ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE - AS OF SEPTEMBER 30, 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
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.	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. The implementation of the model will require management approval before proceeding, i.e.: approval of model, funding and staffing. 2) Subsequent to the transfer of FNITP business functions from CIO to CAMMB: • 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	April 2011	**Status: Request to Close** *(Completed)* **Update/Rationale:** **As of 30/09/2011:** 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. 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. 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. Furthermore, a national training network is being introduced to support effective knowledge transfer

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	learning, distance learning tools), national training calendar etc. • Pilot and QA materials and approaches • Deliver training and evaluate results • Implement ongoing ever greening of training plan and materials		and dissemination of training related 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. A formal training evaluation and result reporting process has been implemented in April 2011. **AES**: Close
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.	Finalize development of directive for the submission and management of change requests based on ITIL methodology. Policy framework and communications plan to be developed upon completion of transfer of FNITP business support model from CIO to CAMMB. • 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	December 2010 April 2011 June 2012	**Status: Underway** **Update/Rationale:** **As of 30/09/2011:** The FNITP Infrastructure Workgroup was re-instituted to communicate/disseminate FNITP system information. It also serves to communicate information related to the FNITP system changes that may impact the grants & contributions management control framework affecting the organizations from sectors and regions. 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

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	perspective that focuses on People, Processes and Internal Systems ownership and roles and responsibilities are addressed by means of an approved RACI matrix which forms part of action #1 above.	March 2011	related to the submission, handling and management of all change requests to the First Nation and Inuit Transfer Payment System (FNITP). The FNITP Infrastructure Workgroup is also responsible to provide the required authorization on change request matters that require the workgroup's attention as per the decision matrix. In addition, the FNITP Advisory Committee needs to be re-instated. This Committee will be responsible for matters that exceed the Infrastructure Workgroup authority for approval of change requests. See Item #3 for an update on the FNITP vision/strategy document. **AES:** Substantially implemented. The recommendation will be closed once the FNITP Advisory Committee has been re-instated, and the FNITP vision/systems strategy document has been completed, approved, and communicated across the Department.
3. The CFO should implement the requirement to finalize MOUs in the cases where more than one department or other levels of government are signing the funding agreements with First Nations. The MOUs should clearly indicate how notifications of payment withholdings will be communicated from departments or other levels of government	1) CAMMB will coordinate with Planning and Resource Management Branch the review of the processes related to interdepartmental transfers to ensure MOUs are reflective of requirements as prescribed by the Treasury Board Policy on Interdepartmental Charging and Transfers Between Appropriations. More specifically, the review will focus on how notifications of payment	April 2011	**Status: Underway** **Update/Rationale:** **As of 30/09/2011:** 1) As indicated in the March 31 update, the national funding agreement models were completed. They reflect TBS Policy of Transfer Payment Directive in regard to multi departments' participating-sharing in a funding agreement. (i.e. models reflect the ability to have multi department sharing). Research and

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providing funding to INAC and under what circumstances these payment withholdings will be executed.	withholdings should be executed. 2) An inventory will be taken of current signed MOUs and work with the Program Financial Management Advisors and the Program Managers of the MOUs to determine the best strategy to ensure compliance with the Policy on Interdepartmental Charging and 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.	April 2011	analysis re: The TB Policy on Interdepartmental Charging and Transfers between appropriations is complete. 2) At the end of September 2011, no action as yet have been taken on the review of the processes related to the interdepartmental or the determination of the best strategy to ensure compliance with the Policy on Interdepartmental Transfers between appropriations. **AES:** Implementation on-going.
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.	Conduct a fit / gap analysis which will identify the sectors/Regions business requirements. Consultation and establishment of requirements prioritization and development of an implementation plan in a phased approach.	December 2011	**Status: Underway** **Update/Rationale:** **As of 30/09/2011:** The vision/system strategy of the FNITP is currently being drafted. It is being crafted based on interviews held with the CFO, CIO, DG, CAMM, and the Deputy Minister's Special Advisor on reporting burden, EIS representative. A subsequent meeting to be held with Health Canada Senior Management to communicate/ confirm vision. The proposed vision high level strategy will need to be vetted by the CFO. The next phase will be to consult with representatives from the regions who will be presented with the vision

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			and strategy. They will be responsible for the development of the roadmap. **AES:** Implementation on-going.
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 represented in FNITP. System application controls should be modified to align with the refinements to the Financial Management Manual.	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. Develop a prioritization of change /enhancements required for FNITP. With implementation being based on availability of resources of the new support model.	December 2011	**Status: Request to Close** *(Completed)* **Update/Rationale:** **As of 30/09/2011:** 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 & 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. **AES:** Implemented. The recommendation is closed and FNITP system application controls alignment with Gs&Cs management control framework will be included in future audit planning.
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	Conduct a fit / gap analysis to identify the Sector/Regions' reporting requirements. The reporting requirements will be prioritized in consultation with the Sector and	December 2011	**Status: Underway** **Update/Rationale:** **As of 30/09/2011:** The DM representative on reporting burden worked

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members from the Transfer Payments Centre of Expertise and the Integrated Performance and Corporate Systems Directorate with input from regions and programs.	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.		closely with the CFO Sector, Programs and Regions on reducing the reporting for recipients. The following actions were undertaken. The Sectors and Regions have reviewed their current suite of reports. There was an immediate attention brought to the reduction of the numbers of ad hoc report by creating Data Collection Instruments (DCIs). The FNITP system and procedures, as a control mechanism, were amended to further restrict access to the creation of Ad Hoc report to a few selected individuals authorized by the ARDG or Program DG. The DG PTP Working Group reviewed the current Data Collection process, and ensuing recommendations to move forward with the amendment to the 2006 Data Collection Instrument Policy (DCP). Some Pilot Projects were established at the Community Level to investigate or trial new strategies for collecting program information via means other then reporting requirements. Nine (9) First Nations have currently been identified. There is also an horizontal initiative underway in a few communities to provide single window multi departmental agreement to these communities so that agreements are consolidated and standardized with a recipient reporting burden reduction impact. **AES:** Implementation on-going. An update is required on the progress of the gap analysis on FNITP's report

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			and analytics production capabilities, and the reporting needs of regions and sectors. This includes actions designed to remedy the identified gaps.