

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

Access to Benefits for Hard-to-Reach Populations

Report 1



**Independent Auditor's
Report | 2022**



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada



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Cat. No. FA1-27/2022-1-1E-PDF

ISBN 978-0-660-42261-9

ISSN 2561-343X

Cover and title page photos: [Pepgooner/Shutterstock.com](https://www.shutterstock.com)

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Introduction

Background

Federal benefit programs to help reduce poverty

1.1 Poverty reduction is a priority of the Government of Canada. There are several federal government programs that offer income support benefits that can contribute toward lifting Canadians out of poverty. Since 2016, the government has made improvements to enhance the ease of access to benefits and increased the dollar amount of benefits available to eligible recipients for certain programs, including

- the Canada Child Benefit, for low-income families with children under the age of 18
- the Guaranteed Income Supplement, for low-income people who are 65 or older
- the Canada Workers Benefit, for low-income employed people

1.2 Launched in 2018, Opportunity for All—Canada’s First Poverty Reduction Strategy includes these and other ongoing federal government programs that contribute to poverty reduction, such as the Canada Learning Bond. We selected the bond and these 3 benefit programs for our audit (Exhibit 1.1).

1.3 The Canada Revenue Agency and Employment and Social Development Canada are the federal leads for these selected benefits. We looked at the agency’s and department’s efforts to improve access to benefits during the 2019–20 and 2020–21 fiscal years. Statistics Canada is a supporting organization that provides information and analytical support to the agency and department in the design and implementation of their outreach approaches.

Exhibit 1.1—Four key benefits to help reduce poverty in Canada

Benefit	Type	Income tax return required to prove eligibility	Number of benefit recipients (in millions)	Annual benefits provided (in \$ billions)	Federal organization(s) responsible
Canada Child Benefit	Tax-free monthly benefit for families with children under age 18	Yes	3.8	25.1	Canada Revenue Agency
Guaranteed Income Supplement	Tax-free monthly payment to low-income recipients of the Old Age Security pension	Recipients can instead provide a yearly income statement.	2.2	13.7	Employment and Social Development Canada
Canada Workers Benefit	Refundable tax credit for low-income workers	Yes	1.1	0.9	Canada Revenue Agency
Canada Learning Bond	Yearly incentive payments to encourage saving in a registered education savings plan for a child's post-secondary education	Yes	0.7	0.2	Employment and Social Development Canada Canada Revenue Agency

Note: The number of recipients and corresponding amount of benefits provided cover different time periods for each benefit, as follows:

- Canada Child Benefit—July 2020 to June 2021
- Guaranteed Income Supplement—April 2020 to March 2021
- Canada Workers Benefit—January 2020 to December 2020
- Canada Learning Bond—April 2020 to March 2021

Source: Deep Dive Report on Benefit Take-up, Canada Child Benefit Interdepartmental Working Group, July 2020, and updated departmental information

Hard-to-reach populations

1.4 The Canada Revenue Agency and Employment and Social Development Canada know from their own research that certain people are eligible for but are not accessing the available benefits. Such individuals include members of low-income populations not easily served through mainstream channels such as department and agency contact centres or Service Canada centres. The agency and department

recognize that these populations may require a higher-than-usual level of help to access program benefits. For example, hard-to-reach individuals may need assistance to

- obtain a social insurance number
- complete an income tax return or multiple years of tax returns
- apply for a specific benefit, such as the Canada Child Benefit

Exhibit 1.2 provides information on these populations and the barriers they face to access benefits for which they are eligible.

Exhibit 1.2—Segments of the Canadian population experience barriers to accessing income support benefits

What is a hard-to-reach or vulnerable population?

The Canada Revenue Agency and Employment and Social Development Canada have identified several groups in which individuals often have modest incomes and face 1 or more barriers to receiving benefits. The department and agency sometimes refer to these groups as vulnerable populations. The groups are

- Indigenous peoples
- housing insecure individuals
- newcomers to Canada, including refugees
- people with disabilities
- seniors
- youth

What is a barrier?

Research done by the department and agency has identified a range of barriers as impediments to accessing benefits. The following lists some typical barriers for hard-to-reach individuals:

- literacy levels or inability to communicate in either of Canada's official languages
- reluctance to disclose personal and financial information to the government
- the requirement to file a tax return to access benefits
- the complex application process for some benefits
- requirements to provide additional identification or documentation, such as a social insurance number
- limited access to financial services (such as a bank account where the benefit can be deposited automatically)
- geographic location/remoteness

Notably, an individual might belong to more than 1 vulnerable population and might experience many of the barriers described.

Source: Adapted from information provided by Employment and Social Development Canada and the Canada Revenue Agency

1.5 The government has acknowledged a responsibility to help Canadians receive their benefits. In recent years, this responsibility has been communicated in the following ministerial mandate letters:

- 2015 and 2019 mandate letters to the Minister of the Canada Revenue Agency identified the expectation to “proactively contact Canadians who are entitled to, but are not receiving, tax benefits.”
- A 2019 mandate letter to the Minister of Indigenous Services Canada identified the expectation to “expand outreach efforts to Indigenous communities to make sure they can access the full range of federal social benefits including the Canada Child Benefit.”

1.6 As a result, federal organizations have implemented a wide range of outreach approaches and initiatives aimed at encouraging people to apply for benefits for which they may be eligible. Since 2018, the government allocated additional funding to the department and agency to build outreach capacity targeted at low-income Canadians. This capacity building aimed to raise awareness among vulnerable groups and increase access to benefits. We estimated that the department and agency collectively spent more than \$18 million in the 2020–21 fiscal year on targeted outreach activities.

1.7 In 2019, the Prime Minister directed various deputy ministers to “collaborate to summarize findings from analyses to date and recommend next steps to reduce barriers to benefit receipt, target proactive outreach, improve consistency and granularity of take-up data, and report publicly.”

Focus of the audit

1.8 This audit focused on whether the Canada Revenue Agency and Employment and Social Development Canada directly, or through leveraging other federal departments and other non-federal government entities, ensured that hard-to-reach populations were made aware of, and could access, the Canada Child Benefit, the Canada Workers Benefit, the Guaranteed Income Supplement, and the Canada Learning Bond.

1.9 This audit is important because these benefit programs are intended to reduce poverty and inequality by providing help to low-income Canadians. The programs can only achieve their goals if those eligible actually receive the benefits.

1.10 More details about the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this report.

Findings, Recommendations, and Responses

Overall message

1.11 Overall, we found that the Canada Revenue Agency and Employment and Social Development Canada have not done enough to help hard-to-reach populations connect with the benefits put in place to support low-income Canadians, including the Canada Child Benefit, the Canada Workers Benefit, the Guaranteed Income Supplement, and the Canada Learning Bond.

1.12 Since 2018, the department and agency have increased their efforts to raise awareness of these benefits among people who most need them. Outreach activities have focused on hard-to-reach populations—people who are more likely to have modest incomes and often face barriers to accessing benefits. They include Indigenous peoples, seniors, newcomers to Canada, and people with disabilities who may be unaware of available benefits or reluctant to interact with government organizations.

1.13 The government estimates that on the whole, a high proportion of low-income populations are receiving benefits intended to reduce poverty. However, we found that the department and agency did not have a clear and complete picture of the people who were not receiving benefits for which they were potentially eligible. Estimates overstated the take-up of benefits because they did not always account for people who had not filed tax returns, which are required to access most benefits. The department and agency had limited evidence that their increased outreach activities had resulted in increased take-up of benefits by hard-to-reach people.

1.14 The department and agency do not currently have an approach for ensuring a seamless service experience for hard-to-reach clients accessing certain benefits. Without a comprehensive action plan to better measure benefit take-up, to gather better information on the effectiveness of the department's and agency's efforts, and to develop a seamless approach, the government will continue to struggle with reaching the populations they are targeting to raise awareness of and increase access to benefits meant to improve the lives of low-income individuals and families.

Awareness of and access to benefits

The Canada Revenue Agency and Employment and Social Development Canada had an incomplete picture of potentially eligible people who were not receiving benefits

What we found

1.15 We found that the Canada Revenue Agency and Employment and Social Development Canada did not have a clear and complete picture of the people who were not receiving benefits for which they were potentially eligible.

1.16 The analysis supporting this finding discusses the following topics:

- Incomplete measurement of benefit take-up
- No comprehensive approach to improving take-up measurement

Why this finding matters

1.17 This finding matters because having a clear understanding of the intended populations for a specific benefit is key to designing and implementing effective strategies to reach those populations. By definition, hard-to-reach populations present a unique service delivery challenge. Having a clear understanding of the demographics of, and barriers impacting, these people enables departments to tailor their outreach approaches in a responsive and effective manner.

Context

1.18 The take-up rate for a benefit indicates the proportion of an eligible population receiving the benefit at a given time. If the rate is less than 100%, there is a take-up gap. For example, if the rate is 95%, this means that 5% of the individuals who are eligible for a benefit are not receiving it.

1.19 Various factors may contribute to a take-up gap. Exhibit 1.2 outlines barriers that help to explain why hard-to-reach individuals may not be accessing certain benefits.

Recommendation

1.20 Our recommendation in this area of examination appears at paragraph 1.31.

Incomplete measurement of benefit take-up

1.21 We found that the Canada Revenue Agency and Employment and Social Development Canada did not have a complete estimate of the overall take-up rates of the selected benefits. Nor did they know the take-up rates of specific hard-to-reach populations known to experience barriers to accessing benefits, such as those who do not have secure housing, newcomers to Canada, people living with disabilities, and Indigenous peoples.

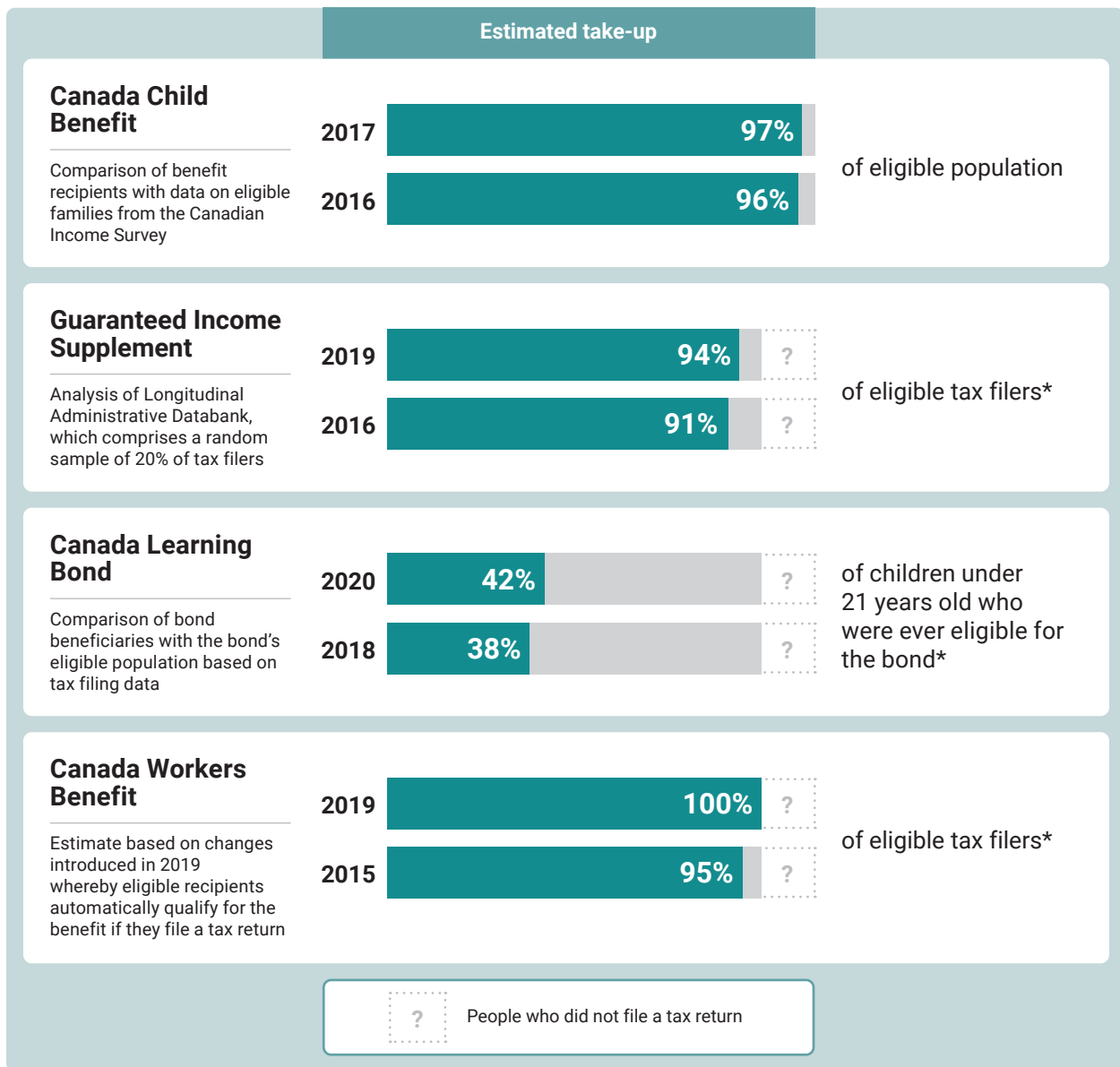
1.22 Exhibit 1.3 summarizes the most recent estimates of the overall take-up rates and the estimated change in take-up rates over time. Although these estimates demonstrate recent improvement in the take-up rates for the Guaranteed Income Supplement, the Canada Learning Bond, and the Canada Workers Benefit, the estimates are an incomplete picture of benefit take-up because the calculations did not consider people who did not file tax returns. In 2017, the Canada Revenue Agency estimated that the number of people who did not file tax returns was in excess of 10% of the total population of those required to file a tax return. In our view, these recent estimates overstated the take-up rates.

1.23 The take-up rate for the Canada Child Benefit was based on an estimate of the total eligible population of low-income families, but the estimate had not been updated since 2017.

1.24 Identifying those who are eligible for but not accessing benefits is challenging, both overall and for hard-to-reach populations. The department and agency cannot precisely measure the take-up gap for several reasons:

- Some individuals willingly choose not to access benefits.
- The department and agency could not confirm the eligibility for benefits of individuals who did not regularly file tax returns or had not applied for benefits. They therefore could not confirm that such individuals form part of the take-up gap.
- Statistics Canada cannot share information on identifiable individuals with the department and agency because of the provisions of the *Privacy Act* and *Statistics Act*. While Statistics Canada can combine information about individuals it obtains from the department and agency with information it has about individuals, such as from surveys or the Census of Population, it can only share the results back as estimates for groups.
- Department, agency, and Statistics Canada data sets did not always capture demographic data for identity factors such as race, ethnicity, or those living with a disability, which can help to determine the kinds of barriers people may face.

Exhibit 1.3—Most estimates of recent improvements in take-up rates for benefits left out people who did not file tax returns



* Measurement excludes those who did not file a tax return.

Notes:

The Canadian Income Survey is a survey administered by Statistics Canada to summarize the income and income sources of Canadians.

The Longitudinal Administrative Databank is an information source administered by Statistics Canada based on an annual sample of filed income tax returns and information. This information source includes income and other demographic information.

Source: Deep Dive Report on Benefit Take-up, Canada Child Benefit Interdepartmental Working Group, July 2020, and updated departmental information

1.25 The department and agency had measured take-up for 1 identified hard-to-reach population: First Nations people living on reserve. In 2017, supported by Statistics Canada, the department and agency analyzed this population’s take-up of the Canada Child Benefit. They compared census data with tax filing information to identify the

rate at which those potentially eligible for the benefit were not receiving it. The estimated results of the analysis indicated a lower take-up rate on reserve (79%) than among the general population (97%). These results were used to develop a joint outreach initiative targeting this group. The initiative involved in-person visits to First Nations communities in order to improve take-up of the benefit and raise awareness of other available benefits. Although this example shows that measuring and encouraging take-up is possible, it also shows a limitation in the current approach to measuring take-up—because census data was used, and the census is only done every 5 years, updated take-up estimates are only available every 5 years. The department and agency are planning to update this take-up analysis, based on updated census data, in 2022.

1.26 As this instance demonstrates, those responsible for a benefit program can gain important insights by studying the take-up rate and the associated take-up gap for specific demographic and geographic segments of the population. Analyzing disaggregated data, including **gender-based analysis plus** considerations, population trends, and the root causes of barriers, can deepen understanding of the issues. That understanding will then help in assessing the effectiveness and equity of the benefit. It can also help those responsible determine how to increase public awareness of the benefit or how to make it easier for eligible individuals to access it.

No comprehensive approach to improving take-up measurement

1.27 We found that the Canada Revenue Agency and Employment and Social Development Canada did not have a comprehensive plan for improving how benefit take-up is measured. The department and agency each acknowledged the need to generate more complete, accurate, and timely benefit take-up data for the Canadian population overall and for those populations at higher risk of not receiving benefits.

1.28 We note that in 2015, Canada committed to achieving the United Nations' 2030 Agenda for Sustainable Development. The Canada Child Benefit, the Canada Workers Benefit, the Guaranteed Income Supplement, and the Canada Learning Bond represent elements in Canada's response to achieving the Sustainable Development Goal 1, to "end poverty in all its forms everywhere." To help achieve this goal, Canada established a target to reduce poverty by half by 2030. As reported by the Commissioner of the Environment and Sustainable Development in our 2021 Report 1, *Implementing the United Nations'*



End poverty in all its forms everywhere

Source: United Nations

Gender-based analysis plus—An analytical process that provides a rigorous method for the assessment of systemic inequalities, as well as a means to assess how diverse groups of women, men, and gender-diverse people may experience policies, programs, and initiatives. The “plus” acknowledges that gender-based analysis goes beyond biological (sex) and socio-cultural (gender) differences and considers many other identity factors, such as race, ethnicity, religion, age, and mental or physical ability.

Source: Adapted from Women and Gender Equality Canada

Sustainable Development Goals, Canada was on track to meet this goal. However, fully measuring benefit take-up would help determine what further improvement is possible.

1.29 We found that some steps are being taken to tackle these known problems in benefit take-up measurement, including the following:

- Federal funding was allocated to Statistics Canada in the 2018–19 fiscal year to create the Centre for Gender, Diversity and Inclusion Statistics and in 2021 to develop a Disaggregated Data Action Plan. These investments are expected to enable federal organizations to better measure and analyze data.
- In 2021, Employment and Social Development Canada’s Chief Data Officer began developing a data strategy for measuring take-up.

1.30 We found, however, that no tangible progress had yet been achieved in data collection, measurement, or analysis of benefit take-up. We also found that the Canada Revenue Agency had not clearly defined responsibilities for improving how benefit take-up was measured among its benefit program administrators, the departmental outreach function representatives, and its Chief Data Officer. Furthermore, Statistics Canada, Employment and Social Development Canada, and the Canada Revenue Agency had not clearly defined their respective roles to address their collective challenge of improving how they measure benefit take-up. In our opinion, collaboration and joint efforts among these organizations are needed to make progress on this goal.

1.31 **Recommendation.** The Canada Revenue Agency, Employment and Social Development Canada, and Statistics Canada should establish a joint prioritization, planning, monitoring, and reporting process to improve how they measure the take-up of benefits. This should include

- assessing available and specific data holdings on hard-to-reach populations
- defining and implementing actions to collect additional data on specific hard-to-reach populations
- improving the use of data in measuring benefit take-up and the sources of gaps in benefit take-up

Response of each entity. *Agreed.*

See the **List of Recommendations** at the end of this report for detailed responses.

The agency and department did not know whether most of their targeted outreach activities had helped to increase benefit take-up rates for hard-to-reach populations

What we found

1.32 We found that the Canada Revenue Agency and Employment and Social Development Canada did not know whether most of their targeted outreach activities had helped to increase the benefit take-up rates for specific hard-to-reach populations.

1.33 The analysis supporting this finding discusses the following topic:

- Limited measurement of the impact of most targeted outreach approaches

Why this finding matters

1.34 This finding matters because having insight into the practical results and impacts of targeted outreach approaches helps the assessment of whether these approaches are meeting the objective of improving access to benefits for targeted groups. If this objective is not being met, corrective actions are essential to address weaknesses.

Context

1.35 The department and agency have implemented a wide range of outreach approaches and initiatives, with the aim of providing more support targeted at individuals to increase their take-up of benefits.

1.36 Exhibit 1.4 explains the types of targeted outreach that the department and agency did from April 2019 to August 2021. These approaches include outreach provided directly to Canadians and outreach provided to community organizations that work with vulnerable people.

Exhibit 1.4—The Canada Revenue Agency and Employment and Social Development Canada undertook or coordinated a range of targeted outreach approaches

Type of outreach	Provided by	What it involves
Targeted communications	Canada Revenue Agency, Employment and Social Development Canada	<p>The department and agency target mailings at specific populations of individuals. For example,</p> <ul style="list-style-type: none"> • letters to income tax non-filers to encourage them to file tax returns and alert them of possible eligibility for certain benefits • encouragement letters to those likely eligible for the Canada Child Benefit • targeted mailings to those who may be eligible for the Canada Learning Bond and the Guaranteed Income Supplement
Direct or in-person targeted outreach	Canada Revenue Agency, Employment and Social Development Canada	<p>The department and agency conduct in-person visits* and inbound/outbound phone support for targeted communities (for example, First Nations communities) as well as support for individuals through the federal government’s northern service centres.</p>
Indirect targeted outreach	Community organizations, with coordination by Canada Revenue Agency and Employment and Social Development Canada	<p>The department and agency communicate with volunteer and community organizations that serve hard-to-reach populations.</p> <p>The Canada Revenue Agency coordinates clinics for the Community Volunteer Income Tax Program, and community organizations deliver the clinics.</p> <p>The Canada Revenue Agency provides simplified application forms for the Canada Child Benefit and tax return forms to First Nations communities.</p> <p>Employment and Social Development Canada provides funding to community-based organizations to promote the Canada Learning Bond.</p> <p>Employment and Social Development Canada provides financial empowerment grants, and the Canada Revenue Agency provides organization grants for the tax clinics. Both grants were introduced in 2021 to support community organizations in their work of assisting vulnerable individuals.</p>

* In 2020, in response to the COVID-19 pandemic, the department and agency switched to phone and video calls only to support targeted communities.

1.37 In addition to these outreach approaches, the department and agency introduced various policy and process changes to streamline access to and improve take-up of benefits. Examples include

- integrating the application for the Canada Child Benefit into provincial and territorial birth registration processes
- implementing automatic enrolment (in lieu of requirement for an application) for the Canada Workers Benefit and the Guaranteed Income Supplement
- integrating an education savings referral service for the Canada Learning Bond into the online birth registration service for the Province of Ontario
- implementing initiatives focused on simplified tax filing for individuals, such as the Canada Revenue Agency's File My Return service, which allows eligible individuals to auto-file their income tax return using a phone

Recommendation

1.38 Our recommendation in this area of examination appears at paragraph 1.45.

Analysis to support this finding

Limited measurement of the impact of most targeted outreach approaches

1.39 We found that the Canada Revenue Agency and Employment and Social Development Canada did not know whether most of their outreach efforts resulted in increased take-up of benefits by the targeted hard-to-reach populations.

1.40 The department and agency tracked the number of outreach activities conducted, such as community visits. However this information did not measure the result of the activities.

1.41 The department and agency also developed limited measures to demonstrate some of the results of targeted outreach efforts:

- **Results of targeted outreach visits to First Nations and northern communities.** Employment and Social Development Canada measured the volume of transactions resulting from each visit, for example, how many Canada Child Benefit applications were submitted.
- **Response rates for various targeted letter campaigns.** The Canada Revenue Agency measured how many individuals who received a letter subsequently filed a tax return. The agency also measured the dollar value of benefits made available to the individual who

filed a return after receiving such a letter. Employment and Social Development Canada measured how many applications for the Guaranteed Income Supplement were received in response to a targeted letter campaign.

1.42 Despite these efforts, we found that the department and agency had not developed measures to assess the impacts of outreach activities. For example, they could not measure any increases in the rate of benefit take-up for targeted groups over time, or in related impacts such as increased tax filing by those groups over time. Without measuring these types of impacts of outreach efforts that targeted specific groups or locations, the department and agency were not always able to show that money spent on these activities helped remove barriers and increase benefit take-up rates in targeted populations.

1.43 The department and agency each acknowledged the shortcomings and challenges in measuring the results of targeted outreach approaches. According to a 2020 joint internal analysis done by the department, agency, Statistics Canada, and other federal entities, in many cases the impact of government outreach targeting specific populations was not known and would require further analysis.

1.44 In 2021, the Canada Revenue Agency began analyzing ways to better demonstrate the results of targeted outreach approaches, and Employment and Social Development Canada began developing a logic model to inform their approach to measuring the performance and results of their targeted outreach approaches. At the time of our audit, both of these efforts were at early stages and had not yet resulted in improvements in measuring the impact of outreach approaches.

1.45 **Recommendation.** To better understand the effectiveness of outreach approaches, the Canada Revenue Agency and Employment and Social Development Canada should develop and implement consistent results-based performance measures for targeted outreach to hard-to-reach populations.

Response of each entity. *Agreed.*

See the **List of Recommendations** at the end of this report for detailed responses.

The agency and department did not have a sufficiently integrated approach for people requiring extra help

What we found

1.46 We found that the Canada Revenue Agency and Employment and Social Development Canada did not have an approach for ensuring a comprehensive and seamless service experience to assist those

individuals requiring individualized support from a knowledgeable person to navigate through the various requirements they face to gain access to benefits.

1.47 The analysis supporting this finding discusses the following topic:

- Lack of an integrated approach for people needing more personalized help

Why this finding matters

1.48 This finding matters because asking society's most vulnerable individuals to meet the complex requirements of 2 separate federal organizations may constitute a barrier to receiving a given benefit. Providing an integrated and seamless service, particularly for those individuals requiring a higher level of support, would contribute to reducing barriers and increasing access to benefits for those most in need.

Context

1.49 As already noted in paragraph 1.7, in 2019, the Prime Minister directed both the Canada Revenue Agency and Employment and Social Development Canada to "collaborate to summarize findings from analyses to date and recommend next steps to reduce barriers to benefit receipt, target proactive outreach, improve consistency and granularity of take-up data, and report publicly."

1.50 The department and agency each use several approaches in their attempts to help hard-to-reach individuals access benefits for which they are eligible. Delivering these approaches involves coordinating resources and activities of multiple in-house units as well as collaborating with each other and other federal organizations (for example, Indigenous Services Canada). Importantly, the department and agency also coordinate outreach through thousands of volunteer organizations across the country that provide support to hard-to-reach individuals and help connect them with government benefits.

1.51 Both the department and agency maintain regional teams of outreach workers with different responsibilities. The Canada Revenue Agency's regional teams focus primarily on raising awareness of available benefits and support services. For example, they offer information sessions to community groups and at conferences and trade shows. These teams also coordinate the network of community and service organizations that provide volunteer income tax preparation services. Employment and Social Development Canada's outreach workers focus on raising awareness of benefits through similar activities but also provide direct assistance services such as issuing social insurance numbers.

1.52 Community organizations help the department and agency to address the need for individualized support for some hard-to-reach people. Examples of how community organizations provide assistance include

- providing proactive one-on-one assistance to enable a housing-insecure person to navigate the various departmental and agency processes to gain access to a benefit
- organizing a “super-clinic” where federal and provincial representatives are brought to a location to provide a full range of services (for example, tax filing, social insurance number registration, birth registration, and completing benefit applications)

Recommendation

1.53 Our recommendation in this area of examination appears at paragraph 1.59.

Analysis to support this finding

Lack of an integrated approach for people needing more personalized help

1.54 We found that service approaches for assisting individuals who required a higher level of support to navigate barriers and process requirements before accessing benefits were not sufficiently integrated between the Canada Revenue Agency and Employment and Social Development Canada. Successfully helping these individuals’ access benefits requires personalized and knowledgeable service adapted to their unique circumstances.

1.55 Employment and Social Development Canada acknowledged the important role that community-based organizations and small businesses can have as a first point of contact. These partners help to build relationships with hard-to-reach individuals and link them to government programs that can help them to access their benefits. The department and agency have initiated some pilot projects to support and work with community groups on more individualized support, but they had not defined an integrated service delivery approach for addressing the needs of those requiring a high and individualized level of support.

1.56 For example, in 2022, Employment and Social Development Canada introduced new funding for projects run by community and volunteer organizations to improve the financial well-being of low-income people. These projects could include tax clinics. At the same time, new funding was introduced by the Canada Revenue Agency as a 3-year pilot starting in the 2021–22 fiscal year to defray volunteer organizations’ costs of delivering the Community Volunteer Income Tax Program.

1.57 In January 2021, Employment and Social Development Canada launched the Reaching All Canadians strategy, under the direction of a department-wide steering committee. One element of this strategy was the Community Partnership Access Initiative. Through this pilot initiative, community organizations that provided individualized support for hard-to-reach individuals could make referrals to the department regarding specific cases where an individual faced barriers to accessing benefits. A department employee would follow up directly with the referred individual to assist that person in, for example, completing an application for the Guaranteed Income Supplement. We found that although the referral service enabled the department to provide direct assistance, it did not extend to matters involving the Canada Revenue Agency. This meant that if the same individual required support to complete unfiled tax returns, which could be challenging for hard-to-reach people, the referral service could not be used to contact the agency to help resolve the individual's access issues. This illustrated how the department and agency lacked a coordinated and seamless approach to providing the higher level of individualized support necessary to connect hard-to-reach individuals with available benefits.

1.58 In September 2021, the department, agency, and Indigenous Services Canada jointly initiated a working group to take stock of the various ongoing initiatives to increase take-up of the Canada Child Benefit for First Nations people living on reserve. This effort included identifying and evaluating options for how to help those living on reserve to navigate the requirements for access to federal social benefits. Approaches to providing higher levels of individualized support were being considered by this working group, but specific service approaches had not yet been determined or endorsed by the department or agency.

1.59 **Recommendation.** To improve the integration and effectiveness of targeted outreach, the Canada Revenue Agency and Employment and Social Development Canada should collaborate to establish a seamless client service experience to address the needs of those requiring a high level of support to access benefits.

Response of each entity. *Agreed.*

See the **List of Recommendations** at the end of this report for detailed responses.

Conclusion

1.60 We concluded that the Canada Revenue Agency and Employment and Social Development Canada had not taken sufficient steps to ensure that hard-to-reach populations were made aware of and could access the Canada Child Benefit, the Canada Workers Benefit, the Guaranteed Income Supplement, and the Canada Learning Bond.

1.61 While the department and agency had taken steps toward achieving this objective, there remained a significant number of individuals who were not receiving benefits for which they were eligible. Opportunity for improvement exists to address gaps in measuring the take-up of benefits, in demonstrating results of outreach efforts, and in providing seamless support between federal organizations assisting hard-to-reach individuals to access their benefits.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on outreach approaches to support access to benefits by hard-to-reach people. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs, and to conclude on whether the outreach approaches complied in all significant respects with the applicable criteria.

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

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

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

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

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

Audit objective

The objective of this audit was to determine whether Employment and Social Development Canada and the Canada Revenue Agency directly, or through leveraging other federal departments and other non-federal government entities, ensure that hard-to-reach populations are made aware of, and can access, the Canada Child Benefit, Canada Workers Benefit, Guaranteed Income Supplement, and Canada Learning Bond.

Scope and approach

Based on their stated importance as elements of Canada's First Poverty Reduction Strategy, the Canada Child Benefit and the Canada Workers Benefit (both administered by the Canada Revenue Agency), the Guaranteed Income Supplement (administered by Employment and Social Development Canada), and the Canada Learning Bond (administered by Employment and Social

Development Canada and supported by the Canada Revenue Agency) were selected for examination related to the outreach approaches undertaken to ensure hard-to-reach populations are made aware of and can access these benefits.

Primary entities within scope included the department and agency as leads for the selected benefits and Statistics Canada as a supporting organization providing information and analytical support to the entities in the design and implementation of their outreach approaches. Indigenous Services Canada and Immigration, Refugees and Citizenship Canada were included in relation to how they are involved in supporting outreach to their specific clientele (for example, Indigenous people and newcomers to Canada).

The audit approach included the following:

- interviews with relevant primary entity representatives (benefit program and outreach program), supporting entity representatives (for example, Statistics Canada), and a selection of secondary entity representatives (outreach program), outreach partner representatives, and advocacy (of low-income populations) representatives (community and volunteer organizations)
- review and analysis of documentation and other evidence of approaches for
 - how data-driven insight was used to segment and identify targeted low-income populations, including those considered “hard to reach” due to barriers to access
 - how outreach approaches were strategically and operationally designed, planned, and implemented
 - how outreach impacts and results were measured and demonstrated

Criteria

Criteria	Sources
<p>We used the following criteria to determine whether Employment and Social Development Canada and the Canada Revenue Agency directly, or through leveraging other federal departments and other non-federal government entities, ensure that hard-to-reach populations are made aware of, and can access, the Canada Child Benefit, Canada Workers Benefit, Guaranteed Income Supplement, and Canada Learning Bond:</p>	
<p>The Canada Revenue Agency and Employment and Social Development Canada have access to, and rely on, quality, accessible, timely, and reliable data to identify those people who are eligible for selected benefits but are not accessing those benefits.</p>	<ul style="list-style-type: none"> • Policy on Results, Treasury Board • Minister of National Revenue mandate letter, 2019 • Minister of National Revenue supplementary mandate letter, 2021 • Minister of Families, Children and Social Development supplementary mandate letter, 2021 • Opportunity for All—Canada’s First Poverty Reduction Strategy, Employment and Social Development Canada

Criteria	Sources
<p>We used the following criteria to determine whether Employment and Social Development Canada and the Canada Revenue Agency directly, or through leveraging other federal departments and other non-federal government entities, ensure that hard-to-reach populations are made aware of, and can access, the Canada Child Benefit, Canada Workers Benefit, Guaranteed Income Supplement, and Canada Learning Bond:</p>	
<p>The Canada Revenue Agency and Employment and Social Development Canada ensure that outreach approaches are responsive to the specific needs of, and barriers faced by, people who are eligible for selected benefits but are not accessing those benefits</p>	<ul style="list-style-type: none"> • Policy on Service and Digital, Treasury Board • Minister of National Revenue mandate letter, 2019 • Minister of Families, Children and Social Development mandate letter, 2019 • Minister of Seniors mandate letter, 2019 • Prime Minister of Canada ministerial supplementary mandate letters, 2021 • Breaking Down Barriers to Tax Filing for People Living on Low Incomes, Prosper Canada • Roadblocks and Resilience: Insights from the Access to Benefits for Persons with Disabilities Project, Prosper Canada
<p>Effective management and processes are in place to ensure outreach activities are planned, resourced, and delivered in a coordinated and efficient manner.</p>	<ul style="list-style-type: none"> • Policy on Results, Treasury Board • Prime Minister of Canada ministerial mandate letters, 2019 • Minister of National Revenue supplementary mandate letter, 2021 • Minister of Families, Children and Social Development supplementary mandate letter, 2021
<p>The Canada Revenue Agency and Employment and Social Development Canada can clearly demonstrate the impacts that outreach approaches have on addressing the gap between those eligible for selected benefits and those accessing those benefits.</p>	<ul style="list-style-type: none"> • Policy on Results, Treasury Board • Prime Minister of Canada ministerial mandate letters, 2019 • Minister of National Revenue supplementary mandate letter, 2021

Period covered by the audit

The audit covered the period from 1 April 2019 to 31 August 2021. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the start date of this period.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 16 February 2022, in Ottawa, Canada.

Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Nicholas Swales, Principal. The principal has overall responsibility for audit quality including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

List of Recommendations

The following table lists the recommendations and responses found in this report. The paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
<p>1.31 The Canada Revenue Agency, Employment and Social Development Canada, and Statistics Canada should establish a joint prioritization, planning, monitoring, and reporting process to improve how they measure the take-up of benefits. This should include</p> <ul style="list-style-type: none"> • assessing available and specific data holdings on hard-to-reach populations • defining and implementing actions to collect additional data on specific hard-to-reach populations • Improving the use of data in measuring benefit take-up and the sources of gaps in benefit take-up 	<p>The Canada Revenue Agency’s response. Agreed. The agency will continue to work with Employment and Social Development Canada to ensure alignment in the prioritization, planning, and monitoring of work related to the take-up of benefits by hard-to-reach populations. The agency will also work with Employment and Social Development Canada to leverage Statistics Canada’s expertise and broad socio-economic data (including through the 2021 Census) to gain more insight into hard-to-reach populations and help measure the take-up of benefits. This will include an assessment of available data in support of this work and what would be required to facilitate and align ongoing monitoring of progress.</p> <p>The agency notes that the take-up of benefits can be a limited measure of performance as it is often not possible to attribute program activities directly to a change in the take-up rate. This challenge can be exacerbated by incomplete data and sources of data that are updated on an infrequent basis while the population being targeted changes constantly. The take-up rate of benefits has and will continue to be used to target activities for particular vulnerable populations (e.g., Indigenous communities), while the agency works with Employment and Social Development Canada and Statistics Canada to improve the use of data in support of monitoring and reporting.</p> <p>Employment and Social Development Canada’s response. Agreed. To reduce the number of individuals not receiving benefits, Service Canada introduced Reaching All Canadians (RAC) in 2020—a horizontal initiative to make service delivery improvements across its benefit programs, specifically to increase benefit program uptake and eliminate program and service delivery barriers.</p>

Recommendation	Response
	<p>The RAC initiative advances measures grouped into four themes: simplification, direct reach, inclusion, and awareness of the department's benefit programs. At the same time, RAC seeks to improve the department's understanding of the populations and individuals who are not accessing federal benefits to further improve the department's service delivery.</p> <p>The government estimates overall national benefit uptake rates using the Census and other broad socio-economic data to understand the scope of the challenge and the long-term trends at play. However, identifying specific individuals not in receipt of benefits will always be a challenge. Data on some hard-to-reach populations, particularly those who do not interact with government, is incomplete and, in some cases, does not exist.</p> <p>The department will continue work with the Canada Revenue Agency to identify all available data to gain more insight into hard-to-reach populations and improve the department's understanding of potential gaps in benefit uptake.</p> <p>Statistics Canada's response. Agreed. Statistics Canada emphasizes that there are substantial statistical difficulties with computing take-up rates as described in some places in this report (see paragraph 1.24). The challenges result from problems including missing (or non-existent) data, imperfect record linkages, and coverage issues (such as surveys that do not collect data on-reserve or in institutions), which lead to difficulties accurately modelling the size of the population eligible for a benefit. As a result, the use of take-up rates for monitoring and reporting progress is limited, and other solutions must also be used for monitoring and reporting progress on take-up. Despite this, estimated take-up rates can and have been used successfully to help describe differences in take-up between groups and to help identify population groups to target for interventions.</p>

Recommendation	Response
<p>1.45 To better understand the effectiveness of outreach approaches, the Canada Revenue Agency and Employment and Social Development Canada should develop and implement consistent results-based performance measures for targeted outreach to hard-to-reach populations.</p>	<p>The recommendation includes assessing available specific data holdings on hard-to-reach populations, defining and implementing actions to collect additional data on hard-to-reach populations, and improving the use of data in measuring benefit take-up and the sources of gaps in benefit take-up. Once a plan has been agreed upon with the Canada Revenue Agency and Employment and Social Development Canada, Statistics Canada will present funding requirements to federal partners to allow for the work to proceed. Statistics Canada emphasizes that its actions cannot include sharing of confidential microdata with the department or agency. It should be noted that funding has not been identified for these activities, and the majority of Statistics Canada’s social statistics programs are cost recovery and funded by federal departments.</p> <p>The Canada Revenue Agency’s response. Agreed. The agency will work to identify additional ways to measure the effectiveness of outreach approaches, recognizing the limitations inherent in the process (e.g., the agency does not currently collect personal data of those individuals who participate in outreach events). The agency does, however, measure the effectiveness of its outreach efforts to those served through in-person or community visits, where information about accessing benefits and credits is shared and where clients are either provided with direct, hands-on support or directed to resources where this support can be obtained (e.g., northern service centres, Community Volunteer Income Tax Program tax clinics, etc.). For these types of interactions, the agency gathers and reports out on metrics pertaining to the number of individuals who have accessed the support provided, including the number of tax returns filed as a result (e.g., 574,330 individuals accessed tax clinics resulting in the filing of 638,610 tax and benefit returns in 2021) and the number of individuals who attended outreach sessions. Over the 2017 to 2020 period, the agency has demonstrated an increase in individuals who have accessed tax clinics by over 7%, the number of tax returns filed by over 11%, and the number of individuals who were assisted during outreach sessions by over 15%.</p>

Recommendation	Response
<p>1.59 To improve the integration and effectiveness of targeted outreach, the Canada Revenue Agency and Employment and Social Development Canada should collaborate to establish a seamless client service experience to address the needs of those requiring a high level of support to access benefits.</p>	<p>The agency is in agreement that other measures be explored and will work with Employment and Social Development Canada and other partners in order to do so, while adhering to the agency's authorities under the <i>Income Tax Act</i> and the <i>Privacy Act</i>.</p> <p>Employment and Social Development Canada's response. Agreed. Reaching All Canadians includes specific initiatives aimed at improving the department's understanding of the populations and individuals who are not connecting with federal benefits. This information helps the department to further reduce the barriers faced by these hard-to-reach clients through a coordinated, evidence-based approach.</p> <p>Building on this, the department will work with the Canada Revenue Agency to develop and implement consistent results-based performance measures to better understand the effectiveness of outreach approaches.</p> <p>The Canada Revenue Agency's response. Agreed. The agency has actively collaborated with Employment and Social Development Canada on outreach activities targeted to specific vulnerable or hard-to-reach populations for the past 5 years, and will continue to do so in pursuit of a seamless client service experience. This collaboration is evidenced through initiatives such as joint service offerings through the northern service centres in the territorial capitals of Whitehorse, Yellowknife, and Iqaluit, the Let Us Help You Get Your Benefits! pilot, the Canada Child Benefit Journey Mapping project and nudge letter initiatives.</p> <p>Additionally, through coordinated outreach activities such as super clinics held across the country, the agency and Employment and Social Development Canada offer complimentary services to those individuals requiring a higher level of individual support to access benefits.</p>

Recommendation	Response
	<p>The agency will work with Employment and Social Development Canada to identify opportunities to further improve upon the service provided by individuals requiring a high level of support to access benefits. This collaboration will include defining the extent of the support that both entities will provide, determining any service gaps, and developing specific approaches for certain populations, while adhering to the entities' respective roles and responsibilities within their mandates and authorities under the <i>Privacy Act</i> and <i>Income Tax Act</i>.</p> <p>Employment and Social Development Canada's response. Agreed. Over the past two years, the department has been employing various service interventions at the program level to increase benefit take-up. In 2020, Reaching All Canadians was introduced as a horizontal approach, across benefit programs, to support Canadians most at-risk of not receiving benefits.</p> <p>Designing services that are easy to access and apply is an important element and the department strives to provide a client experience that is seamless and responsive to client needs. Benefit programs involving more than one federal department or agency are particularly challenging for at-risk clients to navigate. The department will continue to work with the Canada Revenue Agency and other departments to ensure a simple and seamless service experience, particularly for those clients who require a high level of support to access benefits.</p>

