

**ACTION PLAN IMPLEMENTATION STATUS UPDATE  
REPORT TO THE AUDIT COMMITTEE - AS OF MARCH 31, 2012**

<b>CHIEF FINANCIAL OFFICER</b>			
<b>POST-IMPLEMENTATION AUDIT OF THE FIRST NATIONS AND INUIT TRANSFER PAYMENT SYSTEM (FNITP) (08/24)</b>			
<b>APPROVAL DATE: 24/09/10</b>			
<b>PROJECT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>	<b>EXPECTED COMPLETION DATE</b>	<b>PROGRAM RESPONSE</b>
<p>1. The CFO, in collaboration with the ADMs responsible for regional operations and staff, should develop and implement a program that ensures sufficient resources are allocated to providing training and support to recipient users. In conjunction with this training and support program, regional representatives across the country should champion the adoption of FNITP by their recipients.</p>	<p>1) The CIO is currently conducting an organizational review for the FNITP support model. The review includes the transfer of responsibilities for the support and training of employees and recipients from the CIO to Corporate Accounting and Material Management Branch (CAMMB). The transition plan will identify required resources (support and training) requirements, a proposed support model and the associated cost requirements.</p> <p>The implementation of the model will require management approval before proceeding, i.e.: approval of model, funding and staffing.</p> <p>2) Subsequent to the transfer of FNITP business functions from CIO to CAMMB:</p> <ul style="list-style-type: none"> <li>• Establish a national training working group to identify training gaps/requirements (both AANDC and Recipient lens)</li> <li>• Development of an integrated Transfer payment training strategy that considers a phased implementation based on priority and risk needs.</li> <li>• Development and rollout of training materials, approaches (i.e.: blended</li> </ul>	<p>April 2011</p>	<p><b>Status: Request to Close</b> <i>(Completed)</i></p> <p><b>Update/Rationale:</b> <b>As of 30/09/2011:</b></p> <p>1) As indicated in the March 31, 2011 update, in Q3 of 2010-11, the existing FNITP support and training functions were transferred to the CAMMB organization under the TP-COE Division. This action item has been completed.</p> <p>2) Further to the update provided on March 31, 2011: Subsequent to the appointment of an interim Client Relationship Manager, a proposed Integrated Transfer Payment Training strategy that considers a phased implementation based on priority and risk needs, was developed in July 2011. Implementation is underway and ongoing.</p> <p>The development and roll out of training materials and approaches was initiated in April 2011 and is ongoing under the new Client Relations Management Unit, TP-COE. A documentation management function is in place to assure quality assurance and timely dissemination of Training Materials. A national course catalogue, calendar, information centre on TP Training (intranet) are in place. The development of eLearning tools is underway and a modernized training facility is now in place to support distance learning.</p> <p>Furthermore, a national training network is being introduced to support effective knowledge transfer and dissemination of training related</p>

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	<p>learning, distance learning tools), national training calendar etc.</p> <ul style="list-style-type: none"> <li>• Pilot and QA materials and approaches</li> <li>• Deliver training and evaluate results</li> <li>• Implement ongoing ever greening of training plan and materials</li> </ul>		<p>information/updates within programs and regions. The network will be consulted in the ongoing ever greening training plans, delivery approaches, related materials and new curriculum development to ensure that the Integrated TP Training Strategy is supported and training is current and responds to the TP communities; requirements and needs.</p> <p>A formal training evaluation and result reporting process has been implemented in April 2011.</p> <p><b>AES: Closed with recommendation for a follow up audit on specific issues. Potential joint venture with Health Canada.</b></p>
<p>2. The CFO should ensure that the Transfer Payments Centre of Expertise and the Integrated Performance and Corporate Systems Directorate finalize a policy framework and departmental directive to address issues related to system change management and ownership.</p>	<p>Finalize development of directive for the submission and management of change requests based on ITIL methodology.</p> <p>Policy framework and communications plan to be developed upon completion of transfer of FNITP business support model from CIO to CAMMB.</p> <ul style="list-style-type: none"> <li>• The communication plan will be developed with support from CFO branch communications officer.</li> <li>• Establish a governance structure with national representation for the implementation of policy framework</li> </ul>	<p>December 2010</p> <p>April 2011</p> <p>June 2012</p>	<p><b>Status:</b> <i>Request to Close-Completed</i></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2012:</b></p> <p>The First nation and Inuit Transfer Payment (FNITP) Infrastructure Working group was re-instituted to communicate/disseminate FNITP system information. It also serves to communicate information related to the FNITP system changes and how they impact our regional and sectoral users when managing their grants and contributions agreements in the system.</p> <p>The terms of reference for FNITP Advisory Committee and the FNITP/Enabling Infrastructure Group ensure</p>

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	<p>based on a system critical perspective that focuses on People, Processes and Internal</p> <p>Systems ownership and roles and responsibilities are addressed by means of an approved RACI matrix which forms part of action #1 above.</p>	<p>March 2011</p>	<p>that both have national representation. These bodies also establish a governance structure for the implementation of a policy framework based on a system critical perspective that focuses on people, processes and internal systems ownership. The broad involvement of employees from various parts of AANDC ensures that the FNITP system and processes (as they evolve) reflect the needs of the Department and the people who use it and gives them ownership.</p> <p>The FNITP Advisory Committee terms of reference have been reviewed and approved by the DG of Corporate Accounting &amp; Materiel Management hand by the Senior Director of the Transfer Payments Centre of Expertise (TPCOE). TPCOE has invited members and has organized the first Advisory Committee.</p> <p>TPCOE will look to use the bulletins in FNITP and various other venues to continue to communicate information to users and stakeholders on FNITP. As part of the Budget 2012 announcement, the Deputies have signalled to AANDC employees the joint partnership with Heath Canada (i.e. the two departments will converge on a common financial system, and a common grants and contributions system).</p> <p>A "Directive on the Submission and Management of Changes Request" was implemented (CIDM 3340857). This directive defines the roles and responsibilities, the required authorities and the necessary processes related to the submission, handling and management of all change requests to the FNITP. The Directive</p>



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	<p>Transfers Between Appropriations. Examples of strategies to include: amendments to MOUs where feasible and practical; written agreement between departments on notification mechanisms for payment withholdings and the requirement of Finance officers of both departments confirming before cheque issuance.</p>		<p>model. It is essential to note that where OGDs continue to flow funds directly to common recipients (with AANDC), each one has control with respect to withholding its share.</p> <p><b>Status:</b> <i>Underway</i></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2012:</b></p> <p>CAMM has completed an inventory of existing interdepartmental MOUs for the NCR and will proceed to do the same with other regions through the National Funding Agreement Committee.</p> <p>CAMM in collaboration with key stakeholders will be preparing a National Interdepartmental MOU model, to compliment the funding agreements. MOUs were recently completed for pilot projects in Mashteuiash and Pangnirtung. These MOUs address default management actions and will be used to develop the model. It is essential to note that where OGDs continue to flow funds directly to common recipients (with AANDC), each one has control with respect to withholding its share.</p> <p><b>AES: Closed with recommendation for a follow up audit on specific issues. Potential joint venture with Health Canada.</b></p>

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<p>4. The CFO should lead a cross functional team responsible for assessing regional processing requirements and establishing a procedure to incorporate them into FNITP. The team should be comprised of members from the Transfer Payments Centre of Expertise and the Integrated Performance and Corporate Systems Directorate with input from regions and programs.</p>	<p>Conduct a fit / gap analysis which will identify the sectors/Regions business requirements.</p> <p>Consultation and establishment of requirements prioritization and development of an implementation plan in a phased approach.</p>	<p>December 2011</p>	<p><b>Status:</b> <i>Underway</i></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2012:</b></p> <p>The vision and strategy document takes into consideration an FNITP Health Check that identified the gaps. The Vision and strategy contain the key elements of an implementation plan some of which have already been launched (e.g., EIS, Reporting Burden, Health Canada adoption of FNITP). As part of the Budget 2012 announcement, the Deputies have signalled to AANDC employees the joint partnership with Health Canada (.i.e., the two departments will converge on a common financial system, and a common grants and contributions system).</p> <p>The FNITP Vision &amp; Strategy document was reviewed and approved by the CIO, the DG of Corporate Accounting &amp; Materiel Management, and Senior Director of TPCOE, and the Manager of FNITP. In April 2012, the document is scheduled to be presented to DGIOC and departmental Operations Committee.</p> <p><b>AES: Closed with recommendation for a follow up audit on specific issues. Potential joint venture with Health Canada.</b></p>

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<p>5. The CFO should refine AANDC's Financial Management Manual for Transfer Payments to include a clear definition of FAA sections 32, 34 and 33 controls. The definition should outline how the controls will be captured and represented in FNITP. System application controls should be modified to align with the refinements to the Financial Management Manual.</p>	<p>Review and update the FNITP system controls support the Management Control Framework, the Financial Administration Act (Sections 32 and 34) based on identified deficiencies and/or gaps, and update the Financial management Manual for Transfer Payment to include a clear definition of FAA Sections 32, 33, 34 controls.</p> <p>Develop a prioritization of change /enhancements required for FNITP. With implementation being based on availability of resources of the new support model.</p>	December 2011	<p><b>Status: Request to Close (Completed)</b></p> <p><b>Update/Rationale:</b> <b>As of 30/09/2011:</b></p> <p>The FNITP systems application controls complies with the FAA Section 32, 33, and 34, the management control Framework and the user's desk book on Gs &amp; Cs management. Consultation was done with the various stakeholders and business owners to define incompatible functions. The segregation of duties for the section 34 and section 33 is enforced by FNITP. In addition, these approvals are still performed on paper. Section 32 on the agreement, section 33 and 34 on batch reports.</p> <p><b>AES:</b> Implemented. The recommendation is closed and FNITP system application controls alignment with Gs&amp;Cs management control framework will be included in future audit planning.</p>
<p>6. The CFO should lead a cross functional team responsible for determining whether FNITP is meeting regional reporting needs. The team should be comprised of members from the Transfer Payments Centre of Expertise and the Integrated Performance and Corporate Systems Directorate with input from regions and</p>	<p>Conduct a fit / gap analysis to identify the Sector/Regions' reporting requirements. The reporting requirements will be prioritized in consultation with the Sector and Regional stakeholders and taking into consideration the departmental initiative on Reduction of Reporting Burden. A plan will be developed to implement report development and/or</p>	December 2011	<p><b>Status: Request to close- Completed</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2012:</b></p> <p>In 2010, an FNITP Health Check Assessment was completed by Corporate Accounting and Materiel Management, with support from the Chief Information Officer (CIO), in order to assess the current status of FNITP with regard to people, process and technology.</p>

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programs.	enhancements in a phased approach, with ongoing review validation and updating.		<p>Its purpose of FNITP with regard to people, process and technology. Its purpose was a fit/gap analysis: to identify and issues and opportunities, and provide recommendations for improvement. The results would lead to an action plan for implementation of recommendations over the short, medium and long-term. The findings were based on interview held with key stakeholders from regions and headquarters.</p> <p>As per the response in recommendation #4, a Vision/Strategy document has been developed for FNITP in order to leverage the findings and the work from the Health Check. One of the vision statements addresses key components of FNITP, and will look at strategies to align FNITP business processes with the AANDC IM Strategy, with FNITP as the cornerstone system. This will enable better management of FN funding relationships, common business processes, improved FN access to their own data, snapshots of reporting obligations and online reporting to help reduce data entry, paper processes, duplication of effort, etc.</p> <p><b>AES: Closed with recommendation for a follow up audit on specific issues. Potential joint venture with Health Canada.</b></p>