



Internal Audit Report

Management Practices Audit of the Nunavut Region

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Audit and Assurance Services Branch

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ACRONYMS

AANDC	Aboriginal Affairs and Northern Development Canada
AASB	Audit and Assurance Services Branch
ADM	Assistant Deputy Minister
AES	Audit and Evaluation Sector
CMC	Core Management Controls
CSA	Control Self-Assessment
HR	Human Resources
MPA	Management Practices Audit
MPR	Management Practices Review
NAO	Northern Affairs Organization
NRO	Nunavut Regional Office
PAA	Program Activity Architecture
RBAP	Risk-Based Audit Plan
REC	Regional Executive Committee
REC-HR	Regional Executive Committee – Human Resources
RMC	Regional Management Committee

EXECUTIVE SUMMARY

Background

A second round of Management Practices Reviews (MPRs) was included in the 2010-13 Risk-based Audit Plan (RBAP) on the basis that these reviews provide Aboriginal Affairs and Northern Development Canada (AADNC) with an effective and economical approach to improving management practices and increasing awareness of leading practices. The RBAP was recommended by the Audit Committee and approved by the Deputy Minister on April 19, 2010. A revised approach was developed such that these projects were to provide an audit level of assurance, and become Management Practices Audits (MPAs).

The approach for the MPAs included a Control Self-Assessment (CSA) workshop and an audit of management practices focused on the areas of highest risk as identified by the Audit and Evaluation Sector (AES) through the CSA workshop and a review of previous audit and review findings.

Audit Objective and Scope

The objective of the management practices audit of the Nunavut Region was to provide senior management with assurance over a selection of management practices assessed as being higher risk during a CSA workshop, a review of previous audit and review findings, and a review of departmental priorities. For management practices identified as high risk, AES assessed whether the controls and activities in place are adequate and effective in supporting the achievement of organizational objectives in a manner that is compliant with applicable policies, procedures and regulations.

The scope of this audit covered the period April 1, 2010 to September 30, 2011. As described in the audit objective, the audit examined higher risk management practices and activities in terms of relative importance and performance. The audit scope included the management practice areas of management and oversight bodies, accountability, human resource planning and recruitment, internal communications, risk management, and strategic policy.

Observed Strengths

Throughout the audit fieldwork, the audit team observed several examples of how controls are properly designed and are being applied effectively by the Nunavut Regional Office (NRO) management. This resulted in the following positive findings:

- Authorities, responsibilities and accountabilities within the Region are clearly defined and communicated through the use of formal delegation instruments;
- Human resource planning, strategic planning and business planning are aligned and take regional requirements into consideration;
- A regional risk profile is in place which outlines risk to the Region and associated action plans and risk have been communicated and reported to key stakeholders; and,

- The Region takes an active role in participating in departmental working groups and committees as well as using informal networks in support of influencing policy design.

Statement of Assurance

In my professional judgment as Chief Audit and Evaluation Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time of the audit and against the audit criteria. It should be noted that the conclusions are applicable only for the Nunavut Region and the areas examined. The evidence was gathered in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Conclusion

Generally, management practices were found to be effective and adequate; however, some areas for improvement were noted to strengthen management practices in the following areas: management and oversight bodies, accountability, human resources planning and recruitment, internal communications, risk management, and strategic policy.

Recommendations

The audit team identified areas where NRO management practices and processes could be improved, resulting in six recommendations as follows:

1. The Regional Director General (RDG) of the Nunavut Region should finalize the regional governance structure and mechanisms (including approval of committee Terms of Reference) and ensure role, purpose and structure are clearly defined, and communicated, for each committee to optimize the overall effectiveness of the governance structure and mechanisms.
2. The Regional Director General (RDG) of the Nunavut Region should continue with the current undertaking of the organizational review to establish a clear and more effective organizational structure.
3. The Regional Director General (RDG) of the Nunavut Region should ensure that supporting control documentation and evidence for staffing actions is retained for accountability and audit trail purposes.
4. The Regional Director General (RDG) of the Nunavut Region should develop a protocol or a strategy to improve the effectiveness of communication mechanisms (i.e. email, intranet, sharing of management practices) and reiterate the importance of downward communication.
5. The Regional Director General (RDG) of the Nunavut Region should leverage departmental risk management expertise (ie: AES Risk Management, and the Northern Affairs Organization (NAO)) to develop a formal documented approach to risk management,

including an ongoing process and governance structure for identifying, assessing, and monitoring risk mitigation actions.

6. The Regional Director General (RDG) of the Nunavut Region should further enhance regional objectives and improve operating efficiencies by taking a leadership role to create collaborative opportunities with other departments and other levels of government within the Region.

1. INTRODUCTION AND CONTEXT

1.1 *Management Practices Initiative*

The Audit and Evaluation Sector (AES) conducted twenty (20) Management Practices Reviews (MPRs) between 2007 and 2010 as part of a Department-wide initiative to assess the relative strength of regional and sector management practices. Following the completion of the first round of MPRs, the Deputy Minister and the Audit Committee recommended that a summary report be prepared to highlight the strengths and weaknesses of the MPR process and to make a recommendation on whether the management practices review initiative should be continued. As a result of the analysis, a second round of Management Practice Audits (MPAs), using a revised approach, was recommended by the Audit Committee and later approved by the Deputy Minister.

Under the revised approach, which was designed to provide departmental management with an audit level of assurance, management practices engagements were to be conducted in two phases: a Control Self-Assessment (CSA) workshop and a limited scope audit. Based on the feedback received from the CSA as well as the results of previous audits and reviews, and a review of departmental priorities, a limited number of management practices were to be selected for inclusion in an audit.

1.2 *Control Self-Assessment*

The CSA workshop is the venue through which internal audit gathers participants' opinions on the importance, efficiency, and effectiveness of key management practices. Specifically, their views on how well each of their key management practices is functioning to support achievement of the organizational objectives. The CSA workshop was coordinated by an AES team, while the discussion was facilitated by an external third-party. The CSA workshop was designed to allow for maximum discussion, with anonymous voting technology used to encourage open and objective feedback.

As a result of the workshop discussions, preliminary interviews, and the review of previous engagement findings, AES identified six key areas of potential risk that required further analysis. These six areas of risk were as follows: management and oversight bodies, accountability, human resources planning and recruitment, internal communications, risk management, and strategic policy. These risk areas were mapped to relevant Core Management Control (CMC) categories and relevant audit criteria were developed and assessed (audit criteria are included in Appendix A).

1.3 *Nunavut Region*

As one of the regional offices of the Department of Aboriginal Affairs and Northern Development, the Nunavut Regional Office (NRO) actively supports the Department's vision and mandate to ensure that Canada's economic and social well-being benefits from strong, self-sufficient Aboriginal and northern peoples and their communities. The Nunavut Region has

experienced consistent economic and population growth and is poised for continued expansion in key sectors of the economy.

The NRO vision supports the Department's goal of ensuring that First Nations, Inuit, Métis and northern communities are healthy, safe, self-sufficient and prosperous within a Canada where people make their own decisions, manage their own affairs and make strong contributions to the country as a whole.

The NRO provides a variety of programs and services and the Region's responsibilities fall under three main areas of focus: natural resource management and environmental protection; fostering social development in Nunavut; and, the development of relationships with the Territorial Government and the Inuit of Nunavut.

The NRO covers the largest territory in Canada. Nunavut occupies 2.1 million square kilometres, 3 time zones, and covers a little over one-fifth (1/5th) of Canada's land mass. In Nunavut, there are 25 hamlets and municipalities of varying size with an overall population of approximately 33,000 people.

2. AUDIT OBJECTIVE AND SCOPE

2.1 *Audit Objective*

The objective of this audit was to provide senior management with assurance over a selection of management practices assessed as being higher risk during a CSA workshop, a review of previous audit and review findings, and a review of departmental priorities. For management practices identified as high risk, AES assessed whether the controls and activities in place are adequate and effective in supporting the achievement of organizational objectives in a manner that is compliant with applicable policies, procedures and regulations.

The audit objective was supported by detailed audit criteria developed and aligned with Treasury Board of Canada Secretariat's Core Management Controls.

2.2 *Audit Scope*

The scope of the audit covered the period April 1, 2010 to September 30, 2011. The audit examined management practices and activities considered by management and AES to be higher risk in terms of relative importance and performance. In certain instances where audit work was recently conducted or where future audit work is planned, management practices identified as high risk were excluded from the scope of this audit. In addition, management practices considered to be the primary responsibility of AANDC Headquarters were removed from the scope of the audit. Headquarters' areas consistently identified as a high risk though the MPA process will be subject to future department-wide audits.

The audit scope included the management areas of: management and oversight bodies, accountability, human resources planning and recruitment, internal communications, risk management, and strategic policy. Audit fieldwork was conducted between October 26, 2011

and December 20, 2011 including a site visit to the Nunavut regional office from October 31, 2011 to November 4, 2011.

3. APPROACH AND METHODOLOGY

The Management Practices Audit of the Nunavut Region was planned and conducted to be in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Sufficient and appropriate audit procedures have been conducted and evidence gathered to support the audit conclusion provided and contained in this report.

The principal audit techniques used included:

- Interviews with key NRO management and staff personnel;
- Review of relevant documentation related to management and oversight bodies, accountability, human resources planning and recruitment, internal communications, risk management and strategic policy;
- Evaluation of the system of internal controls, risk management and governance within NRO for processes within the audit scope;
- Conduct of a detailed review of a sample of internal communication tools (e.g. e-mails, meeting notes, presentations, intranet, etc.) as well as meeting minutes and records of decisions; and,
- Conduct of an examination of a sample of staffing files to determine whether planning and recruitment decisions made by management were supported by appropriate documentation, and approved per delegated authority.

The approach used to address the audit objective included the development of audit criteria against which observations, assessments and conclusions were drawn. The audit criteria developed for this audit are included in Appendix A.

For the purposes of the examination of staffing files, meeting minutes and records of decisions, a control-based sample was selected covering the period of audit scope of April 1, 2010 to September 30, 2011. The sampling strategy considered the following factors: identified risks; process changes implemented during the audit period; coverage across fiscal years; and the frequency and type of control to be tested.

4. CONCLUSION

Generally, management practices were found to be adequate; however, opportunities for improvement were noted to strengthen management practices in the following areas: management and oversight bodies, accountability, human resources planning and recruitment, internal communications, risk management, and strategic policy.

5. OBSERVATIONS AND RECOMMENDATIONS

Based on a combination of the evidence gathered through the examination of documentation, analysis and interviews, each audit criterion was assessed by the audit team and a conclusion for each criterion was determined. Where a significant difference between the audit criterion and the observed practice was found, the risk of the gap was evaluated and used to develop a conclusion and to document recommendations for future improvement initiatives.

Observations include both management practices considered to be strong as well as those requiring improvement. Accompanying the observations of management areas identified for improvement are the impacts of the identified weakness and recommendations for corrective actions.

5.1 Governance

5.1.1 Management and Oversight Bodies

Effective governance includes the decision-making process and the process by which decisions are implemented (or not implemented). To support good governance, it is important that management oversight structures and mechanisms are established and functioning, with clearly communicated mandates, and that those governance structures have a clear role and purpose.

Governance and management oversight structures that oversee NRO activities consist of the Regional Executive Committee (REC) (and its supporting sub-committees, Finance, Human Resources, and IT/IM) and the Regional Management Committee (RMC). The audit found, however, that not all governance bodies have clearly defined mandates or current, approved Terms of Reference. In addition, the audit found that the current Terms of Reference for governance committees do not always reflect the intended role and mandate of the specific committee. During the audit, regional management proactively started to review the purpose and structure of its governance committees, examining their role, membership, and meeting frequency and length.

The audit noted areas for improvement for both REC and RMC. With respect to REC, interviewees and REC participants noted concerns related to the composition of REC and questioned the usefulness of having separate sub-committees, rather than standing items on the REC agenda (e.g. HR, Finance). With regards to RMC, participants questioned the usefulness of RMC in its current form. Interviewees noted that confusion regarding the current role and purpose of RMC can lead to unproductive meetings. The audit also noted a general desire to see RMC focus on common management issues and be used as a forum to provide input into REC.

Recommendation:

1. The Regional Director General (RDG) of the Nunavut Region should finalize the regional governance structure and mechanisms (including approval of committee terms of reference) and ensure role, purpose and structure are clearly defined, and communicated, for each

committee to optimize the overall effectiveness of the governance structure and mechanisms.

5.2 Accountability

5.2.1 Organizational Structure

In any organization, it is critical that authority, responsibility and accountability are clear and that delegated authority is aligned with an individual's responsibility. In addition, an effective organizational structure should be clearly defined and documented, ensure clear lines of communication and reporting are in place, and provide for an appropriate span of control.

Within the NRO, delegated authority levels, both financial and human resources, are established by AANDC Headquarters, with regional input. Responsibilities and accountabilities are further defined and documented through the use of job descriptions and employee and management performance agreements. While interviewees noted that additional sharing of experiences among new managers in fulfilling these authorities and responsibilities would be beneficial, the audit found that authorities, responsibilities and accountabilities are well defined and communicated through the use of formal delegation instruments.

The audit found, however, that although there is an organizational chart established and documented for the Region, the organizational structure is not considered effective and not optimal in meeting the current needs of the Region (i.e. inefficient decision-making, unbalanced span of control). The current organizational structure was originally designed at the inception of the NRO (~1999) and has not been adequately updated to reflect the significant changes that have since occurred in the Region, including significant regional growth over the past 12 years and the recent loss of personnel to the creation of the new Federal Agency, CanNor. The Region is currently undertaking an organizational review to address this issue.

Recommendation

2. The Regional Director General (RDG) of the Nunavut Region should continue with the current undertaking of the organizational review to establish a clear and more effective organizational structure.

5.3 Human Resources Management

5.3.1 Planning and Recruitment

To ensure optimal use of human capital to support the achievement of NRO's goals, it is important that human resource planning be aligned with strategic and business planning, and that human resource planning includes information on the related financial resources. Without a good understanding of the human and financial resources required to implement planned activities, it is difficult for management to properly determine the real needs of the organization.

The audit noted several human resources planning mechanisms are used to align human resources planning decisions with business planning (e.g. NRO Integrated HR Plan, Strategic Staffing Plan, Inuit Employment Plan) and staffing actions take regional requirements into consideration. Given the operating realities of the Region, anticipatory staffing is challenging; however, the audit found a coordinated regional approach is followed for recruitment, and staffing needs are linked to the Annual Staffing Plan.

To ensure staffing decisions are made in consideration of available funding and to align human resource decisions with the financial budget, commitment of salary is evidenced using the Human Resources Request form or the Staffing and Classification Action Request form. In the sample of 15 staffing files reviewed, with the exception of some minor file documentation discrepancies (e.g. missing signatures, missing/incomplete forms), the audit found actions were properly documented. Those files with noted testing exceptions have been identified to management for corrective action. Management noted that there was turnover in the NRO Human Resources function during the audit period which may have contributed to issues with incomplete files.

Recommendation:

3. The Regional Director General (RDG) of the Nunavut Region should ensure that supporting control documentation and evidence for staffing actions is retained for accountability and audit trail purposes.

5.3.2 Internal Communications

Open and effective channels for internal communications and feedback are important in ensuring that decisions are effectively implemented and that accurate, open and honest feedback is received. It is also important that internal communications and feedback mechanisms provide timely and relevant information to staff and personnel.

Based on discussions with management and staff, and a review of a sample of communication documents (e.g. presentation, agendas, meeting minutes, e-mails), the audit noted that a variety of internal communications channels exist which allow open and effective feedback across the organization. Although communication mechanisms do exist, areas for improvement were noted which would help to improve the effectiveness of these communication mechanisms. Specific improvement opportunities include:

- The attention paid to ensuring there is effective communication downwards in the organization varies by Manager and is not consistent throughout the NRO;
- As a result of not having a formal communication policy or protocol for email communications, email is felt to be overused as a communication mechanism which reduces the importance and effectiveness of email communications;
- Not all staff interviewed were aware that REC and RMC meeting minutes were made available for staff to review;
- There is insufficient communication between hiring Managers and Regional Administration with regards to the on-boarding of new employees;

- The intranet website is out-dated and is no longer considered a source of current or relevant information by NRO staff;

In addition, new Managers noted they would like more opportunities to share management practices and experiences. It was also noted that the organizational review underway may help to improve internal communications.

Recommendation:

4. The Regional Director General (RDG) of the Nunavut Region should develop a protocol or a strategy to improve the effectiveness of communication mechanisms (i.e. email, intranet, sharing of management practices) and reiterate the importance of downward communication.

5.4 Risk Management

At AANDC there is an expectation that regional offices understand the key risks that threaten their ability to meet their objectives, and that they have appropriate mitigation plans in place. Having a documented approach to risk management enables management to better identify, articulate and understand the potential risks to the achievement of the organization's objectives and to determine the exposure to these risks given controls and/or mitigation activities.

The audit found that NRO has developed a NRO Risk Profile, a risk register, and risk mitigating actions. The audit team reviewed the NRO Risk Profile and confirmed the risks identified are adequate as a representation of key risks facing the Region and risks identified consider both internal and external sources of risk. Risk mitigating activities have been assigned to specific NRO risk owners to ensure accountability over risk management. Furthermore, risks have been communicated and reported to key stakeholders.

Although regional management has identified risks and risk owners, the Region has not yet finalized or documented its approach for ongoing monitoring of its risks, including finalizing which committee (e.g. REC) which will oversee risk management and review risk action plans.

Recommendation:

5. The regional Director General (RDG) should leverage departmental risk management expertise (AES Risk Management, and the Northern Affairs Organization) to develop a formal documented approach to risk management, including an ongoing process and governance structure for identifying, assessing, and monitoring risk mitigation actions.

5.5 Strategic Policy

5.5.1 Regional Collaboration and Coordination

Given the unique mandate of the NRO to develop and support the North, it is important that the Region have a formal and coordinated approach to monitor external environments and actively participate in AANDC's policy processes to ensure NRO needs and requirements are considered in AANDC's overall policy design. It is equally critical that the NRO strive to

collaborate and coordinate with other government departments, agencies, crown corporations, as well as the Territorial Government and the Inuit of Nunavut to ensure the NRO efficiently attains its strategic objectives.

While policy is not developed within the Region, the audit found that NRO staff makes efforts to monitor and provide timely input into policy design conducted by NAO and other sectors within the department. The primary mechanisms for monitoring and staying informed of policy changes include participation in formal departmental working groups and committees as well as through informal networks. Through review of sample meeting minutes, the audit confirmed that the Nunavut Region takes an active role in participating in and influencing policy design.

As per the NRO Strategic Plan, a regional guiding principle is effective consultation, cooperation and mutual support in relations with the Government of Nunavut, federal government partners, aboriginal organizations and other stakeholders. The audit found, however, that while some mechanisms for collaboration are in place (e.g. memoranda of understanding), there is an opportunity to increase collaboration with other departments operating in the region for increased operating efficiencies (e.g. cost sharing amongst federal departments) and for more consistency in setting policies and directives which affect the region overall (e.g. improved recruitment and retention). The audit found that committees are in place to discuss northern strategies and policies (i.e. Nunavut Federal Council, Northern Strategic Officials Working Group); however, they are not all frequently attended by all key stakeholders, or not active. Management noted that the position of Director of Intergovernmental Relations has been vacant for an extended period of time which may have contributed to the NRO not actively advancing its regional agenda within the territory. Additionally, the planned devolution in the Northwest Territories could adversely affect the NRO with respect to shared services provided by the Northwest Territories Regional office, and therefore there is increased importance that the NRO take a leadership role in the Nunavut Territory to ensure any resulting functional gaps be addressed locally.

Recommendation:

6. The Regional Director General (RDG) should further enhance regional objectives and improve operating efficiencies by taking a leadership role to create collaborative opportunities with other departments and other levels of government within the region.

6. MANAGEMENT ACTION PLAN

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>1. The Regional Director General (RDG) of the Nunavut Region should finalize the regional governance structure and mechanisms (including approval of committee Terms of Reference) and ensure role, purpose and structure are clearly defined, and communicated, for each committee to optimize the overall effectiveness of the governance structure and mechanisms.</p>	<p>Committee structures and Terms Of References (TORs) reviewed and approved, and all work completed, for Regional Management Committee (RMC), and Regional Executive Committee (Human Resources).</p> <p>Committee structure and TORs for Regional Executive Committee, Nunavut Committee on Major Projects (NCOMP), and Occupational Safety and Health Committee still to be completed.</p> <p>The Region has developed a communications plan to assist with roll out of planned actions. The relevant sections are noted below:</p>	<p>Regional Director General of the Nunavut Region</p>	<p>March 31, 2012</p>
	<p><u>Communications Plan Action #1</u> Work with the RDG Office (RDGO) to identify opportunities to increase awareness of the role and purpose of regional oversight bodies (i.e. all staff meetings, within the forums themselves, etc.).</p>	<p>Regional Director General of the Nunavut Region</p>	<p>Ongoing</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	<p><u>Communications Plan Action #2</u> Continue to prioritize re-development of the regional Intranet site, which will provide specific information about each management body, their respective TORs and meeting minutes.</p>	Regional Director General of the Nunavut Region	Currently awaiting completion of the gating process for new content management system. Working with Northwest Territories (NT) through a Shared Service Agreement (SSA) to complete preliminary work. Anticipated to be operational by March 31, 2013.
	<p><u>Communications Plan Action #3</u> Develop “fact sheets” on each regional management body for posting in all AANDC office buildings and in planned employee orientation package</p> <p>Communications to work in conjunction with the RDGO to develop materials.</p>	Regional Director General of the Nunavut Region	Development and posting of “Fact Sheets” by June 30, 2012 Completion of employee orientation package by March 31, 2013

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>2. The Regional Director General (RDG) of the Nunavut Region should continue with the current undertaking of the organizational review to establish a clear and more effective organizational structure.</p>	<p>Organizational review underway, workshop, final report (including recommendations), and implementation plan to be completed by fiscal year end.</p>	<p>Regional Director General of the Nunavut Region</p>	<p>March 31, 2012</p>
<p>3. The Regional Director General (RDG) of the Nunavut Region should ensure that supporting control documentation and evidence for staffing actions is retained for accountability and audit trail purposes.</p>	<p>Amended HR process in place that now requires all HR advisors to meet with hiring manager prior to the provision of a letter of offer in order to ascertain that a file review has taken place and all documentation is up to date.</p> <p>Post audit file reviews were completed and all non compliant files were brought into compliance.</p> <p>Internal check lists and periodic internal file review processes have been established which will be used on a go forward basis in order to ensure future compliance.</p>	<p>Regional Director General of the Nunavut Region</p>	<p>Process in place and implemented</p>
<p>4. The Regional Director General (RDG) of the Nunavut Region should develop a protocol or a</p>	<p>Communications strategy has been completed.</p>	<p>Regional Director General of the Nunavut Region</p>	<p>Intranet in place by March 31, 2013</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>strategy to improve the effectiveness of communication mechanisms (i.e. email, intranet, sharing of management practices) and reiterate the importance of downward communication.</p>	<p>Key aspects include:</p> <p>Revamped Intranet site: The Nunavut (NU) and NT Regions have consolidated efforts through a shared services agreement, which will see the Nunavut Region implement a new intranet content management system based upon an NT pilot program currently within the departmental Information Management/Information Technology (IM/IT) gating process. (Approvals for Nunavut implementation are expected by October 2012).Development of an NU regionally specific intranet structure and its related content will commence once IM/IT approvals have been obtained and the technical web based infrastructure has been put in place. Planned completion date March 31, 2013.</p> <p>- Consolidation and re-organization of Public Folders in Comprehensive Integrated Document Management (CIDM) for ease of access to important public documents and information almost complete.</p> <p>Internal communications plan</p>		<p>Completion of CIDM public folder exercise by July 1, 2012</p>

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
	<p><u>Communications Plan Action #1</u> Develop and circulate business process documents related to formal communications activities to ensure all managers have access to the same information.</p> <p>Topics can include: how to develop an all-staff email and get it approved; how to post to the intranet (once re-launched), etc.</p>	Regional Director General of the Nunavut Region	By June 30, 2012
	<p><u>Communications Plan Action #2</u> Provide a forum for managers to discuss standardization of management practices.</p>	Regional Director General of the Nunavut Region	By March 31, 2012 RDGO to incorporate as standard item on RMC agenda.
	<p><u>Communications Plan Action #3</u> Continue to prioritize re-development of the regional Intranet site, which will provide specific information about each management body, their respective TORs and meeting minutes.</p>	Regional Director General of the Nunavut Region	Currently awaiting completion of the IM/IT gating process for new content management system (Expected completion date October 2012). Working with NT

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
			through SSA to complete preliminary work. Anticipated to be operational by March 31, 2013.
	<p><u>Communications Plan Action #4</u> Develop regional e-newsletter. In consultation with the RDGO, develop an e-newsletter to be delivered monthly with pertinent information to all-staff relating to corporate, regional, and local or office news.</p>	Regional Director General of the Nunavut Region	By June 30, 2012
	<p><u>Communications Plan Action #5</u> Develop a fulsome internal communications strategy that complements the next strategic plan and corporate communications plan.</p> <p>Communications to work in conjunction with RDGO to develop materials.</p> <p>Work to place formal foundations around the NRO's internal communications function.</p>	Regional Director General of the Nunavut Region	By March 31, 2013
5. The Regional Director General	The Nunavut Regional Office is currently	Regional Director	Plan in place and

Recommendations	Management Response / Actions	Responsible Manager (Title)	Planned Implementation Date
<p>(RDG) of the Nunavut Region should leverage departmental risk management expertise (i.e.: AES Risk Management, and the Northern Affairs Organization (NAO)) to develop a formal documented approach to risk management, including an ongoing process and governance structure for identifying, assessing, and monitoring risk mitigation actions.</p>	<p>developing a risk management implementation plan for its risk profile. This plan will include periodic review and engagement of staff and management on the validity of the risks identified in the regional profile; (periodic reviews will be linked with the region's established planning and reporting cycles).</p> <p>The NRO has included an engagement/consultation component in the plan that will include close consultation with departmental risk experts prior to the completion of the plan in order to ensure that their expertise in this area has been consulted.</p>	<p>General of the Nunavut Region</p>	<p>operational by September 1, 2012</p>
<p>6. The Regional Director General (RDG) of the Nunavut Region should further enhance regional objectives and improve operating efficiencies by taking a leadership role to create collaborative opportunities with other departments and other levels of government within the Region.</p>	<p>The NRO will complete a three to five year strategic plan within the next fiscal year which will be the primary vehicle for creating opportunities for collaboration with external partners and Other Government Departments (OGDs). In addition the region will continue to engage with Nunavut Federal Council (NFC) and the Government of Nunavut (GN) on files of common interest and proactively seek out collaborative opportunities.</p>	<p>Regional Director General of the Nunavut Region</p>	<p>Strategic Plan completed by March 2013, NFC engagement ongoing, Collaborative work with GN (Joint compliance regime, community water licenses) ongoing</p>

Appendix A: Audit Criteria

The audit objective is linked to audit criteria developed in alignment with Core Management Controls. Additional audit criteria were developed to address specific risks identified in the planning phase.

Audit Criteria	
Governance and Strategic Direction	
1.1	Effective governance structure / mechanisms are established and management is actively involved and exercises oversight of regional processes.
1.2	The oversight body (or bodies) has a clearly communicated mandate that includes roles with respect to governance, risk management and control.
Accountability	
2.1	Authority, responsibility and accountability are clear and communicated.
2.2	A clear and effective organizational structure is established and documented.
Human Resources Management	
3.1	HR planning and strategic and/or business planning are clearly aligned.
3.2	Recruitment and hiring consider the current and future needs of the organization.
3.3	Open and effective channels exist for internal communications, both horizontally and vertically, and include feedback mechanisms for communication between different levels.
Risk Management	
4.1	Management's direction and approach to risk management are formally articulated, communicated and understood.
4.2	Management identifies the risks that may preclude the achievement of its objectives.
4.3	Management formally assesses, routinely monitors and responds to the risks it has identified.
4.4	Management appropriately communicates and reports its risks and risk management strategies to key stakeholders.
Strategic Policy	
5.1	The region has a coordinated approach to monitor external environments and actively participate in policy design.
5.2	The region identifies and establishes collaborative opportunities to enhance regional objectives