

Message from the Auditor General of Canada



March 2021



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

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To the Honourable Speaker of the House of Commons:

I have the honour to submit herewith these 2021 reports, which are to be laid before the House of Commons in accordance with the provisions of subsection 8(2) of the *Auditor General Act*.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Karen Hogan".

Karen Hogan, CPA, CA
Auditor General of Canada

OTTAWA, 25 March 2021

Message from the Auditor General of Canada— March 2021

I am pleased to deliver my first message as the Auditor General of Canada, along with the first audit reports of many that my office will present on the government's response to the coronavirus disease (COVID-19) pandemic. I am also pleased to deliver my audit report on the Investing in Canada Plan.

There is no doubt that in 2020, the COVID-19 pandemic was an all-hands-on-deck emergency of global proportions. Governments across the world found themselves in a reactive mode, and they had to mobilize to rapidly roll out measures to address the public health, social, and economic effects of this pandemic. Canada was no exception. A year later, the COVID-19 pandemic is still with us, and its effects may continue to be felt for many years to come. While we will always audit "normal" government activities, the government's COVID-19 response will become an element that is factored into our audit planning and selection, much as we have committed to considering the United Nations' Sustainable Development Goals and gender-based analysis plus in all of our future audit work.

We strive to conduct audits that will contribute to the best outcomes possible for Canadians. Originally, we had planned to also submit an audit report on the Temporary Foreign Workers Program with our first COVID-19 audit reports. As our work was progressing, we adjusted our approach to maximize our value and positive influence on Employment and Social Development Canada's activities. Given our preliminary audit findings, we sent a letter to the Deputy Minister of Employment and Social Development in early February 2021 to inform him about significant shortcomings in the department's inspections. Those inspections are an essential tool for supporting the health and safety of temporary foreign workers during a COVID-19 quarantine period. We encouraged the Deputy Minister to take action, and we decided to continue our audit work to include the 2021 season. Our audit report on the Temporary Foreign Workers Program will be presented to Parliament in fall 2021.

Already, through the early work we have completed, we see considerations coming out of our COVID-19 audits that are worth reflecting on and, perhaps, exploring further. Our audit of the Investing in Canada Plan also gave us an opportunity to think about how the government manages horizontal initiatives, which involve 2 or more federal organizations that are working to achieve a clearly defined shared outcome. Together, these audits provide an opportunity to consider how to improve the coordination between federal partners and other governments that provide needed services and support to Canadians.

Prioritizing outcomes—The “service mindset”

The first point emerging from our audit work that I believe merits emphasis is that when the public service must, the public service can.

Through our COVID-19 audits, we have seen that our federal public service was thrown a big challenge and that it rose to the occasion and delivered. The public service was given the authority to prioritize its actions in the moment. With its pandemic response, the government set an objective of helping Canadians as quickly as possible. The Secretary of the Treasury Board encouraged senior public servants to apply judgment to make the appropriate decisions in the moment, balancing the need for accountability and transparency.

We observed nimbleness during our audits of the Canada Emergency Response Benefit; the Canada Emergency Wage Subsidy; and pandemic preparedness, surveillance, and border control measures. While we found that the government was not ready for a pandemic of this magnitude, the public service adjusted to prioritize the needs of Canadians during the emergency situation, and it has sustained those efforts for more than a year. We saw that when multi-departmental coordination is prioritized and focused on outcomes, the public service can make it work.

What triggered this service-minded approach? In my view, the urgency and gravity of the pandemic pushed federal organizations in directions they might not have gone of their own accord, nor as quickly. This urgency and gravity provided federal organizations with the impetus needed to make a significant shift away from a process focus and toward a service mindset.

In our audits of the Canada Emergency Response Benefit and the Canada Emergency Wage Subsidy, we saw programs that were rolled out in record time. The public service focused on the desired outcome: helping Canadians fast. Public servants—who are Canadians like you and me—made this happen while also living through the pandemic and adjusting to very different working conditions. Their ability to work differently during the pandemic—to learn, change, and course-correct in real time—has shown what a service mindset can accomplish.

Was it always perfect? No. Trade-offs had to be made. Controls that might have been implemented were not, or they were delayed. Departments and agencies decided to focus first on delivering help, even if that meant that some people might receive benefits in error. Departments and agencies recognized and accepted this risk because at the time, in the midst of a pandemic, helping the many was more important than preventing erroneous payments to the few. This means, however, that extensive efforts will be required by the government to make sure that payments were appropriate and to recover payments that should not have been made. We will audit those activities.

Conversely, we did not observe this service mindset and multi-departmental coordination in our audit of the Investing in Canada Plan. The Investing in Canada Plan is a multi-year, \$188-billion investment plan that was set in motion in 2016, with important aims of generating long-term economic growth, improving communities' resiliency, supporting the transition to a green economy, and improving social inclusion and socio-economic outcomes for all Canadians. Currently, the lack of meaningful information and delays in the rolling out of funds are putting at risk the achievement of the plan's objectives by the 2027–28 deadline.

It is important to recognize that even with a service mindset, things will not always be perfect. Ultimately, I believe that learning from experiences is an essential part of progress. I expect that the government will learn from the approaches that it adopted over the last year.

What if the government decided not to wait for catastrophic unforeseen events to drive positive change in its service to Canadians? What if a public service that is less focused on process and more service-oriented became the new normal post-pandemic? What would service to Canadians look like then? I believe that these questions are worth exploring.

The importance of dealing with known issues

Over the years, audit reports provided to Parliament by the Auditor General and the Commissioner of the Environment and Sustainable Development have identified issues and made recommendations that are sometimes not fully addressed. The government should not need a crisis to understand the importance of acting promptly to keep its house in order.

We saw active collaboration between departments and agencies tasked with rolling out emergency aid to Canadians in response to the pandemic. That said, our audit of pandemic preparedness, surveillance, and border control measures showed that the Public Health Agency of Canada was not as well prepared as it could have been because it had not resolved issues relating to pandemic planning, information technology infrastructure, and information sharing. For example, the Public Health Agency of Canada, in the midst of a public health emergency, was forced to deal with long-standing gaps in its information sharing with the provinces and territories to obtain surveillance data to support a national health response.

The government cannot ignore long-standing issues—they do not go away.

We will never be able to tell Canadians what would have happened if the preparedness issues had been better addressed before the pandemic

hit and if all plans had been updated and tested as they needed to be. Perhaps the government's pandemic response would have been different.

With the Investing in Canada Plan, we have seen that it is difficult for the lead department to provide a clear sense of where funding has been going and what the plan has accomplished. In my view, when there is confusion over accountabilities, or when the lead organization in a horizontal initiative does not have the powers that it needs to be effective, we cannot expect positive results. Again, this is not new. We have seen similar problems in many of our past audits on topics that require cross-departmental, cross-jurisdictional, and whole-of-society collaboration. In particular, these challenges have often been a feature of our audit reports on Indigenous issues, climate change, biodiversity, and sustainable development.

It seems that agreeing on who will do what and when, who will report what to whom, and who will take the lead is persistently difficult. This is especially true where collaboration and dialogue are needed between federal government organizations and their provincial and territorial counterparts, with other important partners such as Indigenous communities, or even among federal departments. That is not an efficient way of working, nor is it a productive way to serve Canadians.

I believe that there is a need to study this issue further and identify mechanisms to improve pan-Canadian collaboration, and the pandemic has made that need difficult to ignore. I do not want to imply that figuring out how to work together with partners in other levels of government or spheres of society is simple. However, in our country, where there are multiple jurisdictions, it is necessary.

I believe that, following the pandemic, it would be valuable for an independent review to be conducted to examine and recommend improvements for coordination across jurisdictions when there is a nationwide public health event or other similar urgent matter. As the auditor of the federal government and the territories, my mandate does not extend to include provincial or municipal activities. Accordingly, an independent review would need to be conducted by a body that has the authority to go further than I can. I am more than happy to collaborate and support that work in any way that I can.

In conclusion

Over the last year, we have seen that there is a tension between conducting audit work to support Parliament's role in holding government to account and the public service's priority of responding to the pandemic. Not surprisingly, much of the audit work that we have planned involves the departments and agencies that are directly engaged in providing services to Canadians during the pandemic.

Health Canada, the Public Health Agency of Canada, Employment and Social Development Canada, and the Canada Revenue Agency have asked that we delay some of our planned audit work on topics such as COVID-19 vaccines, Internet connectivity, and outreach activities that the government undertakes to meet the needs of vulnerable populations. It is not that these departments and agencies are refusing to be audited. Rather, their concern is that the public servants who would need to be involved in our audit work are focusing their efforts to deliver essential services to Canadians, and they are already involved in other audits.

We have the authority to decide what we will audit and when. We carefully consider the timing and effects of our audit work. With that in mind, we decided to delay the audits on COVID-19 vaccines, Internet connectivity, and outreach activities. Instead, we started work on other audits that we believe are important and could be done now with fewer disruptions to public services during the pandemic.

The rollout of vaccines requires the coordination and collaboration of federal, provincial, territorial, municipal, and Indigenous partners for the effective and timely delivery of services to Canadians. As a result, we have opened discussions with provincial auditors general to explore the possibility of coordinated audit work about COVID-19 vaccine delivery. This initiative forms part of the avenues we continue to explore to innovate in our auditing and reporting, so that we may continue to deliver value to parliamentarians and Canadians alike. I look forward to serving you in this capacity over the coming decade.

