



Maintaining Integrity in Social Benefit Programs

(A History Of Change)

Integrity Operations
Service Canada

Human Resources & Social Development

Annual benefit payments of
over \$65B to 11.5M clients

- Employment Insurance Program
- Pension and Old Age Security

Service Canada

A Single Government of Canada service initiative announced in the 2005 budget

- Provides improved client service
- Demonstrates efficient stewardship of skills and resources
- Contributes to ERC Savings Commitments

“one of the biggest single reforms ever in federal operations”
– Budget 2005

Employment Insurance (EI) Program

Employment Insurance Benefits (Part I)

- Provides temporary income support to persons who become unemployed through no fault of their own or are off work because of pregnancy, parenting, care giving, or sickness

Employment Benefits (Part II)

- Assists Canadians with return to employment through Employment Benefits and Support Measures

Annual payments of \$15 B

Income Security Programs

Canada Pension Plan

Provides income protection to a contributor and his or her family in the event of retirement, disability, and/or death.

- CPP Retirement
- CPP Disability
- Survivor Benefits
- Death Benefit

Old Age Security Program

Provides monthly income to Canadians over the age of 65 who meet residency requirements

- OAS Pension
- Guaranteed Income Supplement
- Allowance

Annual Payments of \$50B

INTEGRITY WITHIN SERVICE CANADA

- 1500 staff across the country, that consist of:
 - Clerical investigators/reviewers
 - Investigators
 - Interviewing officers
 - Managers/Supervisors
 - Program Consultants
 - Quality Advisors
 - Regional Directors

INTEGRITY WITHIN SERVICE CANADA

- Headquarters:
 - Two Directorates:
 - Operations: responsible for all field operations, functional guidance and direction, training, quality of investigations, performance management and reporting, development of new programs, prosecutions.

INTEGRITY WITHIN SERVICE CANADA

- Risk and Social Insurance Number: responsible for management of the Social Insurance Number (SIN) and the SIN data base, identification of risk in various programs, also responsible for Integrity policy issues.

A HISTORY LESSON

- Previous to 1993:
 - Performance measure was *investigations completed (EI)*.
- **1993** – Expanded Activity – \$50M for \$250M
 - New performance measures – *Dollar Return*
- **1996** – Dollar return becomes “*KPI*”
- **1996 to 2000** results above \$600M.

A HISTORY LESSON

- **2001 to 2004** sees a gradual but distinctive reduction in results.
- **2004**
 - Auditor General of Canada review tells us we need to become more risk based
 - An internal review identifies the lack of focus and regional/local management for the Integrity function.

MORE HISTORY

- 2004 – Major change in direction.....

From:

Results Based Management

To:

Risk Based, High Quality, Prevention

...and.....National Program !!!

MORE RECENT HISTORY

- *“The Prime Minister established the Expenditure Review Committee of Cabinet in December 2003 as part of a series of initiatives designed to strengthen the Government’s financial management and accountability. Expenditure review is about managing tax dollars wisely, effectively and efficiently and ensuring that the Government can make the best possible investments in the areas that matter most to Canadians.”*
- *Government of Canada Web Site*

MORE RECENT HISTORY

- The result of this was:
- *“Budget 2005 identifies nearly \$11 billion in cumulative savings over the next five years to be reinvested in priorities that matter most to Canadians.”*
- Areas of reinvestment include Health and Defence

RECENT HISTORY CONT'D

- Impact of Expenditure Review Committee (**ERC**) on Service Canada:
- Total savings: **\$11Billion**
- Service Canada share: **\$3Billion**

RECENT HISTORY CONT'D

- So.....June 2005 – major change in direction.

From.....

- *Risk Based, High Quality, Prevention*

To.....

- *Results Based Management*

Service Canada: ERC Savings

- Over five fiscal years, Service Canada will deliver \$2.55 billion (net) in federal savings

	2005/ 06	2006/ 07	2007/ 08	2008/ 09	2009/ 10	Total
Savings	\$265 M	\$420 M	\$805 M	\$780 M	\$780 M	\$3.05 B
Reinvest- ment	\$65 M	\$65 M	\$140 M	\$115 M	\$115 M	\$500 M
Net Savings	\$200 M	\$355 M	\$665 M	\$665 M	\$665 M	\$2.55 B

Integrity ERC Savings

2005-2006 Savings objective
\$200 M

Investigation results:	\$568.7 Million
Baseline:	\$432.9 Million
Net Savings to ERC:	\$136.8 Million

Service Canada: Building Integrity

Integrity Operations will continue to build on existing expertise in EI Integrity to create a fully integrated integrity function for all Service Canada programs that will lead to us meeting ERC Commitments.

- Prevention
- Risk management

Savings Initiatives: Prevention

- In EI Integrity, avoided payments have long been recognized as savings that have resulted from prevention activities
 - EI Actuarial Tables
 - Tracking Behaviour
- This same rationale is now being applied to OAS and CPP
 - Actuarial Tables

Savings Initiatives: Risk Management

- CPP and OAS program integrity encompasses a whole new set of risks that weren't applicable in Employment Insurance
 - Relationships
 - International Payments

International Payments

- International payments are recognized as a significant risk to OAS and CPP
 - \$ we pay
 - \$ we pay in the US
- Traditional methods of following up on these have proved costly :
 - Travel and follow-up
 - Pilot with USA in 1998

Current International Pilot: Canada and the United States

- Administrative Understanding on Mutual Assistance allows sharing of information between the two countries
- Joint beneficiaries will be identified and followed up on in both countries

Future International Partnerships

- Continued work with our Six Nations colleagues and greater understanding of current International Agreements will lead to increased opportunities for mutual assistance and the sharing of information