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# Management Practices Review of the Saskatchewan Region

**Final Report**  
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Canada



# Review Objectives

- The purpose of the review was to assess whether management practices and controls in the region are sufficient to mitigate risks and to identify areas where efficiencies and greater economy can be achieved.
- Specifically, the objectives were to:
  - Assist regional management in assessing whether the current management practices and controls are designed to achieve objectives efficiently and effectively;
  - Provide information to senior management on current regional management practices and controls; and,
  - Identify areas and make recommendations for follow-up reviews or audits, if required.



# Methodology

- On-site work was conducted in June 2008.
- 16 interviews were conducted, including the RDG, ARDG, and several directors and managers.
- The scope included specific activities and processes which were validated through review of documentation and the conduct of interviews, including:
  - Strategic and operational planning
  - Accountability and authority
  - Risk management
  - Financial management
  - Human Resources management
  - Co-ordination of programs/activities
  - Performance measurement and reporting
  - Monitoring
  - Management of grants & contribution programs
- In addition to the above, a sample of contracting, acquisition card, human resources and grants & contribution transactions was reviewed. Transactions were selected from the 2007-2008 fiscal year.



# Context

- The province of Saskatchewan is 14% Aboriginal.
- The First Nations in Saskatchewan are organized as follows:
  - 70 First Nations;
  - 8 Tribal Councils;
  - 6 treaty areas; and
  - 1 provincial organization: Federation of Saskatchewan Indian Nations
- The INAC Saskatchewan Regional Office (the Region) operates out of a main office in Regina and two district offices: South District (Fort Qu'Appelle) and North Central (Prince Albert). The total staff complement is approximately 220 employees.
- The Region oversees a budget of \$694 million of which \$670 million is grants and contribution funding (Vote 10).



# Observations –General Management

- Strengths

- The Region has developed a 3-year action plan covering up to the end of the year 2008-09. Management is currently developing the action plan for the next three years.
- Each year, Management also develops an annual action plan based on the 3-year plan. The plan's objectives have been aligned with the departmental Strategic Outcomes.



# Observations – General Management

- Strengths

- The Region has established three decision-making bodies: Regional Management Committee (RMC), Financial Management Committee (FMC) and Human Resources Management Committee (HRMC) to support decision-making and enhance management control.
- It was noted that some risk management activities are taking place. Risks have been identified and assessed in the areas of human resources, financial management and the management of grants and contributions. Management has put in place mitigating activities to manage these risks.
- The Region created a committee to address the issues that arose from the most recent Public Service Employee Survey (PSES).



# Observations –General Management

- Areas for Improvement
  - While risk management activities are taking place, these activities do not originate from a formalized, documented regional risk management framework and are not formally integrated into the planning process.
  - The Region is currently developing a regional corporate risk management process. The plan is scheduled to be presented for approval at the Regional Management Committee in the fall of 2008.



# Observations –General Management

- Areas for Improvement
  - While the Region has developed a 3-year action plan with goals and objectives and does track progress against the action plan, measurable performance indicators have not been defined.
  - The Communication function has been through high turnover in the past year and vacant positions have not been filled. This has an impact on the timeliness of response to issues and inquiries and on the level of internal communications and activities.



# Observations –General Management

- Areas for Improvement
  - In 2007-08, the Comprehensive Funding Agreements were not signed in accordance with Treasury Board Authority. The region has resolved this issue, as of April 2008, by having the Director of Funding Services formally approve the existing Corporate Management Regime (a detailed document which describes funding levels for the G&C programs by recipient) which dictates, in detail, the elements of the individual Comprehensive Funding Agreements (CFAs).



# Human Resources - Background

- The Region consists of 42% Aboriginal employees.
- Employees are divided amongst the offices as follows:
  - Fort Qu'Appelle – 30 employees;
  - Prince Albert – 55 employees; and,
  - Regina – 135 employees.
- There were 22 employee departures in the past fiscal year; this represents about 10% of the staffing complement for the region. A similar number of departures are expected for the next fiscal year (2008-09) due to retirement and other causes.
- As the Saskatchewan economy grows, there is greater employer competition making the hiring process more challenging.



# Observations –Human Resources

- Staffing and succession planning are major concerns for Management and have been identified as a priority for the next fiscal year.
- Whenever possible, HR develops a pool of qualified individuals to draw from when needed rather than repeating the same process several times. Managers have reported that this has made the hiring process more efficient and effective and as a result, positions are filled on a more timely basis.



# Observations – Human Resources

- Learning plans are not completed for all employees, in particular new employees, and training taken is not always consistent with the Learning Plan. Management has indicated that they have had some challenges with capturing training information in the HR system as well as coordinating the learning activities within the Region. Management has recognized this as an issue and has created a new position for a Learning Coordinator and a staffing action is in progress.
- The region's Human Resources group is currently understaffed. The HR division consists of three HR positions but currently two of these are vacant.



# Observations – Human Resources

- Training is not identified as a separate line item in Responsibility Centre Managers` annual operating budgets.
- In a sample of 20 staffing actions reviewed, a few minor deviations were noted:
  - Documentation in staffing files was not consistent. For instance, in two files, the staffing checklist was not completed ( These were the two oldest files in the sample and the process has since been improved); and,
  - Although justification for non-advertised positions was documented in all files, the level and quality of documentation were not consistent across the files.



# Observations – Grants and Contributions

- On an annual basis, the Region develops a detailed budget (i.e. forecasted expenditure) by program and by recipient called the Management Regime. This document describes on what basis funds are to be attributed and how the agreement will be managed and monitored. It is approved by Senior Management before it is implemented.
- The majority of grants and contributions are provided through Comprehensive Funding Agreements (CFAs).
- Monitoring is achieved through onsite visits, compliance audits, financial statement reviews, and regular reporting requirements.
- There are very few proposal-driven contributions.



# Observations – Grants and Contributions (cont'd)

- The cost of delivering programs is outpacing the annual budget allocation due to a number of factors:
  - The standard for social assistance payment for INAC is to match the ever increasing provincial level; and,
  - The Aboriginal population is growing: in 2007 it was 14% of the total provincial population and is expected to reach 20.5% by 2025.
- The Region uses some of the capital funding to meet basic program funding requirements. As both types of funding are from the same budget authority (Vote 10) there is no authority issue; however, there is a risk that essential infrastructure renewal is not taking place as the intended funds are being redirected.



# Observations – Grants and Contributions (cont'd)

- Although Funding Services Officers report that onsite visits are conducted monthly, and communication of policies to recipients is achieved through onsite visits and general assemblies, there is no formally documented record of these activities.
- Collection of G&C accounts receivable is not formally managed. Finance in the regional office and FSOs do not have a standard procedure for managing receivables.
- Filing of G&C documentation is not consistent. There is some confusion as to whether certain documents should be filed in FNITP or in the departmental document management system (CDIM). A task force in the Region has been struck to address this issue.



# Observations - Contracting

- The region rarely issues contracts over \$25,000 and there were none in the 2007-2008 fiscal year, with the exception of Standing Offer call-ups. These standing offers are managed by HQ.
- The region does not have any regional-based standing offers or supply arrangements.
- 40% of expenditure purchases are done through acquisition cards. Utilities, payments for contracts, expense claims, etc. account for the remaining 60%.



# Observations - Contracting

- A sample of 5 acquisition card payments, 5 sole-source contracts, and 4 supply arrangement call-ups (total population) were reviewed and some minor deviations were noted:
  - For sole-source service contracts:
    - One contract had a retroactive start date.
    - Evidence that suppliers meet contract security clauses was not documented in 3 cases.



# Recommendations

## General Management

- Risk management activities should be formally documented in a risk management framework and integrated into the planning process; the Region has undertaken the development of this framework.
- During the next planning cycle, Management should include measurable performance indicators in order to better assess progress. Consideration should be given to reflecting these performance indicators in senior management performance agreements.
- Management should work with HQ to determine how best to implement and staff the Communications function in the Region.



# Recommendations (cont'd)

## Human Resources

- A Learning Coordinator should be appointed as soon as possible to monitor and coordinate learning activities in the Region.
- The vacant positions in Human Resources should be staffed as soon as possible as this is key in helping the Region meet its succession objectives.
- Documentation standards for human resource files should be developed, in particular with respect to staffing actions.



# Recommendations (cont'd)

## Grants & Contributions

- HQ and the Region should examine the implications of budget allocation between capital and non-capital funding (this is a national issue, not exclusive to Saskatchewan).
- Communication with recipients and details of onsite monitoring should be documented in FNITP.
- Finance in the Region, in conjunction with Funding Service Officers, should develop a more formalized procedure to track and collect accounts receivables.



# Recommendations (cont'd)

## Contracting

- Controls around contracting should be monitored to ensure compliance with policies and appropriate supporting documentation (i.e. security clearance) of contracting files.