

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE - AS OF MARCH 31, 2011**

RESOLUTION AND INDIVIDUAL AFFAIRS & CFO			
AUDIT OF TRUST ACCOUNTS APPROVAL DATE: 24/09/10			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The ADM, RIA should develop and communicate a framework for the ongoing monitoring and clearing of suspense accounts within the regions. This should include the clarification of roles and responsibilities for the monitoring and creation of suspense accounts in the Indian Moneys Manual and the Lands Management Manual. There is an opportunity to coordinate the oversight of this monitoring activity with the CFO, through incorporating the status of suspense accounts as part of the regional monthly certification process.</p>	<p>- Individual Affairs Branch (IAB) in collaboration with Lands Branch (LED) to develop a lands related suspense account monitoring framework. This work will include the modernization of appropriate tools such as a national checklist, categorization of transactions criteria, and clarifying the criteria/conditions in which the department will deposit receipts.</p> <p>- Consistent monitoring procedures will be developed to deal with transactional issues and part of this solution is a national directive to be issued in 2010 making the use of the Netlands tracking system.</p> <p>- The monthly certification process will incorporate the requirements for justification of the status of suspense accounts and define consequences for not providing adequate justification and documentation.</p>	<p>March 2011</p>	<p>Status: Request to Close (Completed)</p> <p>Update /Rationale As of 31/03/2011:</p> <ul style="list-style-type: none"> - Transaction criteria categorized and clarified for monitoring procedure. - Standard Operating Procedures (SOP) steps developed. - National NetLands Directive developed.
		<p>October 2011</p>	<p>Status: Request to Close (Completed)</p> <p>Update /Rationale As of 31/03/2011:</p> <ul style="list-style-type: none"> - Updated SOP table for Land management activities and related tools: new reports. - New procedure: data quality review for maintaining data integrity with NetLands & ILRS. - New appendix B which summarizes tools users require to access help with NetLands Directive. - Training strategy developed. <p>Status: Underway</p> <p>Update /Rationale As of 31/03/2011:</p> <p>A draft process has been completed. Waiting for regions comments. Work on a handbook for managers.</p> <p>AES: Substantially implemented. This</p>

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			recommendation will be closed once processes and guidelines/handbook have been approved and rolled out to monitor accounts.
2. The ADM, RIA, in collaboration with the Senior ADM, RO, should develop a policy, guidelines and associated processes to address long-term suspense accounts.	- IAB (RIA) in collaboration with Lands (LED) will develop a comprehensive strategy to address long-term lands related suspense accounts which will include the modernization of associated policies, guidelines, processes and procedures as well as to support a monitoring framework.	March 2011	<p>Status: Request to Close (Completed)</p> <p>Update /Rationale As of 31/03/2011:</p> <ul style="list-style-type: none"> - National NetLands Directive communicated out to regional partners. - RIA recommended language for updating the Indian Moneys Manual (IMM), Part 5 Suspense Accounts provided. <p>AES: Implementation ongoing. This recommendation will be closed once IMM has been updated and a monitoring framework is in place.</p>
3. The CFO should formally communicate with all regional offices to highlight INAC's cash deposit requirements as outlined in the FMM. This requires that regional offices deposit all cash receipts totalling \$500 on a daily basis. There may be	- CAMM (CFO) in collaboration with Lands (LED) to integrate the Receipt and Deposit of Public Money Policy into the <i>Indian Moneys Manual</i> and the <i>Lands Management Manual</i> . An appropriate procedure will be created to ensure the immediate clearing of	March 2011	<p>Status: LED - Request to Close (Completed)</p> <p>Update /Rationale As of 31/03/2011:</p> <ul style="list-style-type: none"> - National NetLands Directive communicated out to regional partners. - RIA recommended language for updating the Indian

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opportunities for Program Officers within the regional offices to educate remitters on the documentation requirements to support a cash receipt.	suspense accounts which are created to accommodate the lag time between activation and registration of land instruments.		<p>Moneys Manual (IMM), Part 5 Suspense Accounts provided. - User Guide updated.</p> <p>Status: CFO – Underway</p> <p>Update /Rationale As of 31/03/2011:</p> <p>A draft policy has been completed and sent for comments to REGMAO. A final draft is plan to be completed by end of April.</p> <p>AES: Implementation on-going. The recommendation will be closed once the policy is finalized, and communicated across the Department.</p>
<p>4. The ADM, RIA, in conjunction with the CFO, should strengthen due diligence to ensure Indian Moneys are approved in accordance with the relevant BCR and the <i>Indian Act</i>.</p> <p style="text-align: center;">If reliance is to be placed on the “Statement of Receipts and Disposal of Indian Moneys” submitted as part of the audited financial statements, they should be audited.</p>	- Following consultations with DLSU regarding the reporting requirements for the expenditure of Indian moneys, the Indian Moneys, Estates and Treaty Annuities Directorate will oversee rigorous due diligence prior to the release of Indian Moneys. In addition, for future requests a First Nation will be required to provide assurance that any previously released amounts were properly expended according to the approved BCR.	September 2011	<p>Status: Underway</p> <p>Update /Rationale As of 31/03/2011:</p> <ul style="list-style-type: none"> - Phase 1 Policy & process review & update complete. - IMETA policy compliance report developed & implemented. - Expenditure risk assessment tools developed. - Draft Interim Directive developed. - Regional consultation on new requirements. - Phase 2 moneys management modernization Implementation Framework developed and underway. <p>AES: Implementation on-going.</p>

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5. The ADM, RIA should establish tools and communicate detailed guidance to regions on the level of support required to accompany requests for access to Indian Moneys (band and individual) and on the level of analysis required by the Program Officers prior to the recommendation, approval and release of trust account moneys.	- In collaboration with the CFO the policies, procedures, manuals, training modules and quality assurance processes to ensure national consistency will be reviewed for adequacy.	September 2011	<p>Status: Underway</p> <p>Update /Rationale As of 31/03/2011:</p> <p>- draft Interim Directive & Phase 2 Implementation Framework developed to be communicated out to RDGs via ROS and Indian Moneys managers first week of April 2011.</p> <p>AES: Implementation on-going.</p>
6. The ADM, RIA, in conjunction with the ADM, LED, should develop a mechanism within existing system capabilities that would allow Program Officers to set up expectations of future cash receipts once an instrument is executed. Once established, the mechanism could notify Program Officers when the receipt of Indian Moneys is expected, which in turn, would trigger a follow-up action if the receipt does not arrive within an acceptable period of time. Depending on the nature of this tracking mechanism, resource requirements to support it should be evaluated.	- IAB (RIA) in collaboration with Lands (LED) to assess the current Netlands software and deploy patches improving the reporting functionality of the current system as well as the revenue tracking and notification functions. These fixes will be deployed in 2010 along with a directive making the use of the system mandatory for all revenue generating instruments. A complete system rebuild will include full integration with the Lands Registry and Trust Fund Management system. This will be contingent on funding.	March 2011	<p>Status: Request to Close (Completed)</p> <p>Update /Rationale As of 31/03/2011:</p> <p>- Patches deployed improving the reporting functionality of the current system. - National NetLands Directive developed and communicated out to regional partners. - System rebuild for integration with TFMS is pending available resources.</p> <p>AES: Based on rational provided, the recommendation has been closed.</p>
7. The CFO should update the <i>FMM</i> to	- CAMM (CFO) will update the Financial Management Manual (Policy on Receipt	March 2011	<p>Status: Underway</p>

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reflect the expectations of segregation of duties over cash receipts within Finance at the regional office. More specifically, in circumstances where resource limitations only allow for one Finance resource to handle cash receipts, the monthly cash reconciliation should be performed by a separate Finance representative and should be reconciled back to the cash blotter prepared by the mail room.	and Deposit of Public Money) to better reflect the expectations of segregation of duties over cash receipts within Finance at the regional offices.		<p>Update /Rationale As of 31/03/2011:</p> <p>A draft policy has been completed and sent for comments to REGMAO. A final draft is planned to be completed by end of April.</p> <p>AES: Implementation on-going. The recommendation will be closed once the policy is finalized, and communicated across the Department.</p>