

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE - AS OF MARCH 31, 2011**

CHIEF FINANCIAL OFFICER			
POST-IMPLEMENTATION AUDIT OF THE FIRST NATIONS AND INUIT TRANSFER PAYMENT SYSTEM (FNITP) (08/24)			
APPROVAL DATE: 24/09/10			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<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"> • Establish a national training working group to identify training gaps/requirements (both INAC and Recipient lens) • Development of an integrated Transfer payment training strategy that considers a phased implementation based on priority and risk needs. • Development and rollout of training materials, approaches (i.e.: blended 	<p>April 2011</p>	<p>Status: Underway</p> <p>Update/Rationale: As of 31/03/2011:</p> <p>Completed the transition plan along with the support requirements and prorated associated cost requirements from the CIO to CAMMB. Realignment of the First Nations and Inuit Transfer Payments (FNITP) System Support Model was completed.</p> <p>Established a national training working group and completed the development and implementation of a national training strategy. Based on priority and risk needs assessment, the strategy focused on training related to the departmental implementation of the Policy on Transfer Payments. Training sessions using a blended approach were delivered in 2010-11 and will continue in 2011-12. In parallel throughout 2010-11 FNITP specific training in both NCR and regions was delivered.</p> <p>The development of an integrated Transfer Payment strategy was delayed due to delays in staffing the Client Relationship Manager position. Preliminary work has started on the development of an integrated Transfer Payment training strategy. Strategy document is targeted for completion by end of first quarter 2011.</p>

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	<p>learning, distance learning tools), national training calendar etc.</p> <ul style="list-style-type: none"> • Pilot and QA materials and approaches • Deliver training and evaluate results • Implement ongoing ever greening of training plan and materials 		AES: Implementation on-going.
<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"> • The communication plan will be developed with support from CFO branch communications officer. • Establish a governance structure with national representation for the implementation of policy framework based on a system critical perspective that focuses on People, Processes and Internal <p>Systems ownership and roles and responsibilities are addressed by means</p>	<p>December 2010</p> <p>April 2011</p> <p>June 2012</p> <p>March 2011</p>	<p>Status: Underway</p> <p>Update/Rationale: As of 31/03/2011:</p> <p>RACI (Responsible Accountable Consulted Informed) document completed which identifies system ownership and roles and responsibilities. Governance structure with national representation completed. The FNITP Infrastructure working group with representation from CIO and program sectors was re-instituted. The Infrastructure working group meets regularly and applies standard ITIL methodology in system change management based on system critical requirements. The governance structure for the FNITP Advisory Committee is completed. A workshop with program and regional representation was held in March to start the development of a FNITP vision/systems strategy. Strategy document still on target for June 2012 delivery.</p>

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	of both departments confirming before cheque issuance.		
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>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>	December 2011	<p>Status: Underway</p> <p>Update/Rationale: As of 31/03/2011:</p> <p>FNITP has worked with IBM in the launch of an exercise to develop an FNITP strategy and roadmap (high level direction document). Workshops were held with members of the FNITP Advisory Committee and the FNITP Infrastructure working group in March 2011. Final high level roadmap report is due in April 2011. This is the first step in the process. It will provide input to the Strategy document (see #2 above), and will enable for more detailed planning, consultation with user community and establishment of prioritized and development of a phased approach implementation plan.</p> <p>AES: Implementation on-going.</p>
5. The CFO should refine INAC'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	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	December 2011	<p>Status: Completed</p> <p>Update/Rationale: As of 31/03/2011:</p> <p>CoE has developed and tabled at DAC in last quarter of 2010-11 an updated integrated Gs&Cs management control framework, which identifies</p>

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represented in FNITP. System application controls should be modified to align with the refinements to the Financial Management Manual.	<p>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>		<p>the control objectives and control activities related to section 32-33-34 of the FAA. A comprehensive user's desk book on Gs&Cs management was also completed. A section in the chapter on report management highlights the importance of Section 32 and 34, the controls and the sanctions of non compliance with reporting requirements.</p> <p>AES: Substantially implemented. The recommendation will be closed once assurance is provided that FNITP system application controls are clearly aligned with Gs&Cs management control framework.</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 programs.	<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 enhancements in a phased approach, with ongoing review validation and updating.</p>	December 2011	<p>Status: Underway</p> <p>Update/Rationale: As of 31/03/2011:</p> <p>CFO sector has been working closely with the DM representative on reducing reporting burden. Inventories of DCIs (Data Collection Instruments) and Adhoc reporting are being analyzed by Program Sectors.</p> <p>CoE team on Transfer Payments completed a streamlined Year End Reporting handbook which took into consideration risk and materiality, thereby reducing the reporting burden for some recipients.</p> <p>New reports were developed by FNITP in 2010-11 to assist regions/sectors were related to analytics of General Assessment recipient risks and Default-</p>

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			<p>Intervention. Additional regional reporting needs will be part of the consultation and engagement activities under #4 above.</p> <p>AES: Implementation on-going.</p>