Veterans Affairs   Anciens Combattants
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Task Force Evaluation Follow-Up Report

Final : November 2009

Canada

ACKNOWLEDGEMENT

The Task Force Team would like to acknowledge all those who assisted us with this follow-up of outstanding observations/recommendations from completed evaluations. In particular, the Task Force Team acknowledges that each branch within the Department and the Veterans Review and Appeal Board has appointed a contact person to co-ordinate all requests with respect to outstanding observations/recommendations. The cooperation and assistance provided by Veterans Affairs Canada management and staff are appreciated and contribute to improving the efficiency of the follow-up process.

The Task Force Team consists of the following individuals:

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Roger Doiron, Auditor, Team Leader
Mike Sheen, Audit and Evaluation Manager
Tim Brown, Audit and Evaluation Officer
Tracy Hicken, Planning Officer

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EXECUTIVE SUMMARY

In 2008, the Director General of the Audit and Evaluation Division (AED) of Veterans Affairs Canada (VAC) appointed a team leader and members to a Task Force Follow-up team. The teams's primary focus was, and remains, to follow-up on all outstanding observations/recommendations pertaining to all audits and evaluations completed by the AED.

Since the creation of the Task Force in 2008, the AED has presented two Follow-up Audit Reports to the external Departmental Audit Committee (DAC) for their review and subsequent approval by the Deputy Minister. A total of nine (9) Audit Reports and 132 observations/recommendations have been reviewed and subsequently approved by the Deputy Minister for closure.

This report contains only those observations/recommendations that are due for follow-up relative to completed evaluations. The Task Force Team established August 31, 2009 as the cut off date for the purposes of the follow-up, thus only observations/recommendations due prior to or on that date have been considered.

The risk-rating scale that was applied to audit observations/recommendations has also been used in the rating of evaluation observations/recommendations. The scale consists of critical, material and non-essential ratings.

The Task Force Team recommends the following reports for closure:

⇨ Volume ll of the Disability Pension Program Evaluation (July 2005);

⇨ Organizational Governance Evaluation Volume lll Western Region (October 2007);

⇨ Audit/Evaluation of the Organizational Governance Evaluation Volume ll - Veteran Services (VS) Atlantic Region (May 2006);

⇨ War Veterans Allowance (WVA) Evaluation Report (May 2008); and

⇨ Assessment of the 2004 - 2006 Sustainable Development Strategy (October 2007).

The original Executive Summaries of the above-noted reports are included in this report for ease of reference (please refer to pages 5 -12 for summary reports).

The attached Appendix A features all the evaluation reports for which observations/recommendations remain outstanding beyond October 31, 2009. Of the 8 evaluation reports that have been posted as final there are fifty nine recommendations, and one hundred and thirty one corrective actions to be followed up by the Task Force Team.

1.0 BACKGROUND

A new Treasury Board Policy on Evaluation went into effect April 1, 2009. One of the policy requirements is that the Deputy Minister (Section 6.1.2) "*ensure that a committee of senior department officials (referred as to the Departmental Evaluation Committee) is assigned the responsibilities for advising the Deputy Minister on all evaluation and evaluation - related activities of the Department*," including the requirement to conduct a follow-up on all outstanding observations/recommendations contained within the evaluations.

2.0 SCOPE

The scope of this follow-up review pertained exclusively to the outstanding observations/recommendations contained within 12 evaluation reports and one combination audit/evaluation report, for a total of 13 reports. The Task Force Team established August 31, 2009 as the cut off date for the implementation/completion of outstanding observations/recommendations.

3.0 OBJECTIVE

The objective of this evaluation follow-up is to examine all 13 reports and to identify all outstanding observations/recommendations ready for closure based on sufficient and appropriate supporting evidence. Furthermore, those reports for which all outstanding observations/recommendations are deemed ready for closure, will be presented to the Departmental Evaluation Committee (DEC) for their review and subsequent approval by the Deputy Minister.

In conducting this follow-up, appropriate risk ratings were assigned to all outstanding observations/recommendations and a determination provided, as to the extent of the implementation of corrective actions.

4.0 METHODOLOGY

The methodology employed in the Follow-up Task Force Audit Report of June 2009, is used in this follow-up of the Audit & Evaluation Division's completed evaluations.

After presenting the first report to the Departmental Audit Committee, the Task Force adopted, as part of its criteria for follow-up, the guidance set out in *Practice Advisory 2500.A1-1 "Follow-up Process"* from the IIA's *Professional Practices Framework*. Moreover, in Practice Advisory 2120-1: *"Management and the board are responsible for their organization's risk management and control processes. However, internal auditors*

acting in a consulting role can assist the organization in identifying, evaluating, and implementing risk management methodologies and controls to address those risks." Each organization may choose a particular methodology, which has been formally discussed with management and the board and approved by the Chief Audit Executive (CAE). Accordingly, with prior approval from Senior Management of the Department, the following risk rating scale has been utilized in rating all outstanding observations/recommendations:

⇨ **CRITICAL** = Avoiding the implementation of the recommendation will have a significant impact on the Department.

⇨ **MATERIAL** = Avoiding the implementation of the recommendation would have a moderate impact on the Department.

⇨ **NON ESSENTIAL** = Nice to implement; however, avoiding the implementation of the recommendation would have little or no impact on the Department. There may also be cases where the recommendation has become redundant.

The methodology also employs sound procedures in examining outstanding observations/recommendations. From the time a recommendation is identified in an evaluation until it is recommended for closure by the Departmental Evaluation Committee, evidence of completion is required. Evidence may be in the form of new procedures, policy, minutes, memoranda, reports, forms, etc. Supporting evidence will be reviewed by the Task Force Team to determine whether such evidence is sufficient and appropriate to close the recommendation.

The follow-up procedure also considers the following criteria: whether the recommendation has been satisfactorily actioned by management (or senior management has assumed the risk of not taking the corrective action); whether circumstances have changed resulting in a redundant or obsolete recommendation; whether the action taken is achieving the desired results; and, whether the adequacy, effectiveness and timeliness of actions taken by management on the recommendation is acceptable.

5.0   FINDINGS

The Task Force Team reviewed 11 Evaluation Reports, one combination Evaluation and Audit Report, as well as one Review Report. The reports contained a total of 174 Observations/Recommendations which were reviewed by the team to ensure that management action plans had been implemented or that senior management accepted the risk of not taking the action. Of the 13 reports reviewed, the Task Force Team recommends that the following four Evaluation Reports and one Review be accepted for closure:

Volume ll of the Disability Pension Program Evaluation (July 2005);

Organizational Governance Evaluation Volume lll Western Region (October 2007);

Audit/Evaluation of the Organizational Governance Evaluation Volume ll - Veteran Services (VS) Atlantic Region (December 2006);

War Veterans Allowance (WVA) Evaluation Report (May 2008); and

Assessment of the 2004 - 2006 Sustainable Development Strategy (October 2007).

Volume II of the Disability Pension Program Evaluation (July 2005)

Executive Summary (extracted from original report)

The first portion of Volume II deals with findings in response to several key "Evaluation Questions." A review of pension files revealed some shortcomings in terms of file documentation and in the quality of decision letters. Time pressure due to rapid workload growth is identified as a major factor. Corrective measures taken within the adjudication area are showing good results.

The Disability Pension Program's place within the Integrated Service Delivery Framework (ISDF) is discussed, and it is noted that Veterans Services (VS) Branch has been diligent and innovative in seeking out improved methods of streamlining pension service delivery and getting the most value from resources in place. Two recommendations are made suggesting more innovative and time-efficient roles for Senior District Medical Officers (SDMOs) and Pension Officers (POs).

The Volume II report then turns to other process issues such as a shortcut access for older "traditional" Veterans, and the role of Regional Pension Coordinators. The importance of completing the updated Table of Disabilities is highlighted and the recommendation made that it is given top priority by VS Branch. While recognizing that "fifths" fractional attribution is a statutory requirement, the cost/benefit of this approach to entitlement and assessment is questioned. The value of the Bureau of Pensions Advocates (BPA) is discussed, along with what the Veterans Review and Appeal Board (VRAB) is doing about workload management and the perceptions of those who appear before VRAB hearings.

The section on Future Directions for the pension program focuses on an acknowledgement of present day reality, i.e., that VAC, in partnership with Department of National Defence (DND), is in the process of designing significant program changes and initiatives to deal more efficiently and more fairly with the Canadian Forces (CF) and Royal Canadian Mounted Police (RCMP) client cohorts which are destined to become the bulk of VAC's clientele in the years ahead.

The report ends with a wrap-up discussion why it is getting increasingly urgent that VAC maintain momentum in moving toward major legislative and policy changes to the Disability Pension Program.

Observations/Recommendations:

R1   In cooperation with DND, VAC should continue to expand efforts to have VAC-sponsored medical resources present at CF bases, to expedite the diagnostic and clinical evaluation reports required for VAC pension program purposes for still-serving members.

R2   VAC should explore other strategies for enhancing the role of existing medical resources in support of the pension applications submitted by former members.

R3   It is recommended that VAC seek and apply additional funding to strengthen the field resources currently available to the pension program, with emphasis on greater CF base presence, additional pension officers and pension assistants at district offices that clearly need them, and rebuilding the network of Regional Pension Coordinators.

R4   It is recommended that Veterans Services Branch give priority status to completion of the Table of Disabilities update.

Task Force Recommendation

Evidence gathered is sufficient to recommend closure of all of these observations/recommendations. Therefore, the Task Force recommends closure of "Volume ll of the Disability Pension Program Evaluation (July 2005)."

Organizational Governance Evaluation Volume III Western Region (October 2007)

Executive Summary (extracted from the original report)

In February 2005, a multi-phase Organizational Governance project was approved by the Veterans Affairs Canada (VAC) Audit and Evaluation Committee. The intent was that over the next several years, Organizational Governance reviews would be conducted on a cyclical basis of the control frameworks, activities, and processes of governance for each of Veterans Affairs regional and affiliated district offices, for Ste. Anne's Hospital and for Head Office organizations.

The first phase of this project reviewed the Atlantic Region and the Bureau of Pensions Advocates, and was conducted in late 2005 through the first quarter of 2006. The second phase of this project, which reviewed the Western Region and the Veterans Review and Appeal Board, was approved in July 2006. In performing the second phase, some modifications were made to the methodology and approach used, and fieldwork was conducted over the final quarter of 2006.

Central to the concept of Organizational Governance is the Management Accountability Framework (MAF) introduced by Treasury Board Secretariat (TBS) in 2003. The MAF consists of ten elements that, taken together, provide public service managers with a clear list of management expectations within an overall framework for high organizational performance. This framework is designed to assist managers to assess progress within their organization, strengthen accountability and improve client service.

This report outlines observations and findings from the review's MAF-oriented assessment of the Western Region, and contains six observations/recommendations aimed at further improving organizational governance in the region. As well, some of the noted observations had already been identified by management who were in progress of addressing the identified issue.

Based on these findings, it is the assessment of the review team that although there are some areas requiring attention and improvement, overall the Western Region is conforming well to the expectations of Treasury Board's Management Accountability Framework.

Observations/Recommendations:

R1   It is recommended that the Regional Director General, Western Region ensure that regional and national objectives are communicated to staff in a timely manner.

R2 It is recommended that the Director General, Program and Service Policy Division in co-ordination with the Regional Directors General reassess performance targets to ensure that they are attainable.

R3 It is recommended that the Director General, Program and Service Policy Division work with the Regional Directors General to review the current training process and assess opportunities for improvement.

R4 It is recommended that the Regional Director General, Western Region work with Head Office to provide more developmental opportunities for regional staff to work on corporate initiatives and projects.

R5 It is recommended that the Regional Director General, Western Region adopt a formalized and documented plan for risk management which is updated annually.

R6 It is recommended that the Regional Director General, Western Region work with the Client Service Team Managers to ensure adequate support is provided relating to program and policy interpretation.

Task Force Recommendation

Evidence gathered is sufficient to recommend closure of all of these observations/recommendations. Therefore, the Task Force recommends closure of the "Organizational Governance Evaluation Volume lll Western Region (October 2007)".

War Veterans Allowance (WVA) Program Evaluation Report (May 2008)

Executive Summary (none) (new executive summary created by team lead of project)

The evaluation of the War Veterans Allowance Program indicated that the overall objectives of the program were being met. Improvements in service delivery and efficiency occurred as a result of automating the program into the Client Service Delivery Network and consolidating program delivery into one region.

The number of clients receiving full WVA benefits is rapidly declining as most now only receive a top up to their Old Age Security and Guaranteed Income Supplement. The program served as a model for the New Veterans Charter Program, Canadian Forces Income Support Benefit. WVA serves as a gateway to other Veterans Affairs Programs such as Health Care and Veterans Independence Program. In larger centres the WVA rate for single clients was below the Low Income Cut-off (LICO) used by Statistics Canada.

As a result of this evaluation there was one recommendation which is as follows:

Recommendation:

R1   It is recommended that the Senior ADM Policy, Programs and Partnerships Branch, conducts further economic research on the income adequacy of the WVA for program recipients in terms of the maximum amounts, adjustments for cost of living by region/community size, and methods of indexing of rates over time.

Task Force Recommendation

Evidence gathered is sufficient to recommend closure of this recommendation. Therefore, the Task Force recommends closure of the "War Veterans Allowance (WVA) Evaluation (August 2008)" .

Audit/Evaluation of the Organizational Governance Evaluation Volume II - Veteran Services (VS) Atlantic Region (December 2006)

Executive Summary (extracted from the original report)

As part of the 2005-2006 Audit and Evaluation Plan, an Organizational Governance (OG) project was approved by the Audit and Evaluation Committee (AEC). It is intended that, over the next several years, OG reviews will be conducted on a cyclical basis by Audit and Evaluation Division of the control frameworks, activities and processes for governance for each regional and affiliated district offices (DOs), and for Ste. Anne's Hospital and Head Office (HO) organizations.

Central to the concept of organizational governance is the Management Accountability Framework (MAF), introduced by Treasury Board Secretariat (TBS) in 2003. The MAF consists of ten elements that taken together, provide public service managers with a clear list of management expectations within an overall framework for high organizational performance. The framework is designed to assist managers to assess progress within their organization, strengthen accountability and improve client service. Two senior Veterans Affairs Canada (VAC) managers, the Regional Director General, Veterans Services Branch, Atlantic Region and the Chief Pensions Advocate, Bureau of Pensions Advocates (BPA) agreed to have their organizations participate in the initial pilot.

This report, titled *Audit/Evaluation of the Organizational Governance, Volume II - Veterans Services (VS) Atlantic Region*, outlines observations and findings from the study's MAF-oriented assessment of the Veterans Services (VS) Branch Atlantic Regional Office and its affiliated district offices.

The study is divided into three main sections: compliance audit, evaluation summary and highlights from the self-assessment exercise.

The compliance audit contains five recommendations, requiring management action. The focus of these recommendations is to improve the efficiency and effectiveness of VS Atlantic Region's operations.

The evaluation section of the report has three recommendations. These reflect an assessment of how VS Atlantic Region is performing with respect to organizational governance within the context of the ten MAF elements.

While observations for each MAF element relate to information gathered in Atlantic Region, the recommendations are directed to the accountable manager based on functional and/or operational responsibilities.

Results from a self-administered questionnaire completed by the majority of the Region's managers and employees is included in the report, as well as, a list of commendable practices.

At the time of this regional review, implementation of the Canadian Forces (CF) Modernization initiative was underway.

Observations/Recommendations:

In the evaluation portion of this combined Audit and Evaluation Report, the following three observations/recommendations were identified.

It is recommended that:

R6   Directors General, Program and Service Policy Division and National Operations Division, working with Regional Directors General, review the consistency of the application of policies and procedures across the Department.

R7   In support of strategic planning within regional offices, the Assistant Deputy Minister, Veterans Services Branch establish a management accountability framework to ensure that appropriate management practices are in place including the identification, tracking and monitoring of performance measures and outcomes, by regions, consistent with national VAC objectives.

R8   The Assistant Deputy Minister, Veterans Services Branch initiate a review of work descriptions to ensure that they reflect the duties being performed.

Task Force Recommendation

Evidence gathered is sufficient to recommend closure of all of these observations/recommendations; therefore, the Task Force recommends closure of the evaluation portion of the " Audit/Evaluation of the Organizational Governance Evaluation Volume II - Veteran Services (VS) Atlantic Region (December 2006)".

Assessment of the 2004 - 2006 Sustainable Development Strategy (October 2007)

Executive Summary (extracted introduction from original report)

Sustainable Development is defined as "*development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*"

In support of this, in 1997 the Government of Canada mandated all federal departments to develop their own three-year Sustainable Development Strategies. These strategies identify specific goals and targets with a focus on improving the overall quality of life and are shared with the Commissioner of the Environment and Sustainable Development. The strategies are then published publicly in order to strengthen accountability and to keep Canadians informed on what is being done.

The position of the Commissioner of the Environment and Sustainable Development is contained within the Office of the Auditor General. The Commissioner provides parliamentarians with objective, independent analysis and recommendations on the federal government's efforts to protect the environment and foster Sustainable Development. The Commissioner is also responsible for providing guidance to all departments in the development of Sustainable Development Strategies and for monitoring these strategies.

Task Force Recommendation

Although this report which has been deemed a "Review" by the Audit and Evaluation Division, it has been captured in this follow - up report for administrative purposes. There were no observations nor recommendations contained within the review for follow - up. The Task Force recommends closure of the "Assessment of the 2004 - 2006 Sustainable Development Strategy (October 2007)".

7.0   DISTRIBUTION

Deputy Minister

Chief of Staff to the Minister

Chair Veterans Review and Appeal Board

Assistant Deputy Minister, Policy, Programs and Partnerships Branch

Assistant Deputy Minister, Service Delivery and Commemoration Branch

Assistant Deputy Minister, Corporate Services Branch

Regional Director General, Western Region

Program Analyst, Treasury Board of Canada, Secretariat (TBS)

APPENDIX A

Summary of Evaluation Reports for Further Follow-up October 31, 2009:

Audit/Evaluation of the Residential Care Program (Ontario Region) (July 2006);

Evaluation Assessment of Veterans Affairs Management of Client and Subject Information Holdings (December 2006);

Evaluation of the Veterans Independence Program (VIP) (December 2006);

Organizational Governance Evaluation Volume IV Veterans Review and Appeal Board (November 2007);

Evaluation of the Partnerships Contribution Program (Canada Remembers) (April 2008);

Evaluation of the Operational Stress Injury Clinic Network (October 2008);

Halifax Rehab Case Management Pilot Evaluation Framework (December 2008);

Evaluation of the Funeral and Burial Program (Canada Remembers) (January 2009); and

Evaluation of the Partnership Contribution Program (April 2008).