



Treasury Board of Canada  
Secretariat

Secrétariat du Conseil du Trésor  
du Canada

Ottawa, Canada  
K1A 0R5

The Honourable Kevin Sorenson  
Chair  
Standing Committee on Public Accounts  
131 Queen Street, 6<sup>th</sup> Floor  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Mr. Sorenson:

As per the Government Response to the House of Commons Standing Committee on Public Accounts' report, entitled "*Report 1, Building and Implementing the Phoenix Pay System, of the 2018 Spring Reports of the Auditor General of Canada*", I am pleased to provide the requested reports from Treasury Board of Canada Secretariat in support of Recommendation 3.

Yours sincerely,

Alex Benay  
Chief Information Officer of Canada

Enclosures

## TBS Response to PACP: Phoenix Report – PACP 53

**Recommendation 3** (deadline July 31 2019):

**Treasury Board of Canada Secretariat (TBS) must present to the Committee:**

1. *A report on the changes made to guidance and policies respecting independent reviews, including the clearest possible definition of an “independent review;” and*
2. *A report on the decision-making processes that determine the specific points subject to independent reviews and on the process for providing the findings of these reviews to the accounting officer.*

1. As part of the TBS Policy Suite Reset exercise that is currently underway, significant revisions to the former Policies on Investment Planning – Assets and Acquired Services and the Policy on the Management of Projects have been made. The revised policy instruments (the *Policy on the Planning and Management of Investments* and *Directive on the Management of Projects and Programmes*) approved in April 2019, include more rigorous requirements intended to strengthen the management, oversight and governance of all GC project investments. The new directive includes a specific requirement for project sponsors to conduct independent reviews to support key decision points.

An independent review is defined as a critical assessment conducted by qualified, unbiased, arm's-length experts to assess the likelihood of the project to meet its business objectives within its cost, schedule and scope constraints.

The TBS implemented the Independent Review Program in 2010 to support and enable departments in conducting independent reviews for their projects. The program includes published guidance on preparing for and conducting independent reviews, and a methodology with recommended lines of enquiry for key decision points. There are government procurement mechanisms which provide pre-qualified resources for independent project review services, enabling departments to procure review services in a timely manner. The recommendations and findings from reviews commissioned by a department are reported directly to the commissioning official (e.g. Deputy Head or Project Sponsor).

The TBS independent review guidance and methodology are being updated to reflect current best practices in project assurance, notably from the governments of the United Kingdom and New Zealand, both leaders in this area.

2. The new TB *Directive on the Management of Projects and Programmes* states that the departmental senior designated official(s) for the management of projects and programmes is responsible for defining an approach to key decision points, or “gates”, in a departmental project management framework. Each project must then adhere to the departmental project management framework. Common decision points include whether

to invest in an initiative based on a fulsome business case and project approach, whether the operational environment is ready to receive the change (e.g. new system), and whether a project has met its objectives to the satisfaction of the business owner and enables the business to realize the expected benefits. These decisions are taken by the senior level project governance or the departmental investment board, and can be supported by the insight derived from an independent third-party review.

Under the new Treasury Board Directive on the Management of Projects and Programmes, the Chief Information Officer of Canada (GC CIO) is responsible for establishing a digital investment oversight program and, therein, has the authority to directly commission independent reviews of projects or programmes subject to the program, at the relevant department's cost, to ascertain whether specific actions are required to address issues or mitigate risks. This authority will be enacted when it is determined that a department has not taken sufficient action to address the issues or mitigate the risks on its own accord, or an additional level of independence (i.e. removed from the Deputy Head accountable for the project) is required to satisfy the needs of stakeholders, particularly in a horizontal or enterprise project. The findings and recommendations of these reviews will be delivered directly to the GC CIO and then formally communicated to the responsible departmental Deputy Head following the conclusion of the review. The departmental Deputy Head will be required to provide the GC CIO with a management response and action plan (MRAP) with activities and timeframes for addressing the recommendations. The GC CIO will monitor the MRAP to ensure recommendations are addressed satisfactorily.