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 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 scope of the risk assessment	PPA Phase Project Execution Plan:		

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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.	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.	March 31, 2013 Overall GMRP Project Execution Plan: December 31, 2014	
 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	

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defined, documented, communicated, agreed upon, and finalized such that the project	 The individual organizational charts for both AANDC and PWGSC will be finalized and 	March 31, 2013	
environment can focus on optimizing, resourcing, and delivering the project in accordance with its objectives. The resulting final organizational	 integrated into a single GMRP organizational chart. Staffing within AANDC is underway. The current draft MPO 	March 31, 2013	
structure should be as streamlined as possible to support a strong and clear focus on the project.	Standards and Guidance Manual will be formalized, approved and implemented by the GMRP team, including PWGSC,		
 A proper baseline schedule (prepared according to industry standards), an integrated project schedule, a management 	 AANDC, service providers and contractors. A comprehensive Schedule Management 	October 31, 2013	
plan and a reporting regime are established to link all parties together into a standardized Critical Path	Plan will be developed, which includes an integrated project master schedule for the total		

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Methodology. The	project duration, as well as		
establishment of these	a baseline schedule for the		
documents will help to	five-year period of the PPA		
ensure that a clear window	Phase. The baseline		
to the overall position and	schedule will form the		
progress for the Giant Mine	basis for monitoring project		
Remediation Project is	performance/progress and		
provided to the project	controlling schedule		
management team(s).	changes. The Schedule		
 A rigorous and effective change management program be finalized to support the consideration 	Management Plan will form part of the PPA Phase PEP and finally overall GMRP PEP.		
and reporting of changes to	 The current draft Change 		
the scope and total	Control Process will be		
estimated cost of the Giant	finalized in accordance		
Mine Remediation Project.	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		

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 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 	will be included in the PEP. 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.	December 31, 2014 (Overall GMRP) March 31, 2013 (PPA Phase)	
communicate key	This Cost-Management Plan will form part of the		

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PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
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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 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. 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	March 31, 2013 September 4, 2012 September 4, 2012	Update/Rationale: As of 30/09/2013: Integrated Procurement Management Plan (AANDC and PWGSC) to be developed and included in PEP: Delayed The PWGSC Procurement Strategy has been delayed and is currently undergoing internal PWGSC review and is now scheduled for submission to AANDC for final review in October 2013. The Project Execution Plan was completed mid-July 2013 and is currently awaiting approval by the Project Sponsor. Final approval of PEP by Project Leader (ADM NAO) targeted for end of October 2013. Procurement Management Plan has been integrated into the Giant PMS and reporting/dashboard process: March 2013 (Complete).	

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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.		AES: Implementation on-going. The recommendation will be closed upon completion and approval of the Integrated Procurement Management Plan, the Procurement Strategy and the Project Execution Plan.