

President of the Treasury Board
and Minister of Digital Government



Présidente du Conseil du Trésor
et ministre du Gouvernement numérique

Ottawa, Canada K1A 0R5

The Honourable Kevin Sorenson
Chair
Standing Committee on Public Accounts
131 Queen Street, 6th Floor
House of Commons
Ottawa, Ontario
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Dear Mr. Sorenson:

Further to the Government's response to the report of the Standing Committee on Public Accounts, entitled "*Report on the Message of the Auditor General in the 2018 Spring Reports*", I am pleased to share with you this letter as the Government of Canada's progress report in support of Recommendation 2.

Recommendation 2: The Government of Canada should study and consider applying the five key principles identified in the discussion paper entitled *Delivery for Citizens: How to Triple the Success Rate of Government Transformation* (a.k.a. "the five Cs") to all major government programs and projects, and provide the Committee with a progress report by May 31, 2019.

The best practices expressed in the principles of **committed leadership, clear purpose and priorities, cadence and coordination, compelling communications, and capability for change** (the "five Cs") within the McKinsey discussion paper, have been informing the Government of Canada's direction on project management for some time. Indeed, these "five Cs" are reflected in recent policy measures including: the 2017 blueprint for a Government of Canada Project Management Strategy; the 2018 implementation of the Mandatory Procedures for Concept Cases for Digital Projects and publication of the Digital Standards; and Treasury Board (TB) approval in 2019 of a new *Policy on the Planning and Management of Investments* and the *Directive on the Management of Projects and Programmes*.

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The examples below illustrate concretely how the key principles identified in the McKinsey report are applied in the Government of Canada's management of projects and programmes.

- Committed Leadership:
 - The Treasury Board *Directive on the Management of Projects and Programmes* highlights the importance of visible active leadership on the part of the Project Sponsor (the executive responsible for the project).
 - The TB *Policy on the Planning and Management of Investments* requires:
 - The appointment of an Assistant Deputy Minister (or equivalent) as Project Sponsor for high-risk projects, and for all programmes; and
 - That in the case of high-risk projects or projects over \$100 million the Deputy Head sign an appointment letter that sets out the responsibilities and authorities of the Project Sponsor.
 - The Chief Information Officer of Canada (CIO) role has recently been formalized as a Deputy Minister position through the *Financial Administration Act*. The enhancement of the role includes responsibility for supporting stronger IT direction setting and enterprise processes, and establishes the Government of Canada CIO as the lead of the functional IT community.

- Clear Purpose and Priorities:
 - The TB *Policy on the Planning and Management of Investments* sets out the mandatory procedures for the use of Concept Cases for Digital Projects. The use of Concept Cases will enable improved problem definition and outcomes identification in the initial planning of a project before making a decision to invest in a digital solution.
 - The TB *Directive on the Management of Projects and Programmes* address benefits management and transition to operations. These requirements will help clarify a project's expected outcomes and the prioritization of benefits.
 - Understanding stakeholder and user perspectives is a fundamental consideration of the TB *Policy on the Planning and Management of Investments*, the TB *Directive on the Management of Projects and Programmes*, and the Government of Canada Digital Standards.

- Cadence and Coordination:
 - The TB *Directive on the Management of Projects and Programmes* and the Government of Canada Digital Standards champion the use of incremental, iterative, and agile principles in the planning and implementation of projects.

- The *TB Policy on the Planning and Management of Investments*, and the *TB Directive on the Management of Projects and Programmes* address the need for integrated cross-functional (i.e. project management, procurement, finance, human resources, etc.) planning of departmental investment and project processes.
- The *TB Directive on the Management of Projects and Programmes*:
 - Seeks to create the necessary conditions for improved cadence by providing opportunity for integrated approval of the project, procurement, and real property authorities; and
 - Assigns clear accountability to the Project Sponsor to solve problems, coordinate between stakeholders, and track performance.
- The Digital Project Oversight Program will continue monitoring a portfolio of the most high-risk digital projects across the Government of Canada to track progress and provide early warning signals of risks and issues to Treasury Board Secretariat (TBS) senior leadership.
- **Compelling Communications:**
 - The *TB Policy on the Planning and Management of Investments*, the *TB Directive on the Management of Projects and Programmes*, and the Government of Canada Digital Standards are grounded in the principles of engagement and transparency.
 - The Concept Case for Digital Projects, with its focus on identifying the problem and benefits; along with documentation, transparency, governance, gating, and performance measurement requirements within the *TB Directive on the Management of Projects and Programmes* will create the necessary conditions to enable effective, compelling communications.
- **Capability for Change:**
 - The *TB Policy on the Planning and Management of Investments* and *TB Directive on the Management of Projects and Programmes* sets out the Comptroller General of Canada's role in government-wide leadership and support for professional development in project management; and within organizations, the responsibilities of senior designated officials to address their department's project management knowledge, experience, and skills needs.
 - The Government of Canada CIO's new role as a Deputy Minister includes the responsibility to further develop the IT workforce through talent management and community development, including digital and analytics skills.

- Work underway on new tools to assess an organization's project management capacity is examining means to measure the maturity of organizational change management in terms of change leadership, competencies, training, and planning.
- Capacity, capability and expertise in major departmental transformation initiatives are considered by the Government of Canada CIO's due diligence review of TB submissions, and through the ongoing monitoring of select initiatives by TBS Digital Project Oversight Program.

Going forward, we will continue to explore additional opportunities to address the challenges and improve the success rate of major transformative projects and programs. In closing, I would like to thank the Committee for its valuable work and its contribution to the ongoing dialogue on best practices for public sector transformation.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'JM' followed by a long horizontal stroke and a large loop.

The Honourable Joyce Murray, P.C., M.P.