

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE
AS OF SEPTEMBER 30, 2013**

| Chief Financial Officer | | | |
|---|--|--------------------------|---|
| <i>Horizontal Audit of the Management Control Framework for Grants and Contributions 2011-2012 (Focus on Co-Management and Third Party Management)</i> | | | |
| APPROVAL DATE: 11/22/2012 | | | |
| PROJECT RECOMMENDATIONS | ACTION PLAN | EXPECTED COMPLETION DATE | PROGRAM RESPONSE |
| <p>1. The Chief Financial Officer (CFO), in collaboration with the Senior Assistant Deputy Minister (Sr. ADM) of Regional Operations, should review and clarify the national governance structure to provide proper oversight and implementation of the <i>Default Prevention and Management Policy (DPMP)</i>, including policy compliance and monitoring, conducting annual assessments of the application of the policy, and sharing leading practices across the regions.</p> | <p>a) The CFO, in consultation with SADM RO, will clarify roles and responsibility already contained in the DPMP and DPMD, where possible. These will be placed into guidelines and other communication tools accordingly.</p> <p>b) The CFO will also explore refocusing the ADM Policy on Transfer Payment (PTP) Implementation Committee into an ongoing Transfer Payments Oversight Committee to assist the CFO in the oversight of transfer payments policies, directives and tools, including the DPMP.</p> <p>c) The CFO will strengthen its compliance and monitoring function and include annual assessments in a compliance plan. Through ARDG and FSO teleconferences CFO will collaborate with RO to maintain and strengthen risk based management of transfer payments based on best practices.</p> | <p>April 2013</p> | <p>Status : Underway Update/Rationale: As of 30/09/2013:</p> <p>a) Request to close: The Default Prevention and Management Policy has been revised along with the Directive and guidelines.</p> <p>b) The PTP DG Working Group and ADM Steering Committee Terms of Reference will be reviewed by DGs and ADMs by the end of November 2013.</p> <p>c) Request to close: CFO strengthened its compliance and monitoring function through the creation of new governance for recipient audit, in the form of the Recipient Audit Committee, to provide strategic oversight on all aspects of recipient audits.</p> <p>d) Request to close: CFO participated in the National Compliance Approach Working Group with RO and Social Program to collaborate on the development of a consistent national approach to program compliance across all regions. This working group's final report and recommendations will be presented at EXCOMM by the RDG, Project lead from Quebec region.</p> <p>AES: Significantly implemented. Recommendation will be closed. Closed.</p> |

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| | d) CFO has already begun to collaborate with RO and the Social Program on presentations on Compliance Roles and Responsibilities that were presented at DG-IOC on March 12 and April 23/12. A presentation to Departmental Operations Committee is planned for later in 2012. Discussions with stakeholders are ongoing. | | |
| 2. The Senior Assistant Deputy Minister (Sr. ADM) of Regional Operations (RO) should re-assess the Funding Services Officer (FSO) role, required competencies, and resource capacity to optimize the amount of time spent working with the recipients. In addition, FSOs should be provided training on the analysis of financial statement information, as well other mechanisms should be considered to provide FSOs with access to financial statement | RO, with assistance from CFO and input from Programs and AES, will review the Funding Services Officer role, responsibilities and competencies. CFO will also develop financial statement analysis and related training to be offered as part of the TPCOE training calendar. | July 2014 | |

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| analysis subject matter expertise, as required | | | |
| <p>3. The Chief Financial Officer (CFO), in collaboration with the Senior Assistant Deputy Minister (Sr. ADM) of Regional Operations (RO), should work with the regions to define First Nations and Inuit Transfer Payment (FNITP) system business requirements specific to default prevention and management to improve FNITP design, usability, and reporting functionality in order to better address requirements of the <i>Default Prevention and Management Policy</i></p> | <p>The CFO, with input from SADM RO, program sectors and Working Groups, (FNITP WG) will lead in setting priorities for the development of FNITP system related requirements. Priorities will be examined in light of the FNITP/SAP project and potential coding freezes for FNITP. A system's release schedule will be developed accordingly.</p> | <p>June 2013</p> | <p>Status : Underway Update/Rationale: As of 30/09/2013: Request to close: The collaborative partnership with HC has resulted in working together on management of grants and contributions including systems. TPCOE has worked closely with RO, to develop a list of GCIMS departmental change requests, which includes changes to address requirements of the Default Prevention and Management Policy. The list was submitted to the Regional Directors, Funding Services and Corporate Services in August and the items have been prioritized.</p> <p>A GCIMS Advisory Steering Committee has been created to provide oversight for priorities and has recommended user-driven working groups to be created to identify develop and design solutions for future GCIMS enhancements.</p> <p>AES: Implemented. The recommendation will be closed. Closed.</p> |

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| 4. The Senior Assistant Deputy Minister (Sr. ADM) of Regional Operations (RO) should determine what critical information is required to be captured by FSOs in FNITP, as the system of record, and reinforce the expectations regarding the use of FNITP to record intervention / default prevention and management performance information. | SADM RO with the assistance of the CFO will identify information management requirements and communicate these to regions and programs through communications and training tools as appropriate. CFO will also explore the feasibility of implementing an FNITP usage and flag significant information gaps in FNITP with respect to interventions. | November 2013 | |
| 5. The Chief Financial Officer (CFO), in collaboration with the Senior Assistant Deputy Minister (Sr. ADM) of Regional Operations (RO), should support the implementation of the <i>Default Prevention and Management Policy</i> (DPMP) by ; finalizing the transition to using Expert | The transition to using Expert Resources is underway; an Expert Resource Framework has been developed and will be fully implemented by the end of FY 2013-14. A TPM evaluation checklist will be developed for use by regions. The RO Director of Funding Services Working Group and Associate Regional Director General Forum will serve as RO fora for regions to provide feedback on the performance of TPMs, Expert Resources | June 2013 | Status : Underway Update/Rationale: As of 30/06/2013 Working collaboratively (RO/CFO), the common DPMP training plan has been completed which resulted in joint AANDC and FNIHB training delivered: across all regions (i.e., 10 training sessions); and to over 100 AANDC and FNIHB staff in the past year. The DPMP policy suite is currently under review at |

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| <p>Resources, including defining the selection and approval criteria; by ensuring that formal performance evaluations of Third-Party Managers are conducted; by formalizing a forum for regions to provide feedback on the performance of Third-Party Managers and Expert Resources; by providing guidance and training to regions; by finalizing the DPMP tools and rollout plan, and providing regular updates to senior management at Headquarters and in regions on progress status.</p> | <p>and other DPMP implementation plans and reports. CFO Office and RO Funding Services Directors are supporting a DPMP Technical Working Group that has been providing regional input and leadership on various DPMP products including training.</p> <p>A DPMP Train-the-trainers session was held May 30-31, 2012 with participation from all regions. Further training is to be scheduled to continue supporting the implementation and use of the revised toolkit. CFO Office and RO developed instructor and participant training materials, which are available to regional trainers via the TP Training Network.</p> <p>The Management Action Plan workbook is being prepared for posting on AANDC's internet site in order to be put into day-to-day use. The Default Assessment Tool (DAT) and Logic Model will be put into use this fiscal year. The entire DPMP toolkit has been reviewed by Legal Services, CFO and RO staff and</p> | | <p>AANDC, as such there has been no further joint work with HC. HC's input will be sought on the DPMP policy suite review in Q2 2013-2014.</p> <p>New senior management instructions require revisions to the existing DPMP suite. The revisions will include changes to terminology and more guidance to staff and recipients.</p> <p>The rollout of the revised DPMP suite will follow once approved by the Deputy Minister.</p> <p>Status : Underway Update/Rationale: As of 30/09/13 <u>Request to close</u> The Default Prevention and Management Policy has been revised along with the Directive and guidelines.</p> <p>AES: Implemented. TPCOE has confirmed that the updated DPMP policy suite, including supporting tools and training material (assessment tool, workbook), has been communicated with regions. The</p> |

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| | <p>changes have been made to several documents. RDGs (through their DPMP WG representatives) and the Senior Director, TPCOE, will provide feedback on revised documents by the end of December 2012. Once approved by the CFO, toolkit documents will be posted on Intranet/Internet sites as appropriate. CFO and Regions will review all tools in Q1, 2013-2014. The CFO will continue to provide updates to Departmental Operations Committee as required by the current policies and directives.</p> | | <p>recommendation will be closed. Closed.</p> |