Northern Affairs Organization

Value for Money Audit: Giant Mine Remediation Plan

APPROVAL DATE: 09/28/2012			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
1. The Assistant Deputy Minister, Northern Affairs Organization, should ensure that the proposed governance framework for the Giant Mine Remediation Project is finalized and implemented, with minutes and records of decision documented for the key governing bodies, such as the Oversight Committee and the Senior Project Advisory Committee.	The GMRP team accepts this recommendation. The proposed GMRP governance framework will be finalized, approved by the Project Leader, and fully implemented to operational status. This applies to all current governing bodies included in the proposed governance framework, specifically Senior Project Advisory Committee, Management Board, and Project Leadership Committee. Operational status for each body will include formalized and approved Terms of Reference, agenda, minutes and records of decisions (where not already ongoing).	September 27, 2012	Update/Rationale: As of 31/12/2012: Completed – September 27, 2012 The proposed Giant Mine Remediation Project (GMRP) governance framework has been finalized, approved by the Project Leader, and fully implemented to operational status. This applies to all current governing bodies included in the proposed governance framework, specifically Senior Project Advisory Committee, Management Board, and Project Leadership Committee. Operational status for each of these bodies includes approved Terms of Reference, meeting agendas, minutes and records of decisions. AES: Implemented. The recommendation will be closed. Closed.
The Assistant Deputy Minister, Northern Affairs Organization,	The Giant Mine Remediation Project Team will expand the	PPA Phase Project	

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should ensure that a comprehensive risk management framework (including strategic and project level risks) and a risk management plan are established for the Giant Mine Remediation Project to monitor risks on a regular basis.	scope of the risk assessment process to include technical and strategic risks and incorporate a risk management plan. This more robust risk management approach will initially focus on the current life cycle phase (PPA Phase or Phase 2b/2c – Preliminary/Detail Design) and evolve to include the total project scope before the Effective Project Approval is sought from the Treasury Board. The Risk Management Plan will be included in the Project Execution Plan (PEP) for the project.	Execution Plan: March 31, 2013 Overall GMRP Project Execution Plan: December 31, 2014	
 3. The Assistant Deputy Minister, Northern Affairs Organization, should ensure, as part of the Major Project Office implementation, that: Clear roles and responsibilities between PWGSC and AANDC for the Giant Mine Remediation Project are 	The GMRP team accepts this recommendation. As part of the Major Project Office implementation, the following specific actions will be taken: • The Giant Mine Remediation Project Team will finalize the draft Project Charter which lays out the roles and responsibilities.	November 15, 2012 March 31, 2013	Status: Request to close (completed) Update/Rationale: As of 31/03/2014: Completed - November 19, 2012

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defined, documented, communicated, agreed upon, and finalized such that the project environment can focus on optimizing, resourcing, and delivering the project in accordance with its objectives. The resulting final organizational structure should be as streamlined as possible to support a strong and clear focus on the project. • A proper baseline schedule (prepared according to industry standards), an	 The individual organizational charts for both AANDC and PWGSC will be finalized and integrated into a single GMRP organizational chart. Staffing within AANDC is underway. The current draft MPO Standards and Guidance Manual will be formalized, approved and implemented by the GMRP team, including PWGSC, AANDC, service providers and contractors. 	March 31, 2013 March 31, 2013	Completed - Workshop conducted with key AANDC HQ, Region, PWGSC and GNWT members to compile single GMRP org chart (January 2013); Roles and Responsibilities developed from single GMRP org chart (March 2013); Org chart and RASCI have been incorporated into PEP (November 2013) Completed - Feedback on MPO incorporated from key chapter reviewers (December 2012); MPO Draft circulated for final review (January 2013); MPO Draft updated with comments and signed by Director, CSP; MPO Standards and Guidance Manual endorsed March 31, 2013. (Note: Project Leader, ADM of NAO, approved on January 7, 2014) Completed (March 2014) – Training Modules have been developed and are presently being rolled out to the GMRP Team. This web based, self paced training has been included in all GMRP Team's Learning Plans for 2014-2015. This
integrated project schedule, a management plan and a reporting regime are established to link all parties together into a standardized Critical Path	 A comprehensive Schedule Management Plan will be developed, which includes an integrated project master schedule for the total 	October 31, 2013	training is designed to provide a thorough understanding of: project management requirements; roles and responsibilities; and linkages among the various project planning and management documents related to the project. Completed - Baseline schedule for Definition Phase (five-year period) revised with four-year project plans (September 2012); Master schedule

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Methodology. The establishment of these documents will help to ensure that a clear window to the overall position and progress for the Giant Mine Remediation Project is provided to the project management team(s). • A rigorous and effective change management program be finalized to support the consideration	project duration, as well as a baseline schedule for the five-year period of the PPA Phase. The baseline schedule will form the basis for monitoring project performance/progress and controlling schedule changes. The Schedule Management Plan will form part of the PPA Phase PEP and finally overall GMRP PEP.		for total project (2025) developed, approved and included in the PEP (November 2013); Schedule Management Plan (PEP) has been completed (November 2013)
and reporting of changes to the scope and total estimated cost of the Giant Mine Remediation Project.	 The current draft Change Control Process will be finalized in accordance with the MPO Standards and Guidance Manual to track changes to scope, schedule, cost, technical or other approved baselines. This plan will be part of the Project Control Plan, which 		Completed – GMRP Change Control process developed and approved (March 2013); Change Control process incorporated into PEP Chapter 4 (November 2013) AES: Implemented. The recommendation will be closed.

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		EXPECTED	
PROJECT RECOMMENDATIONS	ACTION PLAN	COMPLETION DATE	PROGRAM RESPONSE
	will be included in the PEP.		
 4. The Assistant Deputy Minister, Northern Affairs Organization, should ensure, through consultation with the Chief Financial Officer, that budget management and cost estimation practices for the Giant Mine Remediation Project are strengthened by: Developing a Master Project Total Estimated Cost to Complete document that includes a cost variance simulator, such as a 'Monte Carlo Simulation', to highlight the potential and probable deviation ranges in total cost estimates. The establishment of such a document would help to communicate key 	The GMRP team accepts this recommendation. The following actions will be implemented in consultation with the Chief Financial Officer: • A Cost-Management Plan will be developed for the overall GMRP, which includes a Master Project Budget (Total Estimated Cost to Complete), estimate basis, assumptions and cost-management processes. This Master Project Budget will utilize probabilistic simulation techniques such as a 'Monte Carlo Simulation' to establish potential and probable estimate deviation ranges. This Cost-Management	December 31, 2014 (Overall GMRP) March 31, 2013 (PPA Phase)	

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assumptions in the cost estimate and variance vulnerabilities to all project stakeholders. • Incorporating multi-year requirements of future work and costs in a Master Project Total Estimated Cost to Complete document based on industry best practices and the Association for the Advancement of Cost Engineering International Cost Estimate Classification system. Roles and responsibilities for maintaining, reviewing, and monitoring this document should be defined and communicated.	• The Cost-Management Plan for the overall GMRP will incorporate multi-year requirements for future work, which will focus initially on the five-year period of the PPA Phase and finally for the total project cost. The Cost- Management Plan shall include clear roles and responsibilities for ownership of the document.		

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PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
 5. The Assistant Deputy Minister, Northern Affairs Organization, should ensure, through consultation with the Chief Financial Officer, that the current approach to procurement management for the Giant Mine Remediation Project is strengthened by: Improving the tools and guidance to support contract monitoring and reporting of expenditure variances and performance measures and targets. 	The GMRP team accepts this recommendation. The following actions will be implemented in consultation with the Chief Financial Officer: • A Procurement Management Plan will be developed to ensure funds that are being expended by PWGSC are achieving objectives and that variances are integrated into the Giant Mine Remediation Project's Performance Measurement Strategy and reported regularly to the Project Leader and Senior Project Advisory Committee.	March 31, 2013	Status: Request to close (Completed) Update/Rationale: As of 31/03/2014: Completed - March 2013 Procurement Management Plan integrated into the Giant PMS and reporting/dashboard process (March 2013); An Integrated Procurement Management Plan (AANDC & PWGSC) has been developed and forms part of the Project Execution Plan (November 2013) AES: Implemented. The recommendation will be closed.
	Materiel and Assets Management Division will implement a process where the monitoring of the file will be done quarterly. As of September 4 th , all call-ups will be	September 4, 2012	

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	done by MAMD, therefore the Procurement Officers will be able to monitor all expenditure on the files.		
	The Procurement Officer will also request adequate justification for all amendments and make sure that the checklist is completed and reviewed.	September 4, 2012	