

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

TAG, CFO			
<i>Audit of Management of Negotiation Loans</i>			
<i>APPROVAL DATE: 04-26-2013</i>			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Senior Assistant Deputy Minister of the Treaties and Aboriginal Government Sector should ensure that the negotiation loans program is a standing/regular item on a (likely pre-existing) independent oversight body, so that appropriate governance is exercised over the negotiation loans program.</p>	<p>On September 4th, 2012, the Minister announced plans to move to a more results based approach to negotiations. The annual table review exercise allows senior management and the Minister to assess the alignment of resource plans and priorities for negotiations to achieve results. Negotiation loans accumulated will be among the factors considered in the assessment of each table. The department is working with central agencies on an approach to report annually on regional negotiation plans that will provide additional oversight on negotiations.</p>	<p>April 2013</p>	<p>Status: Request to Close (Completed)</p> <p>Update/Rationale: As of 30/06/2013:</p> <p>The table review process for 2012-13 was completed with the Minister on June 17, 2013. The Minister reviewed a number of documents related to negotiations. Information provided included detailed financial information on funding provided to each comprehensive claim negotiation including loan funding accumulated to date to ensure that loans is a consideration in developing negotiating strategies.</p> <p>AES: Implemented. Recommendation to be closed. Closed.</p>
<p>2. The Senior Assistant Deputy Minister of the Treaties and Aboriginal Government Sector should establish clear objectives specific to negotiation loans, as well as performance measures, to further support monitoring of the status and collectability of</p>	<p>The objective is to focus resources on those tables producing results. The revised table review exercise will assess performance at individual tables and determine if results are being achieved. Performance measures to support the status</p>	<p>April 2013</p>	<p>Status: Request to Close (Completed)</p> <p>Update/Rationale: As of 30/06/2013:</p> <p>As part of the table review process, regional plans were presented to the Minister outlining strategic plans to advance negotiations. Also included in the package of information are strategies for individual</p>

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negotiation loans.	and collectability of loans is dependent on successful negotiations. The regional plans will also identify alternative approaches to achieve results for less productive tables. Collection of loans will be a consideration in these approaches, including appropriate action to remove loans from departmental books should negotiations be disengaged.		tables. At this time the Minister does not want to disengage from negotiations however agrees he may need to put them in abeyance at certain times. Resources will continue to be focused on tables producing results. Loan funding will be allocated to tables where the recommendations are to continue negotiations. AES: Implemented. Recommendation to be closed. Closed.
3.The Senior Assistant Deputy Minister of the Treaties and Aboriginal Government Sector should ensure that a comprehensive risk management process, specific to negotiation loans, is established to appropriately identify, assess, mitigate and monitor the risks related to negotiation loans on a regular basis.	The department is moving to improve the annual table assessment process to include, among other issues, information related to the debt accumulated for a particular negotiation and an assessment of the likelihood of arriving at an agreement in the future. Regional management plans will include the financial implications related to loans and appropriate mitigation and risk management strategies.	April 2013	Status: Request to Close (Completed) Update/Rationale: As of 30/06/2013: The table review process for 2012-13 was completed with the Minister on June 17, 2013. The table assessment process was changed this year to focus more on regional plans and strategies to mitigate certain risks and federal interests. The complete package of information however does include individual table approaches and detailed loan information. AES: Implemented. Recommendation to be closed. Closed.

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<p>4. The Senior Assistant Deputy Minister of the Treaties and Aboriginal Government Sector and the Chief Financial Officer, should monitor the adequacy of regional accounting support and consider the feasibility of centralizing the accounting function in the management of comprehensive claim negotiation loans to AANDC Headquarters.</p>	<p>The CFO Sector, in collaboration with TAG West, BC Region and Manitoba Corporate Services will explore the best placing and responsibility for the accounting and the support functions for the release of loan advancements.</p>	<p>June 1, 2013</p>	<p><u>CFO Update:</u> Status: <i>Request to Close (Completed)</i></p> <p><u>Update/Rationale:</u> As of 30/06/2013:</p> <p>The best placing and responsibility for the accounting and the support functions for the release of loan advancements has been resolved with input from TAG, BC Region, and the CFO Sector. A grid describing these matters has been produced.</p> <p><u>TAG Update:</u></p> <p>Status: Request to Close (Completed)</p> <p><u>Update/Rationale:</u> As of 30/06/2013:</p> <p>The CFO Sector, TAG West, and BC Region have reviewed all support functions related to loans and developed a document that outlines the best placing of the accounting and support functions for loans in BC region.</p> <p>AES: Implemented. Recommendation to be closed. Closed.</p>