

RISK-BASED AUDIT PLAN 2015-2016 TO 2017-2018

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ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT CANADA

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INTRODUCTION

*The Treasury Board **Policy on Internal Audit** seeks to contribute to the improvement of public sector management by ensuring a strong, credible, effective and sustainable internal audit function within departments as well as government-wide. In response to this requirement, Aboriginal Affairs and Northern Development Canada (AANDC) has developed this three-year Risk-Based Audit Plan. This plan details the assurance services that Audit and Assurance Services Branch will provide, independent of line management, to sustain a strong, credible internal audit regime that contributes directly to sound risk management, control and governance.*

Purpose

The Audit and Assurance Services Branch (AASB) of AANDC has prepared this document for the Deputy Minister to outline the 2015-2016 to 2017-2018 Risk-Based Audit Plan for AANDC. The plan is designed to support the allocation of audit resources to those areas that represent the most significant risks to the achievement of AANDC's objectives and to respond to the requirements of the Treasury Board *Policy on Internal Audit (April 1, 2012)*. In considering the appropriateness of the plan, the Deputy Minister is advised by an independent, departmental Audit Committee, comprised of five external members.

Document Organization

Introduction	• This section provides an overview of the role of the internal audit function and Treasury Board expectations with respect to audit in order to provide the reader with the context for the Plan.
Risk-Based Audit Planning Approach	• This section describes the process followed to develop the Plan.
The Three-Year Risk-Based Audit Plan	• This section details the comprehensive plan for the 2015-2016 to 2017-2018 fiscal years, including a summary of activities over three years.
Resource Considerations	• This section details the resource considerations required to execute the Plan.
Appendices	• This section provides various detailed tables to further describe the Plan.

The Role and Scope of Internal Audit

Internal audit plays a vital role in governance and accountability. Without a strong, objective and independent assurance function, the effectiveness of the overall governance framework of an organization is severely weakened. With an effective internal audit function, there is greater confidence that the decisions being taken are informed by appropriate information on governance, risk management and control. Internal audit's systematic and disciplined approach adds value and improves an organization's operations.

Through the *Federal Accountability Act (2006)* and *Action Plan*, the Government of Canada committed to strengthen auditing and accountability within Departments by clarifying the managerial responsibilities of deputy heads within the framework of ministerial responsibility and by enhancing the internal audit function.

The role of AANDC's internal audit function is to ensure that, in conjunction with advice from the Audit Committee, the Deputy Minister is provided with independent assurance regarding the effectiveness of the Department's risk management, control and governance processes. The internal audit function fulfils this role by bringing a systematic, disciplined approach to assessing and improving the effectiveness of the Department's risk management, control and governance processes.

The scope of work of the internal audit function is to assess if AANDC's network of risk management, control, and governance processes (as designed and represented by management) is adequate and functioning such that:

- Risks are appropriately identified and managed;
- Financial, managerial, and operational information is accurate, reliable, and timely;
- Compliance with policies, standards, procedures and applicable laws and regulations is achieved;
- Resources are acquired economically, used effectively and adequately protected;
- Programs, plans and objectives are achieved;
- Quality and continuous improvement are fostered in the Department's control processes; and,
- Legislative or regulatory issues affecting the Department are recognized and addressed properly.

When opportunities for improving management control, governance or resource stewardship are identified in audits, they are communicated to the suitable level of management so that appropriate action can be taken.

The internal audit function plays an important role in supporting departmental operations. It provides assurance on all the important aspects of the risk management strategy and practices, management control frameworks and practices, and governance. Where control weaknesses exist and where the achievement of objectives is at risk, internal audit plays a role in providing constructive advice and recommendations. In this way, internal audit contributes to enhanced accountability and performance.

Treasury Board Policy Requirements

AANDC is subject to the Treasury Board *Policy on Internal Audit*. This policy states that the internal audit function in the Government of Canada "...is a professional, independent and objective appraisal function that uses a disciplined, evidence-based approach to assess and improve the effectiveness of risk management, control and governance processes".

The *Policy on Internal Audit* requires the Deputy Minister to approve a multi-year risk-based audit plan that considers departmental areas of high risk and significance, as well as Government-wide audits led by the Comptroller General. The Treasury Board *Directive on Internal Auditing in the Government of Canada* (April 1, 2012) requires that the Chief Audit Executive "...establish and update at least annually a multi-year plan of internal audit engagements based on a risk assessment and which is focused predominantly on the provision of assurance services". The *Directive* also requires that the Audit Committee "...review and recommend for approval a multi-year risk-based internal audit plan".

The Treasury Board specifies that "the Government of Canada has adopted the Institute of Internal Auditors' (IIA) International Professional Practices Framework and that all federal departments are required to meet the IIA Standards in undertaking their internal auditing responsibilities, unless the Standards are in conflict with the Treasury Board *Policy on Internal Audit* or any related directives or standards, in which case the Policy, Directive or Standards will prevail".

The Chief Audit Executive's Annual Report to the Deputy Minister and the Audit Committee

A requirement of the *Directive on Internal Auditing in the Government of Canada* is that the Chief Audit Executive must annually prepare a written report to the Deputy Minister and the Audit Committee that includes sections on:

- "Internal audit's independence, proficiency, performance and results relative to its plan, including resource utilization, lessons learned and influences on future years' plans;
- The results of the Quality Assurance and Improvement Program including internal audit's conformance with the *Internal Auditing Standards for the Government of Canada*;
- The results of the follow-up on the implementation of management action plans; and,
- An overview of the aggregate findings following the execution of the risk-based audit plan, including the actions taken by management to address key findings."

The Chief Audit Executive's annual report and other inputs, such as the Chief Financial Officer's *Statement of Management Responsibility including Internal Control over Financial Reporting*, and reports of other assurance agencies, provide departmental senior management and the Comptroller General with assurance on the Department's risk management, controls and governance processes.

RISK-BASED AUDIT PLANNING APPROACH

*To meet the requirement of the **Directive on Internal Auditing in the Government of Canada** for the establishment, and at least annual update, of a multi-year plan of internal audit, the Audit and Assurance Services Branch's assessment of AANDC's areas of risk was reviewed and updated to ensure that audit resources continue to be targeted to areas of highest risk and significance.*

In establishing priorities for the Risk-Based Audit Plan, AASB employed a risk-based approach. Because a very extensive risk assessment exercise, including many consultative meetings, were held in last year's risk-based audit planning process, this year's process was less extensive, but still risk-based.

As a first step in updating the Risk-Based Audit Plan, AASB reviewed the audit universe to confirm that the existing auditable units¹ were still valid. The audit universe is a collection of all auditable units. The auditable units generally correspond to the programs and sub-programs identified in AANDC's Program Alignment Architecture (PAA) and to the major organizational units of the Department (Appendix A presents the entire AANDC audit universe). In total, there are 42 program units and 34 internal services units.

AASB then reviewed departmental priorities, business conditions and risks as identified in a wide variety of sources, including, but not limited to, corporate, sector and program risk profiles, corporate and sector business plans, past audit, evaluation and review reports, and last year's risk-based planning exercise. The purpose of this review was to determine if the risk ratings as determined in last year's process continue to be valid. Based on this determination, changes were made to more accurately reflect the current risk of each auditable unit. The distribution of auditable units by rank is displayed in **Figure 1**.

Conduct and Timing of an Internal Audit

Once approved, the Risk-Based Audit Plan provides AASB with the Deputy Minister's direction on what specific audits should be undertaken in the coming year. Each audit consists of the following phases:

The **Planning Phase** is undertaken to gain an understanding of the objectives, activities, key risks and controls of the area subject to audit. The audit objectives and scope are finalized and audit criteria are established.

During the **Conduct Phase**, auditors carry out the audit program to ascertain whether each audit criterion is satisfied. Auditors conduct interviews, review documentation, perform analysis, observe activities and employ other techniques to obtain sufficient, relevant and reliable information to reach conclusions and support preliminary findings. Findings are reviewed with management to validate accuracy.

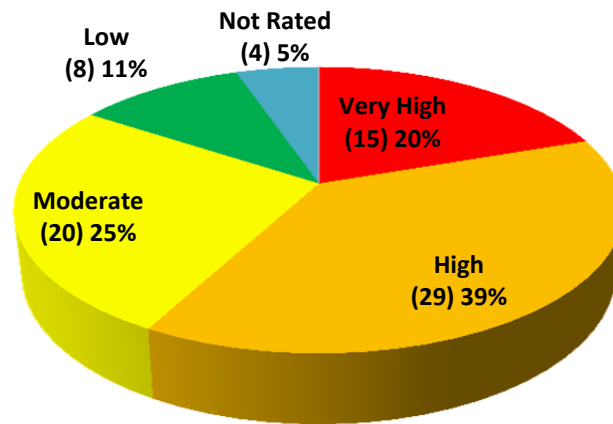
During the **Reporting Phase**, the draft audit report is prepared outlining background and context, and the auditor's findings, conclusions and recommendations. Management presenting a **Management Response and Action Plan** outlining their response to the findings as well as the corrective action planned to mitigate the identified control gaps.

In the **Follow-up Phase**, action is taken to ensure that the required measures have indeed been implemented.

The audit may last three (3) to twelve (12) months depending on the size and complexity of the area subject to audit as well as the specific scope and objectives of the engagement.

¹ An auditable unit is an activity, program, service or organization of such significance or value that if audited would provide useful information for senior management as to the adequacy of risk management, control, and governance.

Fig. 1- Auditable Units Priority Rankings



This process became the basis for the development of an initial listing of potential audit projects over the three-year horizon of the Plan. To develop the Plan, the auditable units assigned a Very High and High risk rating and which were deemed worthy of attention were preliminarily assigned audits within the three years of the Plan. Once the audit priorities were determined, the timing of each audit was reviewed, taking into account the following planning considerations:

- The Plan should be a body of work that can be reasonably achieved with AASB's current staff complement and operating budget;
- Auditable units rated very high and high risk and for which it was determined that audit work is a priority should be audited once in the three-year cycle, resources permitting;
- Auditable units assessed as medium risk should only be considered for audit if all very high and high risk units are covered or if they represent an AANDC management priority;
- Adequate coverage of corporate risks identified in the corporate risk profile should be obtained;
- The Risk-Based Audit Plan should ensure sufficient coverage of risk management, control and governance processes;
- The timing of activities should take into account program evaluations, OAG, OCG and other central agency audits and any other considerations such as program renewals, so as not to place an unreasonable burden on any entity and to avoid duplication of effort; and,
- A reasonable allocation of effort should be included to conduct follow-up reviews and audit procedures to assess the adequacy of management actions in addressing past audit recommendations.

This Chief Audit and Evaluation Executive reviewed the proposed Plan and then shared it with Assistant Deputy Ministers and internal service heads to provide an opportunity to gain their perspective on the recommended listing and schedule of potential projects. After making adjustments to take into consideration feedback received from senior management, the Plan was then presented to Audit Committee members for their review and recommendation for approval by the Deputy Minister. The implementation of the Risk-Based Audit Plan will be monitored on a regular basis throughout the year and proposed changes will be reviewed and formally recommended for the Deputy Minister's approval by the Audit Committee. An update of the Plan will be presented at the mid-year meeting of the Audit Committee to confirm that it still provides appropriate coverage over the departmental priorities and highest risks.

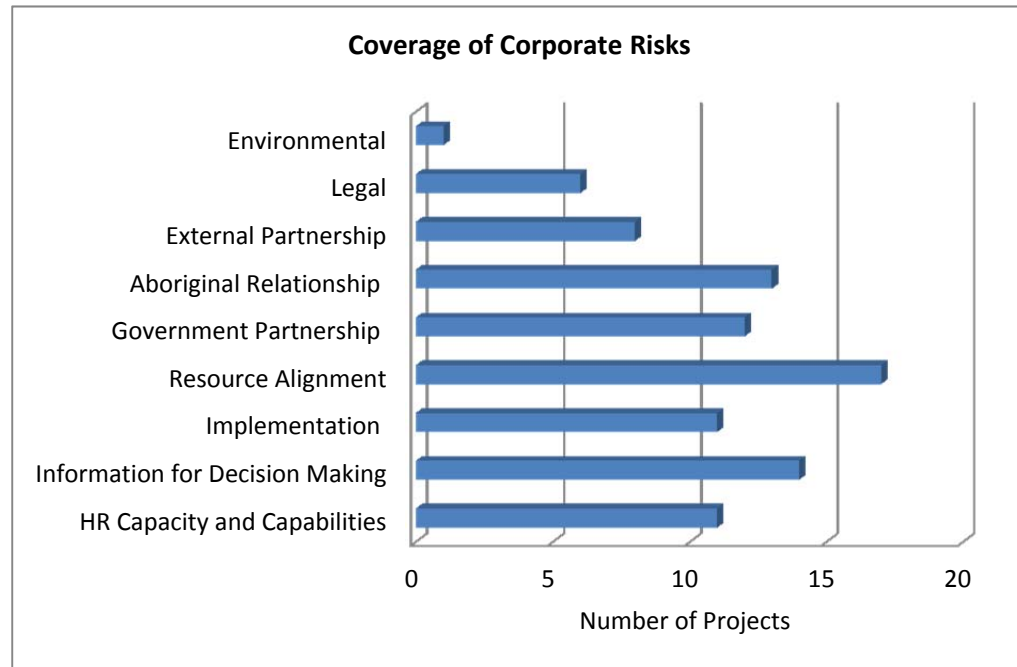
THE THREE-YEAR RISK-BASED AUDIT PLAN

This section presents an overview of the AANDC 2015-2016 to 2017-2018 Risk-Based Audit Plan.

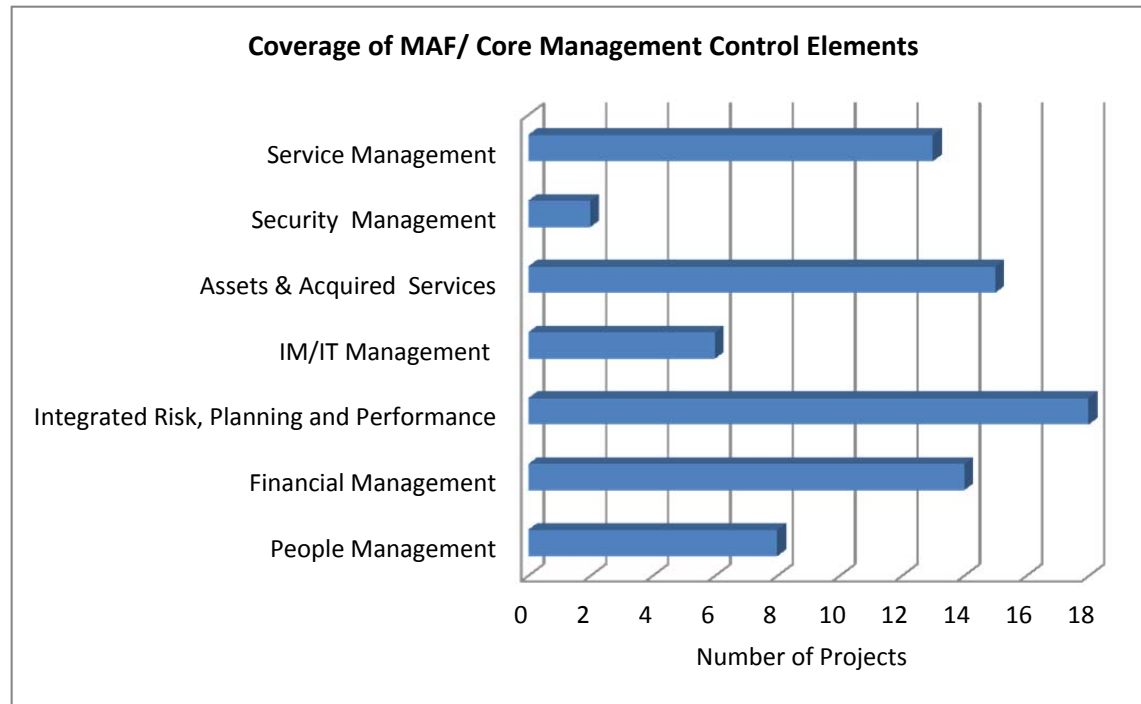
Audit Coverage

AANDC's Risk-Based Audit Plan 2015-2016 to 2017-2018 addresses areas of highest priority.

This section describes how the Plan addresses areas of higher risk and significance. As detailed in Appendix A, there is coverage of all Very High and High audible units; for which it was determined that audit work is a priority during the three year period. The Corporate Risk Profile is management's point in time reflection of the most significant risks that threaten achievement of AANDC's objectives. AASB seeks to ensure that all of these risks are covered in the planned audits. The chart to the right summarizes the number of 2015-2016 audits that will address one or more of the corporate risks. Appendix B presents the specific linkages of audits to corporate risks.



In support of the Chief Audit Executive's annual report to the Deputy Minister and the Audit Committee, the Plan endeavours to address all elements of Treasury Board's Management Accountability Framework (MAF). The chart to the right summarizes the extent to which the elements of this framework are covered in the planned audits for 2015-2016. Appendix C describes these linkages in greater detail.



2015-2016 to 2017-2018 Risk-Based Audit Plan

Table 1 outlines the number of planned internal audits, reviews, and OCG audits for each of the three years of the Plan.

Table 1:

	2014-15 Ongoing	2015-2016	2016-2017	2017-2018
Audits	4	11	12	13
Reviews	1	0	0	0
Management Practices Reviews	1	3	2	2
OCG Horizontal Internal Audits	0	1	1	0
Total	6	15	15	15

** To be determined

Table 2 below presents the planned audits for 2015-2016 and identifies the audit priority assigned to each and the fiscal quarter in which each is expected to begin and in which the results are expected to be presented to the Audit Committee (denoted as “AC” in the table).

Table 3 below lists the proposed audits for 2016-2017 and 2017-2018 and their respective audit priority rankings. The audit plans for 2016-2017 and 2017-2018 are tentative and the selection and timing of audits will be revisited during next year's annual planning exercise.

TABLE 2 - 2015-2016 Audit Plan	Priority	2014-15 (ongoing)		2015-16 (Year 1)			
		Q3	Q4	Q1	Q2	Q3	Q4
<i>Ongoing (Projects commenced in 2014-15 to be completed in 2015-16) *</i>							
1. Audit of Indian Registration (Qalipu Phase II) [10% to complete]	Very High			AC			
2. Audit of Information Technology Security [10% to complete]	High			AC			
3. Audit of Values and Ethics [50% to complete]	High			AC			
4. Management Practices Review of the Manitoba Region [40% to complete]	High			AC			
5. Review of AANDC Systems of Record [5% to complete]	High			AC			
6. Audit of the Management Control Framework for Grants and Contributions 2014-2015 [60% to complete]	Very High				AC		
2015-16							
1. Audit of Contracting	High			AC			
2. Management Practices Review of the Ontario Region	Very High				AC		
3. System Under Development Audit of the Secure Integrated Registration and Certification Unit	Very High				AC		
4. OCG Horizontal Internal Audit of the Information Management (to be confirmed)	Very High				AC		
5. Audit of Payables at Year-End	High					AC	
6. Audit of the Education Information System	Very High					AC	
7. Audit of Governance and Institutions of Government Programs	High					AC	
8. Audit of the Additions to Reserve Process	Very High					AC	
9. Management Practices Review of the Atlantic Region	Very High					AC	
10. Management Practices Review of the Saskatchewan Region	Very High					AC	
11. Audit of AANDC Support to the Specific Claims Process	Very High						AC
12. Audit of the Income Assistance Program	High						AC
13. Audit of the Operation Return Home Project	High						AC
14. Audit of the Housing Program	Very High						AC
15. Audit of the Management Control Framework for Grants and Contributions 2015-2016	Very High						**

* Although there are six ongoing projects from 2014-15 to complete in 2015-16, this represents a total level of effort equivalent to approximately 1.75 entire projects, as per the percentages noted, which indicate the portion of each audit remaining to be completed in 2015-16.

** This audit will be completed and presented to Audit Committee in Q1 2016-2017.

TABLE 3 - 2016-2017 to 2017-2018 Audit Plan		Priority
2016-2017 Projects		
1.	Audit of Lands Management (incl. Lands Registry System)	Very High
2.	Audit of the Management Control Framework for Grants and Contributions 2016-2017	Very High
3.	Audit of the Water and Wastewater Infrastructure Program	Very High
4.	Audit of the Implementation of Modern Treaty Obligations	Very High
5.	Audit of the Indian Registration System	Very High
6.	Management Practices Review of the Quebec Region	Very High
7.	Management Practices Review of the Alberta Region	Very High
8.	Audit of the Emergency Management Assistance Program	Very High
9.	Audit of the First Nations Child and Family Services Program	Very High
10.	Audit of Economic Development Programs	High
11.	Audit of IM/IT Governance	High
12.	Audit of Corporate Business Planning	High
13.	Audit of the Urban Aboriginal Strategy	High
14.	OCG Horizontal Internal Audit (to be determined)	High
15.	Audit of the Education Facilities Program	High
2017-2018 Projects		
1.	Audit of the Management Control Framework for Grants and Contributions 2017-2018	Very High
2.	Audit of the Elementary and Secondary Education Programs	Very High
3.	Audit of Negotiation of Comprehensive Land Claims and Self Government Agreements	Very High
4.	Audit of Contingent Liabilities	Very High
5.	Management Practices Review of the British Columbia Region	Very High
6.	Management Practices Review of the Yukon Region	Very High
7.	Audit of Contaminated Sites Programs	Very High
8.	Audit of Consultation and Accommodation	High
9.	Audit of Métis and Non-Status Indian Relations and Métis Rights Management	High
10.	Audit of Information Technology Security	High
11.	Audit of Nutrition North Canada	High
12.	Audit of Occupational Health and Safety	High
13.	Audit of HR Staffing and Planning	High
14.	Audit of Performance Measurement and Reporting	High
15.	Senior Management Requested Audit(s)	High

The detailed audit plan for 2015-2016, including project objective, scope and rationale, is presented in Appendix D. Consistent with the requirements of the *Internal Auditing Standards of the Government of Canada*, all audits will be designed to achieve a high level of assurance.

Changes to the Plan

As noted previously, AANDC's Risk Based Audit Plan is updated annually with adjustments during the year, if necessary. This year's audit plan is an evolution of the 2014-2015 to 2016-2017 Plan and, as such, includes six on-going audits that will be completed in 2015-2016. Other projects have been cancelled or deferred as a result of changing business priorities and conditions, details of these changes can be found in Appendix E.

Challenges to Achieving Fulfillment of the Three-Year Plan

AANDC programs and services are delivered in a complex policy and political environment that is constantly evolving and shifting from a legalistic approach to a policy-based approach that is more focused on reconciliation, partnerships, and the sustainable development of Aboriginal communities. Two risk factors that were identified in the 2014-2015 Corporate Risk Profile are of particular importance to the successful implementation of the Risk-Based Audit Plan. These are: (1) the risk related to the availability of timely, pertinent, consistent, and accurate information; and, (2) the risk related to the need to attract, recruit and retain sufficiently qualified, experienced and representative employees. Given this context, the Plan allows flexibility to respond to emerging risks and policy or program changes. If these risks or changes emerge and suggest higher priority audit activity, the Plan will be adjusted so that internal audit can undertake appropriate responses.

To support the need for flexibility, AASB has adopted an approach whereby internal resources are supplemented with qualified contractors. Considering the cross-government shortage of qualified auditors, this approach not only allows AASB to access required capacity and skills but also facilitates transfer of knowledge and skills to internal resources, thereby building internal capacity. The establishment of the Professional Audit Support Services Supply Arrangement (PASS) by AASB in 2012-2013 has contributed to more efficient contracting and has helped to overcome some of these challenges.

RESOURCE CONSIDERATIONS

This section presents the resource requirements of all internal audit activities planned for 2015-2016. Projects undertaken will depend on the availability of financial and human resources. The estimated resource requirements for small, medium, and large projects have been updated to reflect current forecasts and are consistent with the results of historical project cost analysis for the last three fiscal years (2012-13 to 2014-15). This approach has proven to be the most accurate basis for forecasting costs, as specific requirements can only be determined once audit planning has been completed.

The Audit and Assurance Services Branch's assurance activities represent 91% (90% for AANDC-led and 1% for OCG-led) of branch resource requirements. Other internal audit activities, including monitoring of action plans from past audits, annual audit planning, Quality Assurance and Improvement, reporting, learning and development, and liaison with OAG and other external assurance providers represents 9%.

The Plan identifies an average of 15 audit projects to be carried out on an annual basis.

APPENDIX A – AANDC AUDIT UNIVERSE

VERY HIGH RISK AUDITABLE UNITS AND RELATED AUDIT ACTIVITY 2015-2018

Departmental Program Auditable Units (11)	Planned Audit(s)*
Administration of Reserve Land	Audit of Lands Management (incl. Lands Registry System) (2016-2017) Audit of Additions to Reserve Process (2015-2016)
Elementary and Secondary Education	Audit of the Education Information System (2015-2016) Audit of Elementary and Secondary Education Program (2017-2018)
Emergency Management Assistance	Audit of the Emergency Management Assistance Program (2016-2017)
First Nations Child and Family Services	Audit of the First Nations Child and Family Services Program (2016-2017)
Housing	Audit of the Housing Program (2015-16)
Management and Implementation of Agreements and Treaties	Audit of the Implementation of Modern Treaty Obligations (2016-2017)
Negotiations of Claims and Self-Government	Audit of Negotiation of Comprehensive Land Claims and Self Government Agreements (2017-2018)
Specific Claims	Audit of AANDC Support to the Specific Claims Process (2015-2016)
Northern Contaminated Sites	Audit of Contingent Liabilities (2017-2018) Audit of Contaminated Sites Program (2017-2018)
Registration and Membership	Audit of Indian Registration (Qalipu Phase II) (2014-2015) (Carry Forward) System under Development Audit of the Secure Integrated Registration and Certification Unit (2015-2016) Audit of the Indian Registration System (2016-2017)
Water and Wastewater Infrastructure	Audit of Water and Wastewater Infrastructure Program (2016-2017)

* Very High Risk Auditable Units will be subject to audit coverage (in whole or in part) at least once every three years.

Internal Services Auditable Units (4)	Planned Audit(s) *
Grants and Contributions Controls	Audit of the Management Control Framework for Grants and Contributions (2014-2015) (Carry Forward) Audit of the Management Control Framework for Grants and Contributions (2015-2016) Audit of the Management Control Framework for Grants and Contributions (2016-2017) Audit of the Management Control Framework for Grants and Contributions (2017-2018)
Information Management	Audit of the Indian Registration System (2016-2017) OCG horizontal Internal Audit of Information Management (2015-2016)
Information Technology	Audit of the Indian Registration System (2016-2017) Audit of the Education Information System (2015-2016) OCG horizontal Internal Audit of Information Management (2015-2016) Review of AANDC Systems of Record (2014-2015) (Carry Forward)
Liabilities	Audit of Contingent Liabilities (2017-2018)

* Very High Risk Auditable Units will be subject to audit coverage at least once every three years.

HIGH RISK AUDITABLE UNITS AND RELATED AUDIT ACTIVITY 2015-2018

Departmental Program Auditable Units (18)	Planned Audit(s)*
Aboriginal Governance Institutions and Organizations	Audit of Governance and Institutions of Government Programs (2015-2016)
Consultation and Engagement	Audit of Consultation and Accommodation (2017-2018)
Education Facilities	Audit of Education Facilities Program (2016-2017)
First Nations Governments	Audit of Governance and Institutions of Government Programs (2015-2016)
Income Assistance	Audit of the Income Assistance Program (2015-2016)
Investment in Economic Opportunities	Audit of Economic Development Programs (2016-2017)
Lands and Economic Development Services	Audit of Economic Development Programs (2016-2017)
Métis and Non-Status Indian Relations and Métis Rights Management	Audit of Métis and Non-Status Indian Relations and Métis Rights Management (2017-2018)
Nutrition North	Audit of Nutrition North Canada (2017-2018)
Other Community Infrastructure and Activities	Audit of Operation Return Home Project (2015-2016)
Urban Aboriginal Participation	Audit of the Urban Aboriginal Strategy (2016-2017)
Contaminated Sites	Audit of Contaminated Sites Program (2017-2018)
Assisted Living	None
Independent Assessment Process	None
National Child Benefit Reinvestment	None
Petroleum and Minerals	None
Post-Secondary Education	None
Science Initiatives	None

* Some of the high risk auditable units will not be subject to audit coverage in this Plan as it was determined during the planning process that audit work is not a priority at this time.

Internal Services Auditable Units (11)	Planned Audit(s)*
Expenditure Management	Audit of Payables at Year-End (2015-2016) Audit of Contracting (2015-2016)
HR Staffing and Planning	Audit of HR Staffing and Planning (2017-2018)
IM/IT Governance	Audit of IM/IT Governance (2016-2017)
IM/IT Security	Audit of Information Technology Security (2014-2015) (Carry Forward) Audit of Information Technology Security (2017-2018)
Occupational Health and Safety	Audit of Occupational Health and Safety (2017-2018)
Performance Measurement and Reporting	Audit of Performance Measurement and Reporting (2017-2018) OCG Horizontal Audit of Shared Accountability in Interdepartmental Service Arrangements (2014-2015) (Carry Forward)
Strategic and Business Planning	Audit of Corporate Business Planning (2016-2017)
Values and Ethics	Audit of Values and Ethics (2014-2015) (Carry Forward)
ATIP Management	None
Litigation Management	None
Organizational Design and Classification	None

* Some of the high risk auditable units will not be subject to audit coverage in this Plan as it was determined during the planning process that audit work is not a priority at this time.

MODERATE RISK AUDITABLE UNITS 2015-2016 TO 2017-2018

Departmental Program Auditable Units (9)	Internal Services Auditable Units (11)
Family Violence Prevention	Financial Planning and Budgeting
Reconciliation	External Reporting
Support to the Truth and Reconciliation Commission	Loans and Accounts Receivable
Business Capital and Support Services	Strategic Policy Development
Strategic Partnerships	Continuity of Operations
Political Development and Intergovernmental Relations	Compensation and Benefits (Payroll)
Climate Change Adaptation	Learning and Development
Northern Contaminants	Labour Relations
Land and Water Management	Accommodations
	Corporate Security
	Communications

LOW RISK AUDITABLE UNITS 2015-2016 TO 2017-2018

Departmental Program Auditable Units (4)	Internal Services Auditable Units (4)
Estates	Assets and Property Management
Common Experience Payments	Revenues
Business Opportunities	Official Languages
Renewable Energy and Energy Efficiency	Library and Information Centre

NOT RATED AUDITABLE UNITS 2015-2016 TO 2017-2018

Departmental Program Auditable Units (0)	Internal Services Auditable Units (4)
	Audit and Evaluation
	Complaints and Allegations
	Legal Services
	Risk Management

APPENDIX B – LINKAGE OF 2015-2018 AUDITS TO THE CORPORATE RISK PROFILE

2015-2016 Audit Projects	HR Capacity and Capabilities	Information for Decision Making	Implementation	Resource Alignment	Government Partnership	Aboriginal Relationship	External Partnership	Legal	Environmental
Ongoing									
Audit of Indian Registration (Qalipu Phase II)	X		X			X		X	
Audit of the Management Control Framework for Grants and Contribution (2014-2015)				X	X	X	X		
Audit of Information Technology Security	X	X	X	X	X				
Audit of Values and Ethics	X							X	
Management Practices Review of the Manitoba Region	X	X	X	X	X	X			
Review of AANDC Systems of Record	X	X		X				X	
2015-2016 Projects									
Audit of the Management Control Framework for Grants and Contributions 2015-2016 (recurring audit)				X	X	X	X		
Audit of the Education Information System		X		X	X				
OCG Horizontal Internal Audit of Information Management		X							
Management Practices Review of the Ontario Region	X	X	X	X	X	X			
Audit of the Income Assistance Program			X	X	X	X	X		
Audit of Governance and Institutions of Government Programs	X			X	X	X	X	X	
Management Practices Review of the Atlantic Region	X	X	X	X	X	X			
Management Practices Review of the Saskatchewan Region	X	X	X	X	X	X			
Audit of AANDC Support to the Specific Claims Process		X	X	X			X	X	
System Under Development Audit of the Secure Integrated Registration and Certification Unit	X	X	X	X		X			
Audit of Payables at Year-End		X		X					
Audit of the Operation Return Home Project	X		X	X	X	X	X		
Audit of the Additions to Reserve Process		X				X	X	X	
Audit of Contracting		X		X					
Audit of the Housing Program		X	X	X	X	X	X		X

APPENDIX C – LINKAGE OF 2015-2016 AUDITS TO MAF ELEMENTS

2015-2016 Audit Projects	People Management	Financial Management	Integrated Risk, Planning and Performance	IM/IT Management	Assets & Acquired Services	Security Management	Service Management
Ongoing							
Audit of Indian Registration (Qalipu Phase II)		X	X	X	X		X
Audit of the Management Control Framework for Grants and Contribution (2014-2015)		X	X				X
Audit of Information Technology Security	X			X	X		
Audit of Values and Ethics	X						
Management Practices Review of the Manitoba Region	X	X	X		X		X
Review of AANDC Systems of Record	X	X	X	X	X	X	
2015-2016 Projects							
Audit of the Management Control Framework for Grants and Contributions 2015-2016 (recurring audit)		X	X				X
Audit of the Education Information System			X	X	X		
OCG Horizontal Internal Audit of Information Management			X	X	X		
Management Practices Review of the Ontario Region	X	X	X		X		X
Audit of the Income Assistance Program		X	X				
Audit of Governance and Institutions of Government Programs		X	X		X		X
Management Practices Review of the Atlantic Region	X	X	X		X		X
Management Practices Review of the Saskatchewan Region	X	X	X		X		X
Audit of AANDC Support to the Specific Claims Process							X
System Under Development Audit of the Secure Integrated Registration and Certification Unit			X	X	X	X	X
Audit of Payables at Year-End		X	X		X		
Audit of the Operation Return Home Project	X	X	X		X		X
Audit of the Additions to Reserve Process			X				X
Audit of Contracting		X	X		X		
Audit of the Housing Program		X	X		X		X

APPENDIX D – 2015-2016 AUDIT PROJECTS

The detailed audit plan for 2015-2016 is presented below, with each project described in terms of its preliminary objective, preliminary scope and rationale. For all planned audits, the final objective and scope will be determined at the end of the planning phase, based on an assessment of risk.

Audit Objective and Scope	Rationale for Conduct	
Audit of the Management Control Framework for Grants and Contributions (recurring audit)	Very High	
<p>The ongoing objective of the audit of the management control framework for grants and contributions is to assess the adequacy and effectiveness of the management control framework for grant and contribution programs. As the framework and the Department's programs and their risks evolve, the specific objectives and scope for audit activity in a given year are based upon a current risk assessment conducted during the planning phase.</p> <p>In assessing the adequacy and effectiveness of selected controls, the audit will typically examine their application horizontally, i.e. through a sample of programs and regions.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Grants and Contributions 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationships ▪ External Partnership
System Under Development Audit of the Secure Integrated Certification and Registration Unit	Very High	
<p>The preliminary objective of the audit will be to assess the adequacy and effectiveness of the project management framework and controls in place to support the successful completion of the Secure Integrated Certification and Registration Unit project. The preliminary scope of the audit includes an examination of governance, risk management and control practices related to the implementation of Phase I and additionally, the project management practices related to Phase II of the project.</p> <p>The specific objective and scope of the audit will be determined during the</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: The People • Activity: Registration and Membership 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities ▪ Information for Decision Making ▪ Implementation ▪ Aboriginal Relationship

Audit Objective and Scope	Rationale for Conduct	
<p>planning phase based on an assessment of risks.</p>	<p>Effective and successful implementation of Indian Registration System (IRS) and Secure Certificate of Indian Status (SCIS) are important to stakeholders and to AANDC credibility. Accuracy and integrity of IRS data and SCIS cards are key to minimizing false or illegitimate claims for federal funding.</p> <p>In 2010, a Departmental initiative to modernize the IRS was brought into force and is being rolled out in two phases. Phase I will see the integration of Indian registration and card issuance processes through the implementation of common business processes (known as the SIRCU model) and a linkage between the two system applications. Phase II will see the development and implementation of a replacement system for IRS and the SCIS Web Application. Phase II of the project has recently entered stage three of the Department's gating process.</p>	
Management Practices Review of the Ontario Region	Very High	
<p>The review will consist of assessing management practices and assisting in identification of challenges experienced by the Region. In addition, the review team will work with management in identifying options to appropriately and pragmatically delineate functions, roles, governance structures, and processes, as well as vetting these options for the "best fit" and developing a high-level implementation plan to manage these challenges.</p> <p>The specific objective and scope of the review will be determined during the planning phase based on an assessment of risks.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: N/A ▪ Activity : N/A 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationship
	<p>Following the completion of the first round of Management Practices Reviews (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 practices engagements, using a revised approach, was recommended by the Audit Committee and later approved by the Deputy Minister. As of November 2014, MPAs for all sectors and regions using the revised approach have been completed.</p> <p>In consideration of starting a third round of management practices initiatives, AASB was asked by the Deputy Minister to propose a new approach, one that considers value-added, practical solutions to identified areas of improvement. In this new approach, AASB will focus its attention to the areas of highest need in terms of identified weaknesses in previous audits, reviews and other engagements. In addition, the review team will work with management in identifying options to appropriately and pragmatically delineate functions, roles, governance structures, and processes, as well as vetting these options for the "best fit" and developing a high-level implementation plan to manage these challenges.</p>	
Audit of AANDC Support to the Specific Claims Process	Very High	

Audit Objective and Scope	Rationale for Conduct	
<p>The preliminary objective of this audit will be to assess the adequacy and effectiveness of AANDC controls in relation to its obligations to support to the Specific Claims Process.</p> <p>The specific objective and scope of the audit will be determined in the planning phase of the audit on the basis of a risk assessment, and will likely include most of AANDC responsibilities in support of the specific claims processes and Specific Claims Tribunal.</p> <p>The scope of the audit will not include the responsibilities of the Specific Claims Tribunal itself as it is an independent body.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: The Government ▪ Activity: Specific Claims 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ External Partnership ▪ Legal ▪ Implementation ▪ Resource Alignment ▪ Information for Decision Making
	<p>Canada's Specific Claims Policy recognizes that the Crown has sometimes failed to uphold its lawful obligations under pre-1975 treaties and/or has mismanaged First Nation funds or other assets for which it is responsible under the Indian Act. In 2007, the Government of Canada announced "Justice at Last" which was aimed at retooling the Specific Claims process. The Specific Claims Action Plan proposed reforms designed to ensure: impartiality and fairness; greater transparency; faster processing; and, better access to mediation.</p> <p>Settling specific claims is an important priority that both discharges outstanding legal obligations and helps rebuild trust between the Government of Canada and First Nation by addressing longstanding grievances. Given the sensitivity and significance of these negotiations to the Department, it is important to review and assess the management and support of the specific claims process to ensure efficiency and effectiveness.</p>	
Audit of Additions to Reserve Process	Very High	
<p>The preliminary objective of this audit will be to assess the adequacy and effectiveness of procedures and controls used to manage the Additions to Reserves (ATR) process, so that ATR submissions are prepared and completed as efficiently as possible, and comply with relevant program authorities, frameworks and Treasury Board and AANDC policy requirements.</p> <p>The specific objective and scope of the review will be determined during the planning phase based on an assessment of risks.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: The Land and Economy ▪ Activity: Administration of Reserve Land 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Information for Decision Making ▪ Implementation
	<p>The Additions to Reserves Process is complex and can involve multiple considerations, including environmental, litigation, and communication issues. In June 2012, significant proposed changes to the ATR process, related to the Government of Canada's Deficit Reduction Action Plan, were announced. These changes include; the elimination of the Headquarters role in the ATR quality review process; the increased responsibility for quality review and control in Regional Offices; and the creation of regional support centres aimed at providing technical advice.</p> <p>Given that the ATR process is managed by each individual AANDC regional office and that as of December 2012, regional offices now play an even more important role in supporting ATR submissions, it is important that Regions interpret and apply the ATR Policy and related procedures in a consistent manner.</p>	

Audit Objective and Scope	Rationale for Conduct	
Audit of Housing Program	Very High	
<p>The preliminary objective of this audit will be to provide assurance that governance, risk management and control frameworks are adequate to provide a reasonable expectation that housing funds are used for the intended purpose and that outcomes will be achieved.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks and will likely include, at a national, the assessment of management practices and controls for providing governance and oversight over the funding of housing activities. And at the regional level, assessment of management and operational practices and controls for the delivery of funding to First Nations in accordance with Headquarters policies and guidelines</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: The Land and Economy ▪ Activity: Housing 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Information for Decision Making ▪ Resource Alignment ▪ Implementation ▪ Aboriginal Relationship ▪ Environmental ▪ Government Partnership ▪ External Partnership
	<p>Housing is the foundation for strong and healthy communities. The Department works to help First Nations provide healthful, sustainable housing on reserve. The Government of Canada has made significant annual investments in on-reserve housing between 2006-07 and 2013-14, providing more than \$2.3 billion in support. Continuing these important investments, Aboriginal Affairs and Northern Development Canada confirmed an additional \$138 million allocation for on-reserve housing in 2014-2015.</p> <p>Funding channeled towards the program is significant and material making it a very high area of risk for the department. Assurance is needed to ensure monitoring and auditing practices specific to housing activities are adequate and proper controls are in place to mitigate key program risks and to ensure compliance with Treasury Board, AANDC and other policies and regulations.</p>	

Audit Objective and Scope	Rationale for Conduct			
<p>OCG Horizontal Internal Audit of Information Management</p> <p>The preliminary objective of the audit will be to provide assurance that adequate and effective controls over information management is in place and provides relevant, timely and accessible information to support decision making in the Department.</p> <p>The specific objective and scope of the audit will be determined by the OCG, during the planning phase based their assessment of risks.</p>	<p>Very High</p> <table border="1" data-bbox="1033 142 1919 383"> <tr> <td data-bbox="1033 142 1478 383"> <p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Information Management </td> <td data-bbox="1478 142 1919 383"> <p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Information Decision Making </td> </tr> </table>		<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Information Management 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Information Decision Making
<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Information Management 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Information Decision Making 			
<p>Management Practices Review of the Atlantic Region</p> <p>The review will consist of assessing management practices and assisting in identification of challenges experienced by the Region. In addition, the review team will work with management in identifying options to appropriately and pragmatically delineate functions, roles, governance structures, and processes, as well as vetting these options for the “best fit” and developing a high-level implementation plan to manage these challenges.</p> <p>The specific objective and scope of the review will be determined during the planning phase based on an assessment of risks.</p>	<p>Very High</p> <table border="1" data-bbox="1033 435 1919 688"> <tr> <td data-bbox="1033 435 1478 688"> <p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: N/A ▪ Activity : N/A </td> <td data-bbox="1478 435 1919 688"> <p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationship </td> </tr> </table> <p>Following the completion of the first round of Management Practices Reviews (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 practices engagements, using a revised approach, was recommended by the Audit Committee and later approved by the Deputy Minister. As of November 2014, MPAs for all sectors and regions using the revised approach have been completed.</p> <p>In consideration of starting a third round of management practices initiatives, AASB was asked by the Deputy Minister to propose a new approach, one that considers value-added, practical solutions to identified areas of improvement. In this new approach, AASB will focus its attention to the areas of highest need in terms of identified weaknesses in previous audits, reviews and other engagements. In addition, the review team will work with management in identifying options to appropriately and pragmatically delineate functions, roles, governance structures, and processes, as well as vetting these options for the “best fit” and developing a high-level implementation plan to manage these challenges.</p>		<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: N/A ▪ Activity : N/A 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationship
<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: N/A ▪ Activity : N/A 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationship 			
<p>Management Practices Review of the Saskatchewan Region</p> <p>The review will consist of assessing management practices and assisting in identification of challenges experienced by the Region. In addition, the review</p>	<p>Very High</p> <table border="1" data-bbox="1033 1364 1919 1430"> <tr> <td data-bbox="1033 1364 1478 1430"> <p>Maps to Program Alignment Architecture</p> </td> <td data-bbox="1478 1364 1919 1430"> <p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources </td> </tr> </table>		<p>Maps to Program Alignment Architecture</p>	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources
<p>Maps to Program Alignment Architecture</p>	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources 			

Audit Objective and Scope	Rationale for Conduct	
<p>team will work with management in identifying options to appropriately and pragmatically delineate functions, roles, governance structures, and processes, as well as vetting these options for the “best fit” and developing a high-level implementation plan to manage these challenges.</p> <p>The specific objective and scope of the review will be determined during the planning phase based on an assessment of risks.</p>	<ul style="list-style-type: none"> ▪ Strategic Outcome: N/A ▪ Activity : N/A 	<p>Capabilities</p> <ul style="list-style-type: none"> ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationship
Audit of the Education Information System	Very High	
<p>The preliminary objective of the audit will be to determine if the Education Information System (EIS) supports an effective and efficient process to reporting on AANDC’s education programs.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks.</p>	<p>Maps to Program Alignment Architecture:</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Information Technology; Elementary and Secondary Education ▪ Strategic Outcome: The People ▪ Activity: Education 	<p>Maps to Corporate Risk Profile:</p> <ul style="list-style-type: none"> ▪ Information for Decision Making ▪ Resource Alignment ▪ Government Partnership
	<p>On May 2008, AANDC's initiative to support foundational change in First Nations education was approved. A performance measurement system, termed the Education Information System (EIS), was identified as an essential tool to support this reform. EIS aims to support improved accountability for education programs, inform changes to policy and program development, and improve service delivery. The EIS had a total budget of \$27 million, which includes all aspects of developing the system up to and including implementation in 2012.</p>	

Audit Objective and Scope	Rationale for Conduct	
	Assurance is needed to ensure that EIS supports AANDC's initiatives to improve performance measurement for First Nations students.	
Audit of Income Assistance Program	High	
<p>The preliminary objective of this audit will be to assess the adequacy and effectiveness of the controls in place to support the design, delivery, and monitoring of the Income Assistance program, including compliance with relevant program authorities and TB and AANDC policy requirements.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks and will likely include the management practices and controls that ensure compliance with relevant policies, procedures and guidelines. The scope may include a focus on the changes to the program's Management Control Framework related to IA reforms. The scope will include MAF and Core Management Control elements that ensure effective governance, risk management, stewardship and accountability.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: The People ▪ Activity: Income Assistance 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities ▪ Implementation ▪ Government Partnership ▪ Aboriginal Relationship ▪ External Partnership
	<p>The objective of the program is to provide individuals and families with the means to meet basic needs for food, clothing and shelter. In accordance with AANDC program authorities, First Nations are provided with resources to deliver the Income Assistance program on-reserve at standards reasonably comparable to the reference province or territory in regards to the eligibility requirements and rates. The Department's present involvement in income assistance activities is primarily to provide funding to First Nations who in turn deliver programs and services to community members.</p> <p>Given the significance of annual expenditures of the Income Assistance Program (>\$800M); the sensitivity of the program; and, the complexity of program delivery, considering the continued growth in program expenditures resulting from the absence of employment opportunities, lack of skills training, and lack of capacity to provide case management, the Income Assistance Program presents a high risk for the Department.</p>	
Audit of Contracting	High	
<p>The preliminary objective of this audit will be to provide assurance over the adequacy and effectiveness of the management controls supporting the processing of goods and services contracts and that goods and services are procured in a manner that is in compliance with Treasury Board and departmental policies and procedures and applicable laws and regulations such as the Financial Administration Act.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Expenditure Management 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Resource Alignment ▪ Information for Decision Making
	<p>In recent years, government contracting and purchasing practices have come under increased public scrutiny, becoming the subject of various reports by the House of Commons Committee on Public Accounts, as well as the Auditor General of Canada. Contracting and purchasing of goods and services at AANDC represents a significant operational expenditure.</p> <p>It was identified as a high priority audit on the basis that contracting is financially material given the magnitude of goods and services contracts procured and that it can be subject to intense public scrutiny.</p>	
Audit of Operation Return Home Project	High	
<p>The preliminary objective of this audit will be to provide assurance that governance, risk management and control frameworks are adequate to provide a reasonable expectation that funds are used for the intended purpose</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome The Land 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Human Resources Capabilities

Audit Objective and Scope	Rationale for Conduct	
<p>and that the expected outcomes will be achieved.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks.</p>	<p>and Economy</p> <ul style="list-style-type: none"> ▪ Activity: Operation Return Home Project 	<ul style="list-style-type: none"> ▪ Implementation ▪ Resource Alignment ▪ Government Partnership ▪ Aboriginal Relationship ▪ External Partnership
Audit of Payables at Year-End	High	
<p>The preliminary objective of this audit will be to provide assurance that the Department is in compliance with the Treasury Board of Canada Secretariat <i>Policy on Accounts Payable at Year-End</i> by verifying that the liabilities existing at year-end are recorded accurately in the accounts; and that there are no material errors in the recording of contractual payments at year-end.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: Internal Services ▪ Activity: Expenditure Management 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Resource Alignment ▪ Information for Decision Making
	<p>Section 37 of the <i>Financial Administration Act</i> requires that departments and agencies record as a charge against the appropriation to which it relates, work performed, goods received or services rendered before the end of a fiscal year. <i>The Treasury Board Policy on Payables at Year-End</i> requires that all expenditures be recorded in the fiscal year during which the goods or services have been received but for which payment has not been made. In some cases, an exact liability will not be known since an invoice from the supplier will not have been received; the policy permits the use of estimates in those circumstances.</p> <p>A total of \$182.2M in payable at year end was created for fiscal year 2013-14. This included payment to external suppliers (\$152.8 M) and interdepartmental settlements to other government departments and agencies (\$29.4 M).²</p> <p>There has been no recent audit that assessed the Department's payable at year-</p>	

² <https://www.aadnc-aandc.gc.ca/eng/1406647854883/1406647953957#05>

Audit Objective and Scope	Rationale for Conduct	
	end process.	
Audit of Governance and Institutions of Government Programs	High	
<p>The preliminary objectives of the audit will be to assess: (i) the adequacy and effectiveness of departmental controls for designing, approving, integrating and reporting on these programs; and, (ii) the appropriateness of the design of region and sector controls for delivering the program(s) in an integrated, efficient and effective manner, and in compliance with program authorities and TB and AANDC policy requirements.</p> <p>The specific objective and scope of the audit will be determined during the planning phase based on an assessment of risks.</p>	<p>Maps to Program Alignment Architecture</p> <ul style="list-style-type: none"> ▪ Strategic Outcome: The Government ▪ Activity: Aboriginal Governance Institutions and Organizations ▪ Activity: First Nations Governments 	<p>Maps to Corporate Risk Profile</p> <ul style="list-style-type: none"> ▪ Resource Alignment ▪ Government Partnership ▪ External Partnership ▪ Aboriginal Relationship ▪ Legal ▪ Human Resources Capabilities
<p>Aboriginal Governance Institutions and Organizations Program: This Program provides frameworks (legislative and non-legislative) that are consistent with the legal, collective, human, and democratic rights and freedoms of Aboriginal people in Canada, and, where possible, enables and supports First Nation development of policies and programs that embrace these values. It provides funds, legislation and guidelines, certifications, education and training, advice, policies and plans, and implemented changes to support, condition and build capacity for Aboriginal governance. Typical activities include, but are not limited to, providing assistance to establish governance and associated capacities, processes and mechanisms (such as by-law making authority, election processes). Support is provided to First Nations and Inuit governments as well as First Nation institutions. Expected results of this program are transparent and accountable First Nations governments and institutions. In order to achieve these results, the Department has set aside \$416.1 M in funding for the fiscal year 2015-2016.</p> <p>First Nations Governments Program: This program contributes to basic functions of First Nations Governments. Funds are provided through contributions to facilitate the exercise of core functions of government such as law-making, financial management and administration, and executive leadership. In fiscal year 2013-2014, the Department spent \$410M on achieving the program outcomes.</p> <p>This audit was identified as a high priority given the vast mandate and funding of the programs.</p>		

APPENDIX E – CHANGES TO THE AUDIT PLAN

Ongoing Audits

The resource implications of audit projects that began in 2014-2015, but were not completed within that period are identified below as ongoing audits from the 2014-2015 Risk-Based Audit Plan.

2015-2016 Ongoing Audits	Expected Completion Date
Audit of Indian Registration (Qalipu Phase II)	Q1 2015-2016
Audit of the Management Control Framework for Grants and Contribution (2014-2015)	Q2 2015-2016
Audit of Information Technology Security	Q1 2015-2016
Audit of Values and Ethics	Q1 2015-2016
Management Practices Review of the Manitoba Region	Q1 2015-2016
Review of AANDC Systems of Record	Q1 2015-2016

Removed, Deferred or Added Audits

The table below identifies all the changes from the 2014-2015 to 2016-2017 Risk-Based Audit Plan.

Removed or Deferred Audits	
Audit Name and Year Planned	Rationale
Audit of the First Nations Child and Family Services Program (2015-2016)	This project is postponed to 2016-2017.
Audit of Contingent Liabilities (incl. Contaminated Sites) (2015-2016)	This project is postponed to 2017-2018.
Audit of the Elementary and Secondary Education Programs (2015-2016)	This project is postponed to 2017-2018.
Audit of HR Staffing and Planning (2015-2016)	This project is postponed to 2017-2018.
Audit of Performance Measurement and Reporting (2015-2016)	This project is postponed to 2017-2018.
Management Practices Audit of the Alberta Region (2015-2016)	This project is postponed to 2016-2017. Project changed from an Audit to a Review, as per a new methodology for management practices initiatives.
Audit of Litigation Management (2015-2016)	Due to ongoing reviews of legal services across the federal government, it would add more value to the department to conduct the audit later. Therefore, it has been postponed to 2016-2017.
Audit of Aboriginal Governance Institutions and Organizations Programs (2015-2016)	This audit has been replaced by Audit of Governance and Institutions of Government Programs and will be conducted in 2015-16.
Audit of First Nations Government Programs (2015-2016)	This audit has been replaced by Audit of Governance and Institutions of Government Programs and will be conducted in 2015-16.
Audit of the Additions to Reserve Process (2016-2017)	Due to very high departmental priority, it was concluded that this audit be performed sooner. Therefore, it has been moved from 2016-17 to 2015-16.

Audit of Negotiation of Comprehensive Land Claims and Self-Government Agreements (2016-2017)	This project is postponed to 2017-2018.
Management Practices Audit of the Chief Financial Officer Sector (2016-2017)	As this project is no longer considered a high priority, it is being removed from the Plan.
Management Practices Audit of the Resolution and Individual Affairs Sector (2016-2017)	As this project is no longer considered a high priority, it is being removed from the Plan.
Audit of Nutrition North Canada (2016-2017)	Due to the recent completion of an OAG audit on this (Fall 2014), the project will be postponed to 2017-2018.
Audit of Expenditure Management (2016-2017)	This audit has been replaced by Audit of Payable at Year End and will be conducted in 2015-2016.
Audit of Program Management of the Canadian High Arctic Research Station (CHARS) (2016-2017)	As CHARs has been transferred to another organization, there is no need to conduct this audit.
Additions	
Audit Name and Year Planned	Rationale
Audit of Governance and Institutions of Government Programs (2015-2016)	This audit replaced Audit of Aboriginal Governance Institutions and Organizations Programs and Audit of First Nations Government Programs.
Audit of Payables at Year-End (2015-2016)	As identified by the Auditor General in its 2013-14 Public Accounts audit, this audit has been added to the plan for 2015-2016. It replaces the Audit of Expenditure Management that was to take place in 2016-2017 (as per the 2014-2015 to 2016-2017 RBAP).
Audit of the Operation Return Home Project (2015-2016)	Due to high departmental priority, audit has been added to the plan for 2015-2016.
Audit of Contracting (2015-2016)	An Audit of Contracting was last conducted in 2011-12 and since it is a high priority, it was determined that an audit should be added to the 2015-2016 Plan.
Audit of the Housing Program (2015-2016)	Due to very high departmental priority, this audit has been added to the 2017-2018 Plan.
Management Practices Review of the Atlantic Region (2015-2016)	Due to this project being considered a very high priority, it is being added to the 2015-2016 Plan. It will be conducted as a review, not an audit, as per the new approach to management practices initiatives.
Management Practices Review of the Saskatchewan Region (2015-2016)	Due to this project being considered a very high priority, it is being added to the 2015-2016 Plan. It will be conducted as a review, not an audit, as per the new approach to management practices initiatives.
Management Practices Review of the Quebec Region (2016-2017)	Due to this project being considered a very high priority, it is being added to the 2016-2017 Plan. It will be conducted as a review, not an audit, as per the new approach to management practices initiatives.
Management Practices Review of the British Columbia Region (2017-2018)	Due to this project being considered a very high priority, it is being added to the 2017-2018 Plan. It will be conducted as a review, not an audit, as per the new approach to management practices initiatives.
Management Practices Review of the Yukon Region (2017-2018)	Due to this project being considered a very high priority, it is being added to the 2017-2018 Plan. It will be conducted as a review, not an audit, as per the new approach to management practices initiatives.

Senior Management Requested Audit(s) (2017-2018)	This placeholder is being added to accommodate senior management requests that may arise in the year.
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