

# Feds underestimated, ignored issues with Phoenix before rollout: Review



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OTTAWA — A critical report about the federal government’s problem-plagued pay system says officials underestimated the project’s complexity and seemed to ignore warning signs before giving it the go-ahead.

The report released Thursday said the most senior officials in the public service didn’t fully comprehend the complexity of switching dozens of aging pay systems over to the Phoenix system, a change — first launched by the former Conservative government in 2009 — that was further complicated by cuts to the number of federal pay advisers.

The \$165,000 review from an Ottawa-based consulting group, commissioned by the federal government, says briefings on the rollout were focused only on positive news, and that the department overseeing the project had a strong culture against “speaking truth to power.”

Source: <http://nationalpost.com/pmn/news-pmn/canada-news-pmn/feds-underestimated-ignored-issues-with-phoenix-before-rollout-review>

So even if there were concerns, the consultants say they were ignored in most cases, including concerns from departments like Health Canada and the Canadian Coast Guard that Phoenix wasn't ready to handle their unique payroll needs.

Just prior to the February 2016 launch, testing on the system was surprisingly incomplete, along with a large number of major defects in Phoenix that had "no planned fix date," say the consultants, who looked at everything that happened between 2008 and April 2016.

Still, the governing Liberals gave the go-ahead for the project early last year and since its launch, Phoenix has resulted in thousands of public servants being either overpaid, underpaid or not paid at all.

Two ministers overseeing the file apologized to the families affected by the fiasco, calling the situation unacceptable and saying the lessons learned in the report would be applied to major IT projects going forward.

"The question we as government ministers hear most often is, 'Why can't you just fix the damned thing?'" Treasury Board President Scott Brison said.

"This is a big problem, years in the making, and we are determined to use the lessons learned to help fix our pay system and to ensure that the mistakes of the past are not repeated in future transformations."

But Brison and Public Services Minister Carla Qualtrough stopped short of saying when the pay problems will finally come to an end, noting that oversight on a solution is more robust than it was before Phoenix went live.

"There is no easy or quick fix for the problems in the pay system. We will get through this, but it will take and concerted efforts across all departments," Qualtrough said.

"To be clear: The file is ours to fix and we will."

Phoenix was supposed to replace an aging system on the verge of digital collapse and ensure that the pay system could easily adapt to future changes in the public service. It was also supposed to save taxpayers about \$78 million in its first year, savings that have yet to materialize.

The report suggests that dollar figure drove many of the decisions officials made as they tried to meet deadlines and the savings promised by the previous Conservative government. The report says the previous government's decision to lay off hundreds of pay experts ahead of Phoenix's launch also hamstrung officials who couldn't retain those workers without a steep cost.

So, the report says, officials pushed forward and never thought about asking for more time or money for the project.

The consultants argue the government should have laid off the pay experts only after Phoenix's launch to ensure any problems were smoothed out.

Hundreds of new pay advisers have been hired and temporary pay centres have opened to deal with a backlog of transactions that has hit about 350,000 at last count, Qualtrough said. Hiring has gone more slowly than the government had hoped it would, she added.

Qualtrough wouldn't say how many civil servants are caught in the backlog.

She said officials are also consulting with outside experts on the way forward for Phoenix.