

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

| <b>Regional Operations</b>  |   |                                 |  |
|---|---|---------------------------------|--|
| <i>Audit of On-Reserve Community Infrastructure</i>   |   |                                 |  |
| <i>APPROVAL DATE: 02/22/2011</i>  |   |                                 |  |
| <b>PROJECT RECOMMENDATIONS</b>  | <b>ACTION PLAN</b>  | <b>EXPECTED COMPLETION DATE</b> | <b>PROGRAM RESPONSE</b>  |
| <p>1. The Senior Assistant Deputy Minister, Regional Operations Sector, should ensure that implementation of the Performance Measurement Strategy is completed on a timely basis.</p> | <p>Community Infrastructure Branch will work to completely implement the Performance Measurement Strategy for the Capital Facilities and Maintenance Program in a timely manner including identification of baselines and targets for each of the 20 indicators, revising of program tools in order to ensure proper measurement of the performance indicators, and reporting back on a number of ongoing pilot projects that will further support the effective implementation of the performance measurement strategy. Of the 20 Key Performance Indicators (KPI) for the Capital Facilities and Maintenance Program, only 5 KPIs currently have no established targets or baselines. An additional 3 KPIs (relating to housing and schools) will have targets and baselines between now and Fall 2012. The delay for these 3 KPIs is related to the need to develop new infrastructure</p> | <p>March 2013</p>               | <p><b>Status: On-going Update / Rationale:</b><br/><b>As of 31/06/2013:</b></p> <p>Community Infrastructure Branch identified baselines and targets for each of the 16 indicators of the Performance Measurement Framework (PMF). Targets have been established for 2013 however the majority of targets are set for 2015 and activities set out within the program aim at fully meeting targets by 2015 where stated.</p> <p>Work continues on the development of 5 KPIs currently not measured or reported. An updated PMS will be shared with Regions in Summer 2013.</p> <p>In order to ensure proper measurement of the performance indicators, program tools (such as Asset Condition Reporting System inspection process, water inspection tools, and Data Collection Instruments) are being redesigned so that only measurable and reportable data is collected. The result of these activities will continue to inform further KPI development and contribute to a renewed Performance Management Strategy expected in September 2013.</p> <p><b>AES: Ongoing- further delay is expected.</b></p> |

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|  | asset inspection tools and processes in order to ensure capacity to capture proper performance information. Finally, 2 KPIs (fire protection Level of Service Standards and O&M capacity) will require significant work to develop entirely new data collection methodologies and tools so that accurate data can be captured in support of establishing proper performance targets and baselines. This work is anticipated to be completed by March 2013. |                                 |   |
| 2. The Senior Assistant Deputy Minister, Regional Operations Sector, should ensure that:<br><br>- the CFM Risk Profile Mitigation Plan is completed and implemented; | Community Infrastructure Branch will continue to work with regional offices to implement the CFM Program Risk Profile Mitigation Plan and ensure a process is in place to conduct annual reviews of the Risk Profile and associated Mitigation Plan.   | March 2012                      | <b>Status: close</b><br><b>Update / Rationale:</b><br><b>As of 31/03/2012 request to close as per September 30/11 update.</b><br><br>Risk Profile was created in 2009 and is linked to the Performance Management Strategy (PMS). Implementation of Risk Profile Mitigation Plan is part of the PMS<br><br><b>AES: Closed</b> |

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| <ul style="list-style-type: none"> <li>- major capital project risk assessments are formalized and documented; and,</li> <br/> <li>- guidance for mitigating actions, specific to the management of capital infrastructure activities, stemming from the departmental General Assessment process is developed and communicated.</li> </ul> | <p>Community Infrastructure Branch will formalize use of major capital project risk assessments within the CFM Program's Management Control Framework and ensure proper documentation and usage of the project risk assessments through existing project file reviews conducted on an annual basis.</p> | April 2011                      | <p><b>Status: close</b><br/><b>Update / Rationale:</b></p> <p><b>As of 31/03/2012 request to close as per September 30/11 update.</b></p> <p>Guidance on Risk Assessment and Risk Mitigation has been added to the Management Control Framework. Community Infrastructure Branch conducts oversight visits to all regions and reviews project files to verify proper Risk Assessment documentation and usage.</p> <p><b>AES: Closed.</b></p>   |
|  | <p>Community Infrastructure Branch will revise its Management Control Framework to include a risk-based governance regime that details mitigating actions specific to the management of capital infrastructure activities that are based on the varying degrees of project and recipient risk.</p>      | April 2011                      | <p><b>Status: close</b><br/><b>Update / Rationale:</b></p> <p><b>As of 31/03/2012: request to close as per September 30 /11 update.</b></p> <p>Management Control Framework has been revised to include a Risk-based governance regime (MCF Page 7-11 and 49-50). Project approvals, oversight and controls are now based on the varying degrees of project and recipient risk. Compliance with this requirement is verified during oversight visits to the regions (three visits have been conducted so far: to Thunder Bay, Vancouver and Toronto).</p> <p><b>AES: Closed.</b></p> |

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| <p>3. The Senior Assistant Deputy Minister, Regional Operations Sector, should ensure that the Management Control Framework is extended to the funding of minor capital and O&amp;M and a comprehensive set of guidance documents supporting the Management Control Framework is completed as planned on a timely basis.</p> | <p>Community Infrastructure Branch will revise its Management Control Framework for the CFM Program to include sections for minor capital and O&amp;M activities.</p> <p>Community Infrastructure Branch will continue work to fully develop the Protocol for AANDC-Funded Infrastructure, which will include a comprehensive set of guidance documents supporting the Management Control Framework. The Protocol will initially be in place for April 2011 and will be updated on a continual basis as new guidance documents relating to major capital, minor capital and O&amp;M are developed.</p> | <p>March 2012 (O&amp;M component added to MCF)</p> <p>September 2012 (Minor Capital component added to MCF)</p> | <p><b>Status: On-going Update / Rationale: As of 31/12/2012:</b></p> <p>A new approach to the management and control of minor capital and O&amp;M funding will be piloted in the Ontario Region in 2013-14. A management control framework for the pilot is being developed and will be ready by April 1, 2013. The results of this pilot project will be used to inform the implementation of this new approach nationally, beginning in 2014-15. The Management Control Framework will be updated at that time to include the minor capital and O&amp;M funding streams.</p> <p>Protocol for AANDC-Funded Infrastructure (PAFI) was developed and provided to First Nation recipients in conjunction with implementation of new Master Funding Agreements in April 2011. PAFI will remain an evergreen document that will be revised as required to reflect new codes, standards, protocols, etc. that come into effect.</p> <p><b>AES: Implemented. The recommendation will be closed. Closed.</b></p> |
| <p>4. The Senior Assistant Deputy Minister,</p>  | <p>Community Infrastructure Branch will</p>  | <p>March 2012</p>   | <p><b>Status: Underway Update / Rationale: As of 31/03/2012:</b></p>  |

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| <p>Regional Operations Sector, should ensure that a comprehensive monitoring and compliance regime, with consideration of compliance audits, covering major capital projects and funding of minor capital and O&amp;M is implemented.</p> | <p>work with regional offices to build upon current monitoring and compliance practices to ensure that all funding streams within the CFM Program have proper monitoring and compliance activities.</p> <p>Community Infrastructure Branch will ensure that all monitoring and compliance activities and requirements are formally captured within existing program governance documents.</p> |                                 | <p>Work is underway to add an O&amp;M and Minor Capital component to MCF, including monitoring and compliance requirements. Expected completion date is September 2012.. A broader compliance and monitoring regime for the CFMP will not be created as a stand-alone project but will be aligned with departmental direction on recipient auditing and other compliance and monitoring approaches.</p> <p>CIB is working with Audit &amp; Evaluation and the Transfer Payment Centre of Expertise to conduct recipient audits in 2012-13 with a more detailed focus on key infrastructure funded activities.</p> <p><b>AES: Closed.</b></p> |