



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

CIDM #1095171

# Management Practices Review of the Yukon Region

**Final Report**

**August 31, 2007**

**INAC Audit and Evaluation Committee**

**September 28, 2007**

Canada



# Review Objectives

- Provide review level assurance that:
  - Grant and contributions, contracting, financial management and human resources management practices comply with authorities and are delivered consistent with the TB Management Accountability Framework



# Methodology

- Onsite work conducted June 25-29, 2007 and July 9-13, 2007
- Interviews with 18 staff including DG, Directors, union reps
- Review of a random sample of 36 human resource, 40 grant and contribution, 21 contracting transactions and the post audited financial payments during the 2006-2007 year
- Further examination of specific transactions where risks were identified in the above activities



# Context

- Devolution of Northern Affairs Program in 2003 established different administrative role than in other Northern Territories
- Reorganization of region in 2004
- 11 of 17 First Nations are self-governing; 3 are in B.C.
- First Nations land is not reserve land in the Yukon Region



# Observations – Grants and Contributions

- 10 of 38 transactions examined did not comply fully with the policy requirements (2 had more than 1 instance of non-compliance).
  - 4 transactions - audit report received after due date
  - 4 transactions - agreement signed after start date
  - 3 transactions - agreements signed without proper program authority
  - 1 transaction - agreement signed which lacked due process
- Noted surplus in discretionary contributions Capital and Economic Development (budget not fully utilised)
- Working on improving processes in Economic Development and Capital
- Have added staff to track budgets in corporate services



## Observations – Grants and Contributions (cont'd)

- Indian Affairs Programs are delivered in a different context than other regions because of absence of reserves and extent of self government
- Anomalies exist (e.g. Social Assistance rates, delivery in Whitehorse)
- Training not provided related to the grants and contributions policies as they are affected by First Nations Inuit Transfer Payment system
- 4 transactions identified as a result of interviews were not in compliance with program policies



# Observations - Contracting

- 13 of the 21 transactions examined did not comply fully with contracting policies (1 had more than 1 instance of non-compliance).
  - 7 transactions did not comply because the acquisition card was not paid within 30 days
  - 3 were sole source contracts slightly below the \$25,000 threshold and had been amended to slightly below the \$50,000 threshold. Suggests contract splitting. Region advises it had made headquarters aware in 2 of these cases.
  - 1 invoice was dated before the requisition date
  - 1 air charter did not use the master standing offer
  - 1 contract was a year end purchase and a needs list has not been provided
  - 1 contract may be an employer-employee relation.
- There is a lack of contracting expertise by managers and contracting staff in the region



# Observations - Financial Payments

- The post audit review for the first 6 months of the year revealed an error rate of only 8% compared to a national average of 16% and a target of 5%
- Specific issues noted re: personal use of credit card, government vehicles



# Observations – Human Resources

- 15 of 36 HR transactions did not comply with authorities
  - 1 transaction - overtime payment was made twice (initially identified by HR recovered)
  - 5 transactions - acting appointments of greater than 4 months without inviting expressions of interest which does not respect the PSMA values
  - 3 transactions - casual appointments of more than 90 days
  - 3 transactions - training authorizations not provided
  - 1 transaction - conversion of a casual to term without competition does not respect the PSMA values
  - 2 transactions did not follow due process
  
- Less than 5% of performance reviews and learning plans completed per strategic plan (2 of 3 learning plans received in sample); no learning coordinator



# Observations – Human Resources

- HR function lacks continuity, performed by BC Region of INAC and by Justice HR during 2006-2007
- Lack of knowledge by staff of HR role and responsibilities
- Lack of labour – management activities until recently
- Casual appointments filled exclusively by referrals from staff until 2007-2008 year



# Observations – General Management

- RDG was absent from the office more than 50% of time in 2006-2007(no claims for leave during period)
- Continuous change at director level
- 85% of funds/ issues are Indian Affairs and do not receive adequate attention
- Self Governing First Nations not adequately considered in HQ programming decisions



## Observations – General Management

- No implementation plan was developed in advance of devolution
- Administrative support and financial arrangement functions moved from program to corporate services based on formal plans and moved back to programs with little documented rationale
- No attention to Quality Assurance



# Observations – General Management

- No regional operational, multi-year or strategic plan
- Poisoned work atmosphere
- Concerns about ethics and values (includes HR)
- There are many really excellent people in the region who function well in their jobs



# Recommendations

- Strong consistent leadership needed in situation
- RDG needs strategic (outward) and operational (inward) capacities and skills (no ARDG in region)
- Regional strategic, multi-year and operational planning needed; should be linked into HR and financial planning
- Need greater training and skills development in all areas for staff to do the job



# Recommendations

- Stronger financial, contracting, Human Resources and Indian Affairs Program functional guidance required
- Need to rebuild trust and respect for people
- Need greater clarity and certainty about roles and responsibilities - HQ / region and within region



# Recommendations

- Organization may need to be staffed to reflect a certain amount of continuing change (build extra coverage) because of distance, devolution and current issues
- Need to better understand continuing role of department in devolved Indian and Northern Programs (e.g. \$200-\$800 million Faro closure)