the trust of their ministers, and keep whatever influence they have."
- Consequently, this "culture has created an obedient public service that fears mistakes and risk. Its ability to convey hard truths has eroded, as has the willingness of senior levels – including ministers – to hear hard truths. This culture causes the incomprehensible failures it is trying to avoid."¹³

The AG admitted that he does not have solutions for how to "fix" this culture. However, he noted that "while there is a culture problem, the recent public service survey shows that the average public servant wants the culture to change, and wants to work in a culture that focuses on results for people." ¹⁴

On 18 June 2018, during one of Committee's hearings on the Phoenix Pay System, the AG stated the following regarding the turnover rate of DMs:

Again, that's one of the cultural issues that I identified in the message, the fact of the tenure of deputy ministers in these positions. I believe there were four different deputy

13 Ibid.

14 Ibid.

ministers, including Ms. Lemay coming in right at the very end in PSPC, in that time period.

Again, that type of turnover of deputy ministers, I believe, is something that is problematic. We see it all of the time in our audits, when we do an audit and then come back with a follow-up audit, I think sometimes there is, in fact, a third deputy in the middle there. We do the audit under one deputy minister. By the time we come back and do a follow-up audit, it's a whole other deputy minister and you get that same answer of "Well, I wasn't there at the time." There's nothing they can do about it. They weren't there at the time. 15

TESTIMONY FROM THE CLERK OF THE PRIVY COUNCIL

On Tuesday, 12 June 2018, Michael Wernick, Clerk of the Privy Council and Secretary to the Cabinet (the Clerk), appeared before the Committee to address the Message from the AG.¹⁶ In his testimony, the Clerk refuted the "generalization" of the Message and stated that Phoenix problems were "comprehensible," "avoidable," and "repairable." ¹⁷

The Clerk further explained that problems with the Indigenous file are not administrative failures, but rather "policy" failures; it was suggested that program and project funding should be delivered on a statutory basis, rather than on outdated legislation and contribution agreements.¹⁸

Regarding DMs, the Clerk explained that although he does not have "executive authority" over DMs, he is responsible for advising the Prime Minister on DM appointments, promotions, performance pay, and terminations.¹⁹

TESTIMONY FROM THE SECRETARY TO THE TREASURY BOARD

On 14 June 2018, the Peter Wallace, Secretary of the Treasury Board of Canada, appeared before the Committee for its hearing on Report 1—Building and Implementing

House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 42nd Parliament, 14 June 2018, Meeting No. 105, 1720.

House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 42nd Parliament, 12 June 2018, Meeting No. 104.

¹⁷ Ibid., 1535.

¹⁸ Ibid., 1555.

¹⁹ Ibid., 1615.



the Phoenix Pay System, of the 2018 Spring reports of the Auditor General of Canada.²⁰ (Various other officials from the Treasury Board of Canada Secretariat, Public Services and Procurement Canada, along with the AG and his staff also appeared.²¹)

In response to questions about Phoenix and project management, the Secretary provided the following:

The reality is that information technology projects are high risk, and many of them do fail. The literature is pretty clear that a very high percentage fail. The challenge is not in failure. The challenge is in catastrophic failure. We understand that the path to that catastrophic failure was long and complex. The corrections will be long and complex.

We have, of course, put in a large number of additional steps, like enterprise gating and a variety of other things. We can go through them. They are simply additional steps. As the Auditor General correctly points out, if those controls failed, we need to understand what would actually happen with additional controls.²²

Regarding the importance of accountability and governance, the Secretary stated the following:

We are, in fact, undertaking a very serious conversation internally as well, about something fundamental. The Auditor General has used this language as well. The controls and processes we put in place cannot only be followed in form. They need to be followed in substance as well. That is a rich, incredibly appropriate, and necessary dialogue. We are engaged in that.

There are incredibly important lessons to be learned from this. They are lessons that are technical, in terms of the way we establish governance. They are also lessons that relate to how we run the system, including the culture. We understand and accept that. We are undertaking the dialogue to ensure that this fundamental notion.... I will echo your language around respect. I will echo the Auditor General's language around substance and not just form. I will echo some other language that's not tunnel vision, that we actually walk the talk and do the job. It's absolutely, completely essential that we do that.²³

I think we need to understand the depth of the dysfunction and challenge associated with that. You are absolutely right that Treasury Board does have a challenge function and an oversight function. The Auditor General is absolutely correct that this was followed in form rather than substance. The reality is that the boxes were checked but

House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 42nd Parliament, 14 June 2018, Meeting No. 105.

²¹ Ibid.

²² Ibid., 1610.

²³ Ibid.

the values were not lived. The reality is that we work with human beings, and the reality is that we need to be absolutely on top of that.

The lessons learned here are not only about additional steps, barriers, layers, supporting requirements, and all of those things. They are fundamentally about the way we work as a system, and the relationship of Treasury Board in ensuring that at the start of projects, in the middle, through the green-lighting, and through the stage gates, for the elements that are put in there, appropriately, the values are actually lived.²⁴

Going forward, the Secretary provided many examples of improvements and how the Treasury Board can help implement them:

Let me go through a number of steps that we have already undertaken, and then speak to something a little more fundamental than that.

We have, of course, put in place a stronger role for the chief information officer. We have updated our information technology and management policies. We put in place much stronger governance in terms of deputy ministers' committees with clearer lines of accountability. We have ensured that Treasury Board is engaged in a much more meaningful way in two forms of the challenge function: the fiscal challenge function, and now a much stronger role for the IT [information technology] challenge function as well. We have created a number of very important digital standards around interoperability, access to cloud, and a whole variety of things absolutely critical to avoiding these things and allowing for broader vendor interface as well.

We have put in place an enormous amount of work on a project management strategy under the office of the comptroller general. We have put in place a variety of multi-level governance models associated with all those things.

However, to [be] very clear, those are all hurdles. They are all step points. They could become bureaucratic friction unless we take the core lesson seriously. The core lesson here is that these things are not there to be manoeuvred around. They are there so that we actually understand what we are doing. We take appropriate risk but not disproportionate risks with taxpayer values, with the privacy of our employees' information, with our fundamental need to pay our employees accurately and on time, or any other IT project.²⁵

Specifically pertaining to personnel, the Secretary suggested the following:

I appreciate the question around accountability. It's important and fundamental, and I'll answer it on a going-forward basis, if I may.

²⁴ Ibid., 1650.

²⁵ Ibid., 1710.



I think there may well be opportunities to improve the accountability regime of the Government of Canada on a going-forward basis. One of them is to look at the number of layers of executives and whether or not that number of layers facilitates the effective flow of information.

Second and perhaps fundamentally, we do need to look at the capacity of the Government of Canada for removals. The barriers for cause right now are very, very high. It may be appropriate to look at legislative change to facilitate more rapid removal of executives who have failed to perform. There also may be an opportunity to look at the potential to recover any performance pay, or in particular, pay at risk that may have been granted in error. In other words, if gross mismanagement or other very serious discrepancies are discovered, after due process, it may be appropriate to recover those.

The government has put those in place for Governor in Council appointments on a going-forward basis, and they may well be applicable to the public service as well. I think that's an important dialogue, because I think this does raise fundamental issues of accountability around information flow and consequence. ²⁶

Therefore, to ensure the Government of Canada addresses potential deficiencies in its accountability regime, the Committee recommends

Recommendation 1 – Pertaining to the accountability regime

That, by 28 February 2019, the *Government of Canada* explore opportunities to improve the accountability regime, including dealing with gross mismanagement or other very serious discrepancies, and report its findings to the House of Commons Standing Committee on Public Accounts.

ANALYSIS

A. Committee Considerations

The AG's Message was not only notable for its candor and urgency, but it has provided the Committee with a unique opportunity to examine the federal government's approach to governance and accountability. In that light, the Committee was extremely concerned with the matters raised in the Message and took it upon itself to address some of these challenges.

From the outset, the Committee cannot state strongly enough its tremendous respect and praise for Canada's professional public service. This praise has been earned by the tireless—and at times, thankless—efforts of our federal employees who work in all parts

²⁶ Ibid., 1655.

of Canada. As such, the Committee's study is focused on trying to help ensure that the Government of Canada has proper systems in place to safeguard against future Phoenix-like occurrences.

Some Committee members expressed strong disagreement with the Clerk's appraisal of the AG's Message. The high quality of the OAG's work is widely recognized and praised, and the Committee contends that the AG's opinions are professional, measured, and rooted in evidence, and as such, the Committee unanimously accepts the seriousness and gravity of the matters raised in this Message. The Committee echoes the conclusions of the Message: it is incomprehensible that a failure such as the Phoenix Pay System could occur given the layers of checks, delegated authority, and reporting.

In contrast, the Committee was impressed, and encouraged, by the thoughtful and forward-looking nature of the Secretary's reaction to both the Message and the OAG's audit of the Phoenix Pay System. His commitment and approach towards fixing such problems pro-actively address the concerns expressed by the AG, and propose concrete measures.

The Committee would also like to address the Clerk's assertions regarding the tenure of DMs:

You alluded, Mr. Chair, to rapid turnover of deputy ministers. The facts speak otherwise. I have the evidence for that. The Auditor General left an impression that is factually incorrect, and you can correct that with evidence. The way to measure deputy ministers' tenure is how many years they were in the job from start to finish. If you look at the 33 deputy ministers whom I have some influence over, and the last three terms they completed—not the snapshot of the ones that are in now and haven't run out their clock—you see that's 99 deputy terms. Thirty-three ministers completed terms, and three.... Forty-nine of those were for more than three years, which is the benchmark this committee suggested in previous reports; 27 were in their jobs for more than four years; and 16 were in their jobs for more than five years. The median and the average are both greater than three years, so my view is we don't have a pervasive, generalized problem with deputy turnover.

Although the Committee accepts the Clerk's calculations as provided in his testimony, it does not change the following:

 According to the Auditor General, for example, during the development and implementation of the Phoenix pay system, there were four different



DMs running what is now known as Procurement and Public Services Canada.²⁷

• Since the start of the 42nd Parliament, this Committee has on numerous occasions heard DM witnesses state that they were not the DM (or accounting officer) during the period of the OAG audit in question. Again, this sentiment was confirmed by the AG as regards their audit work.²⁸

That is, regardless of a statistical average covering all DM assignments, the Committee believes that there are some departments that experience higher than average rates of DM turnover, raising concerns regarding governance and accountability.

Additionally, the Clerk cited several polls/studies that placed the Government of Canada well in terms of being a sound enterprise and good place to work. At the same time, the Committee is very concerned and voiced many of the countless stories of **hardship** told by their constituents, all due to the failures of Phoenix.

B. Recommendations

1. Change Management

In June 2018, the McKinsey Center for Government (McKinsey&Company) released a discussion paper entitled *Delivering for Citizens: How to Triple the Success Rate of Government Transformations*.²⁹ Based on a survey of almost 3,000 public officials from 18 countries, the paper reports that "80[%] of government efforts to transform unfortunately fail to fully meet their objectives."³⁰ However, the study "identified five disciplines that together can more than triple the chances of success of government transformations;" they may seem obvious, but research shows that it is very difficult to get them right.³¹ They are referred to as "the five Cs:

• **Committed leadership.** Transformation leaders must commit extraordinary energy to the effort, take personal accountability for

²⁷ Ibid., 1720.

²⁸ Ibid.

²⁹ McKinsey Center for Government, <u>Delivering for Citizens: How to Triple the Success Rate of Government</u> Transformations, June 2018.

³⁰ Ibid., p. 5.

³¹ Ibid.

success or failure, lead by example, and challenge long-established conventions. To inspire transformation, they must spend substantial time communicating face to face with the people affected, listening as much as they talk.

- Clear purpose and priorities. Successful transformations paint a
 compelling picture of their destination and make it clear to public
 servants and citizens why the change is necessary. When it comes to
 objectives, less is more: successful efforts keep targets few, specific, and
 outcome based.
- Cadence and coordination in delivery. The delivery of transformations
 requires a fast yet steady pace, a flatter hierarchy than is usual in the
 public sector, close collaboration between different agencies and
 functions, and the flexibility to solve problems as they arise. It also
 requires an empowered and focused transformation team to drive and
 track progress.
- Compelling communication. Every government communicates, but only
 a few do so effectively. Nearly 90 percent of participants in our
 transformation survey said success would have been enhanced by
 engaging more with frontline employees. Transformations need wellplanned, in-depth, and genuine two-way communication with all the
 groups affected by the change—especially the organization's own
 employees.
- Capability for change. Although civil services are often staffed by highly skilled people, they rarely have deep expertise and experience in change management. Reliance on business-as usual capabilities is a major contributor to the high failure rate of government transformations. Three sets of skills are particularly important: the ability to run complex, large-scale service-delivery organizations; project and program management; and digital and analytics skills."32

The Committee believes that these guiding principles could help the federal government transform various aspects of governance and accountability. Thus, it strongly encourages the Government of Canada to study and consider implementing these ideas,

32 Ibid.



so that Canadians can be assured that its government is always working to serve them to the very best of its capacity and talent. Therefore, the Committee recommends

Recommendation 2 – Regarding suggestions of best practices for public sector transformations

The House of Commons Standing Committee on Public Accounts recommends that the *Government of Canada* study and consider applying the five key principles identified in the discussion paper entitled *Delivering for Citizens: How to Triple the Success Rate of Government Transformations* (a.k.a., "the five Cs") to all major government programs and projects, and provide the Committee with a progress report by 31 May 2019.

2. Changing the Culture in the Public Service

In June 2018, the United Kingdom's House of Commons Public Administration and Constitutional Affairs Committee (PACAC) published a report entitled *The Minister and the Official: The Fulcrum of Whitehall Effectiveness*. ³³ The report examined many aspects of the U.K. public service, some of which were also noted in the AG's Message, such as the relationship between ministers and senior departmental officials, and the high turnover of employees (including senior officials). On 19 June 2018, the AG suggested that this report may give the Committee ideas on what it could do in response to his Message. ³⁴

To further ensure the comprehensiveness of its study, PACAC hired an external consultant (Professor Andrew Kakabadse) who was granted access to current and former ministers, permanent secretaries (the U.K. equivalent of DMs), senior officials, political advisers and private contractors to study the relationship between ministers and public servants. (Quotations and information were attributed to staff by their job titles, and not by name, to ensure a more open and frank discussion. Also, the names of participants

United Kingdom, House of Commons, Public Administration and Constitutional Affairs Committee, <u>The Minister and the Official: The Fulcrum of Whitehall Effectiveness</u>, Fifth Report, Session 2017-2019, 57th Parliament, June 2018. Whitehall is the London street where many U.K. departments are located and thus it has come to represent the public service as a whole.

House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 42nd Parliament, 19 June 2018, Meeting No. 106, 1640.

were available at the end of the report but could not be linked to a particular quote or section thereof.³⁵) This report contributed to PACAC's study.

Some themes examined in the PACAC Committee final report mirrored several of those in the AG's Message. Many of the challenges identified were similar to the Canadian experience but others did not apply due to differences in government practices and institutions; for example:

- (Dis)obedience culture: Contrarily to what was stated in the AG's Message about the culture of obedience present in the Canadian public service—whereby public servants are too fearful to contradict ministers—in the U.K.'s public service, the problem seemed to be a culture of disobedience, as senior officials were found to be reluctant to implement policy changes sought by ministers. This was thought to be a resistance to change rather than a resistance to particular policies. Suggestions were made requiring better communications between ministers and permanent secretaries, and more accountability from permanent secretaries.
- High turnover of deputy ministers: This matter appears to be similar to
 the reported problem of the short tenure of DMs in Canada. In the U.K.
 there is a perception amongst public servants that they need to change
 positions frequently to gain promotions, making them generalists rather
 than specialists. Senior officials were viewed as having good skills in
 management of programs and people, but limited knowledge of specific
 subject matters. Likewise, Canadian DMs commonly change assignments
 with responsibilities in such varied domains as health, justice,
 employment, etc.

Thus, the Committee also recommends:

Recommendation 3 – Regarding suggestions of best practices for addressing certain challenges in the public service

The House of Commons Standing Committee on Public Accounts recommends that the *Government of Canada* study and consider applying the relevant recommendations in the United Kingdom's House of Commons Public Administration and Constitutional

United Kingdom, House of Commons, Public Administration and Constitutional Affairs Committee, Civil Service Effectiveness Inquiry, Written Evidence from Professor Andrew Kakabadse, "Is Government Fit for Purpose?," The Kakabadse Report.



Affairs Committee report entitled *The Minister and the Official: The Fulcrum of Whitehall Effectiveness*, specifically pertaining to: 1) the tenure of deputy ministers; and 2) the practices and trust in place, firstly, between ministers and deputy ministers, and secondly, between deputy ministers, senior officials and the public service in general.

CONCLUSION

To address the concerns raised in the Message from the Auditor General, the Committee has made three recommendations to help the Government of Canada improve its approach to governance and accountability. Additionally, the Committee hopes they help improve the culture of the federal public service, which currently can make it difficult to implement major projects such as Phoenix, or to adequately improve outcomes for Aboriginal Canadians.

Ultimately, the measure of success of such an exercise will be how well it leads to improvements in the administration of federal polices and programs, and more importantly, in the delivery of services to Canadians.

SUMMARY OF RECOMMENDED ACTIONS AND ASSOCIATED DEADLINES

Table 1—Summary of Recommended Actions and Associated Deadlines

Recommendation	Recommended Action	Deadline
Recommendation 1	The Government of Canada should explore opportunities to improve the accountability regime, including dealing with gross mismanagement or other very serious discrepancies, and report its findings to the Committee.	28 February 2019
Recommendation 2	The Government of Canada should study and consider applying the five key principles identified in the discussion paper entitled Delivering for Citizens: How to Triple the Success Rate of Government Transformations (a.k.a., "the five Cs") to all major government programs and projects, and provide the Committee with a progress report.	31 May 2019
Recommendation 3	The Government of Canada should study and consider applying the relevant recommendations in the United Kingdom's House of Commons Public Administration and Constitutional Affairs Committee report entitled The Minister and the Official: The Fulcrum of Whitehall Effectiveness, specifically pertaining to: 1) the tenure of deputy ministers; and 2) the practices and trust in place, firstly, between ministers and deputy ministers, and secondly, between deputy ministers, senior officials and the public service in general.	

APPENDIX A LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
Privy Council Office	2018/06/12	104
Michael Wernick, Clerk of the Privy Council and Secretary to the Cabinet		
Office of the Auditor General	2018/06/19	106
Michael Ferguson, Auditor General of Canada		

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. 104, 106, 109 and 110) is tabled.

Respectfully submitted,

Hon. Kevin Sorenson, P.C., MP Chair