

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE
AS OF DECEMBER 31, 2013**

CFO			
<i>Audit of Grants and Contributions Management Control Framework 2012-2013</i>			
<i>APPROVAL DATE: 06-20-2013</i>			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Chief Financial Officer (CFO) should establish a process to better support the work of senior program managers in their development of program management regimes/program MCFs, which should more formally link the recipient and program/project risk to the funding approach selection, fully integrating recipient risk as per the General Assessment, program risk, and the nature and value of funding. All applicable funding approaches should be considered and the applicability of the flexible funding approach should be assessed for both core and non-core programs. The CFO, with the support of senior</p>	<p>The CFO will establish a process to clarify the role of governance and oversight in program management regimes / management control frameworks as it relates to the selection of funding approaches and monitoring. (This will be reflected in the new Case Management Approach currently in development.)</p>	<p>March 2014</p>	

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program/regional managers, should ensure monitoring and transparent reporting to senior management on the consistent application of these program management regimes/MCFs by regions.			
2. The Chief Financial Officer (CFO) should develop a departmental program compliance framework for programs and regions to implement. To support the implementation, the CFO should establish a process to work with each program area, directly linking compliance activities (i.e. nature and frequency) to the funding approach (including block funding) and recipient risk.	The CFO, in the context of the senior management team in charge of improving transparency and accountability, will lead the development of a departmental compliance framework.	December 2013	<p>PROGRAM RESPONSE : Status: Request to Close - Completed Update/Rationale: As of 31/12/2013:</p> <p><i>CFO has strengthened its compliance and monitoring function through the creation of new governance for Recipient Audit Committee, to provide strategic oversight on all aspects of recipient audits. Additionally, revised Terms of References for PTP DG and ADM committees have been tabled at DG PTP, that will provide oversight and guidance to ensure consistency of application across programs and regions on the use of frameworks, policies and directives developed to</i></p>

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This framework should include periodic monitoring by the CFO to ensure its continued relevance and effectiveness.			<p><i>support implementation of the PTP.</i></p> <p>AES: Implementation ongoing. The recommendation will be closed upon completion of the compliance framework.</p>
3. The Chief Financial Officer (CFO), in collaboration with the Senior Assistant Deputy Minister of Regional Operations and the Assistant Deputy Minister of the Northern Affairs Organization, with the support of senior program managers, should develop and formally communicate to regions the Departmental position on moving eligible recipients to block funding. This should include tools and communication approaches to work with recipients to plan	The CFO, in collaboration with the Senior Assistant Deputy Minister of Regional Operations and the Assistant Deputy Minister of the Northern Affairs Organization, will work with the Director General, Communications Branch to establish the departmental position on block funding eligibility and communicate it.	December 2013	<p>PROGRAM RESPONSE : Status: Request to Close - Completed Update/Rationale: As of 31/12/2013:</p> <p><i>A General Assessment Bulletin was posted in GCIMS on November 29, 2013 instructing regions to advise their recipients with low General Assessment ratings of their eligibility for block contribution funding.</i></p> <p>AES: Implemented. The recommendation will be closed.</p>

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and prepare for block funding, where eligible. In addition, continued monitoring of regional take-up of this funding approach should be conducted by the CFO, with the support of senior program managers.			
4. The Chief Financial Officer (CFO) should leverage the existing G&C governance structure to establish an oversight mechanism and monitoring program to support programs/regions in implementing the Treasury Board <i>Policy on Transfer Payments</i> relative to funding approaches. The oversight mechanism should ensure that program management regimes exist or are in development for each budget activity (program)	The CFO will review the Terms of Reference for the existing G&C governance structure to ensure that oversight and monitoring of the implementation of Policy on Transfer Payment.	September 2013	<p>PROGRAM RESPONSE : Status: Request to Close - Completed Update/Rationale: As of 31/12/2013:</p> <p><i>Revisions have been proposed to the terms of reference of the existing Policy on Transfer Payments DG Working Group and ADM Steering Committee to change the mandate, given that initially the terms of reference were focused on the Policy on Transfer Payments implementation project.</i></p> <p><i>The revised terms of reference for the DG Working Group and ADM Steering</i></p>

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associated with G&C funding.			<p><i>Committee were tabled at the DG Working Group meeting on December 18 and comments were requested by the end of December. No comments were received; there will be another opportunity to provide comments at the DG Working Group meeting on January 29 prior to finalizing and routing for approval by the CFO.</i></p> <p>AES: Implemented. The recommendation will be closed.</p>