

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE - AS OF MARCH 31, 2009**

NORTHERN AFFAIRS - DEVOLUTION AND TERRITORIAL RELATIONS			
AUDIT OF THE FOOD MAIL PROGRAM (200758) AEC APPROVAL DATE: 28/06/2008			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>Governance 1. A formal structured body with specific roles and responsibilities should be created to provide oversight to the Food Mail Program.</p>	<p>Management's Response Agree. Northern Affairs Organisation (NAO) under the recommendation of Devolution and Territorial Relations (DTR) Branch will implement a robust oversight mechanism.</p> <p>Actions Subject to the review of the Program and the identification of a way forward, DTR is planning to expand the Food Mail management team. A human resource plan has been created to improve the capabilities of the Food Mail program. The new Food Mail Program team will serve to inform existing departmental processes and systems to ensure oversight. We will also make better use of NAO Management Board.</p>	<p>31/03/2009</p>	<p>Status: No formal structured body has been created.</p> <p>Update/Rationale: As of 31/03/2009: An ongoing review of the program is about to embark on a new phase where we will engage stakeholders on a way forward. Presently, the review work includes developing a new program aimed at providing the subsidy directly to retailers rather than to Canada Post Corporation (CPC). This change in direction would likely form part of a recommendation package for consideration by Government in the fall 2009. Formalising a structured body will be part of the recommendations and should be delayed until a final decision on the future of the program is made.</p> <p>AES: We will review and close, if appropriate.</p>
<p>Policy Development and Program Design 2. A review of the Food Mail policy context should be conducted to address issues such as objectives and outcomes, links to other nutrition, food security and health programs and, jurisdictional questions.</p>	<p>Management's Response Agree. This will be done in conjunction with the Food Mail Program review.</p> <p>Actions A review and an evaluation of the program are underway. This work will</p>	<p>31/12/2008</p>	<p>Status: An RMAF has been completed.</p> <p>Update/Rationale: As of 31/03/2009: AES: Close</p>

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	provide comprehensive information on the development of a revised policy context.		
<p>Policy Development and Program Design</p> <p>3. As part of the review process, and on an ongoing basis, a formal communication process with key stakeholders and partners of the Food Mail program should be established to support sharing of information and strategic and operational planning.</p>	<p>Management's Response</p> <p>Partially Agree. DTR already has a formal mechanism to engage with key stakeholders. However, we agree that we can improve the robustness of our formal communication process, notably by engaging with CPC at a high level (ADM to vice-President of CPC Operations).</p> <p>Actions</p> <p>An Ad Hoc DG level working group has been set-up to assist in the work of the review. Further, Health Canada and INAC co-chair an interdepartmental food security reference group (FSRG). The latter is used to share information and strategic and operational planning. The DG DTR will ensure a standing item is included in the FSRG agenda.</p>	31/12/2008	<p>Status:</p> <p>A formal communication process was developed for the review (e.g. interdepartmental working group). No action has been taken to engage CPC at a high level (ADM to Vice President) or to engage other stakeholders on an ongoing basis.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>AES: We will review and close, if appropriate.</p>
<p>Policy Development and Program Design</p> <p>4. Management should prioritize and review key components of the program design including:</p>	<p>Management's Response</p> <p>Agree. This will be done in conjunction with the Food Mail Program review.</p> <p>Actions</p>	31/12/2009	<p>Status:</p> <p>Key components of the program have been reviewed and form part of an interim report. All key stakeholders participated in a meeting in October 2008 focussed on the lists of products eligible and ineligible for the program.</p>

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<ul style="list-style-type: none"> Rationale for determining postage rates and the extent of subsidies; Eligibility list including outcomes from the Pilot Projects, and Food Mail entry points. 	<p>Pending Staffing of new positions by the fall of 2008, Devolution and Territorial Relations will complete this recommendation using the increasing capacity identified in the HR plan.</p>		<p>The Department completed a follow-up survey of nutrition and food security in Kugaaruk, Nunavut (one of the three pilot communities) in November 2008 and an overview report on the three pilot projects targeted for publication in April 2009.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>Staffing of new positions for ongoing management of the program has been deferred to 2009-2010. The Department has not undertaken a review of additional entry points. If a fundamentally different approach to providing a food-focussed air transportation subsidy is adopted, it may no longer be necessary for the Department to designate entry points.</p> <p>AES: We will review and close, if appropriate.</p>
<p>Strategic and Operational Planning</p> <p>5. Program management should institute an ongoing process encompassing strategic, operational and human resources planning and should seek to ensure that the program has sufficient resources, both human and financial, to meet annual program objectives and commitments.</p>	<p>Management's Response</p> <p>Agree. We will first review the Program, and then implement a strategic and annual operating plan process. Subject to the review of the Program and the identification of a sustainable way forward, we need to build a more robust Food Mail team. If the status quo model is maintained, we will seek modifications to the A-base according to the government's decision.</p>		<p>Status:</p> <p>The review is embarking on an engagement phase leading to final recommendations for the government's consideration. A strategic review has also commenced.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>AES: We will review and close, if appropriate.</p>

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	<p>Actions</p> <p>DTR will ensure that we follow the Management, Resources, Results Structure policy (MRRS), including developing appropriate strategic planning documentation.</p> <p>DTR will use in-house and Treasury Board directives to comply on a yearly basis to prepare and approve annual operational plans and budgets.</p> <p>Management has commenced a HR plan. We will take action to ensure next steps are taken. DTR will also take measures to ensure our strategic planning is aligned with our HR planning.</p>	<p align="center">31/03/2010</p> <p align="center">Concurrent with our Report on Plans and Priorities for the spring of 2010.</p> <p align="center">30/06/2009</p>	
<p>Performance Measurement</p> <p>6. While not required, management should consider preparing an RMAF for the Food Mail program to assist in preparing a program profile and logic model, articulating expected results and designing a performance measurement strategy. Planned results at various stages should be identified and should be realistic and measurable. Performance indicators and targets should also be identified.</p>	<p>Management's Response</p> <p>Agree. We will commence a RMAF during the review and plan to get sign-off during an appropriate Treasury Board submission.</p> <p>Actions</p> <p>DTR will use in-house and Treasury Board directives to comply on a yearly basis to this recommendation. We shall comply with the MRRS which includes a Program and Activity Architecture (PAA)</p>	<p align="center">31/12/2008</p>	<p>Status:</p> <p>An RMAF has been completed.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>Because of changes in Treasury Board policy, the RMAF will not be attached to a Treasury Board submission.</p> <p>AES: Closed</p>

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	and relevant RMAF.		
<p>Performance Measurement 7. The results of price surveys should be published in a timely manner and the means of communicating results should be reviewed to ensure that it is appropriate to the audience.</p>	<p>Management's Response Agree. Management has developed a HR plan to reinforce the program's capabilities to ensure we are able to publish in a more timely fashion.</p> <p>Actions Since the revised Northern Food Basket has been launched (in February 2008), we have sent the results to retailers and community leaders in all surveyed communities, and will be able to process the surveys and communicate the results in a more timely fashion. We will review the effectiveness of this approach.</p>	31/03/2010	<p>Status: The results of all price surveys conducted in 2006 and 2007 were released with the launch of the Revised Northern Food Basket in February 2008 and related letters were sent to the mayors or chiefs and retailers in all communities surveyed. Release of the results of surveys conducted in 2008 was delayed until January 2009 because of the six-month freeze on Web site postings. Results for 2005 were released on the Web site at the same time. Related letters were sent to community leaders and retailers.</p> <p>Update/Rationale: As of 31/03/2009: The effectiveness of the approach taken to communicating the results of price surveys has not been evaluated. If human and financial resources permit, and if such an evaluation is seen as a priority, this approach could be evaluated in 2009-2010.</p> <p>AES: We will review and close, if appropriate.</p>
<p>Risk Management 8. A formal risk profile and assessment of the Food Mail program should be completed by management.</p>	<p>Management's Response Agree. We will first complete the review and then address capacity to meet this requirement.</p>	31/03/2010	<p>Status: We have not yet completed the review of the program.</p>

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	<p>Actions</p> <p>DTR will use in-house and Treasury Board directives to comply on a yearly basis to this recommendation. An appropriate RBAF will be developed.</p>		<p>An RMAF has been developed. We are developing a Performance Measurement Framework that will incorporate appropriate elements to address risk.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>Treasury Board policy related to RBAFs is being revised.</p> <p>AES: We will review and close, if appropriate.</p>
<p>Active Monitoring</p> <p>9. The CPC Agreement, including the rate established for Direct Costs charged under the agreement, should be reviewed and assessed by senior management and Legal Services on a regular basis to ensure that it reflects the services expected of CPC. Program management should ensure that audits are undertaken as required and that audit recommendations are implemented in a timely fashion.</p>	<p>Management's Response</p> <p>Agree. We shall modify the Agreement with CPC concurrently with the review of the Program. A review of CPC's Costs, Revenues and Compliance is underway. The results of previous audits will be assessed during the review.</p> <p>Actions</p> <p>We will review the agreement with CPC after the review. Further, we will commence high level yearly meetings between the ADM Northern Affairs program and the Vice-President operations of CPC. We will revise the Agreement following fall recommendations on a way forward with the Program, if it is not possible to have a revised Agreement for Treasury Board</p>	31/03/2009	<p>Status:</p> <p>CPC and INAC plan to negotiate a new Agreement in 2009, for Treasury Board approval.</p> <p>The preliminary recipient audit confirmed that CPC has established adequate accounting and reporting processes and controls to ensure the integrity and accuracy of Food Mail program revenues and costs and financial and performance measurement reports, and that CPC has established adequate processes and controls to ensure customer compliance including both eligibility and quality of goods. INAC has agreed with the four recommendations made for follow-up action.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>No plans for reviewing the Val-d'Or entry point have been developed. Further consideration will be given to</p>

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	<p>approval by September.</p> <p>A preliminary survey of CPC's Costs, Revenues and Compliance procedures has been completed and options are currently being considered. We will pursue further investigation during the summer 08.</p> <p>DTR plans on reviewing entry points such as Val-d'Or.</p>		<p>whether it is reasonable to initiate such a review of this entry point before the review of the program itself is completed, and a decision made on whether to adopt an entirely different transportation subsidy mechanism that would not require INAC to designate entry points.</p> <p>AES: We will review and close, if appropriate.</p>
<p>Records Management</p> <p>10. The Program Manager should ensure that Food Mail program documents and records are reviewed for possible destruction or entered into CIDM.</p>	<p>Management's Response</p> <p>Agree. This is part of the on-going management priorities.</p> <p>Actions</p> <p>The present Manager will be assigned this duty as a special project prior to his retirement.</p>	31/12/2009	<p>Status:</p> <p>Progress is being made slowly.</p> <p>Update/Rationale: As of 31/03/2009:</p> <p>Consultant engaged to advise and assist in this process.</p> <p>AES: We will review and close, if appropriate.</p>