

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

Northern Affairs Organization			
<i>Value for Money Audit: Giant Mine Remediation Plan</i>			
<b>APPROVAL DATE: 09/28/2012</b>			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Assistant Deputy Minister, Northern Affairs Organization, should ensure that the proposed governance framework for the Giant Mine Remediation Project is finalized and implemented, with minutes and records of decision documented for the key governing bodies, such as the Oversight Committee and the Senior Project Advisory Committee.</p>	<p>The GMRP team accepts this recommendation. The proposed GMRP governance framework will be finalized, approved by the Project Leader, and fully implemented to operational status. This applies to all current governing bodies included in the proposed governance framework, specifically Senior Project Advisory Committee, Management Board, and Project Leadership Committee. Operational status for each body will include formalized and approved Terms of Reference, agenda, minutes and records of decisions (where not already on-going).</p>	<p><i>September 27, 2012</i></p>	<p><b>Status:</b></p> <p><b>Update/Rationale:</b> <b>As of 31/12/2012:</b></p> <p><b>Completed – September 27, 2012</b></p> <p>The proposed Giant Mine Remediation Project (GMRP) governance framework has been finalized, approved by the Project Leader, and fully implemented to operational status. This applies to all current governing bodies included in the proposed governance framework, specifically Senior Project Advisory Committee, Management Board, and Project Leadership Committee. Operational status for each of these bodies includes approved Terms of Reference, meeting agendas, minutes and records of decisions.</p> <p><b>AES: Implemented. The recommendation will be closed. Closed.</b></p>
<p>2. The Assistant Deputy Minister,</p>	<p>The Giant Mine Remediation Project Team will expand the</p>	<p>PPA Phase Project</p>	

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Northern Affairs Organization, should ensure that a comprehensive risk management framework (including strategic and project level risks) and a risk management plan are established for the Giant Mine Remediation Project to monitor risks on a regular basis.	scope of the risk assessment process to include technical and strategic risks and incorporate a risk management plan. This more robust risk management approach will initially focus on the current life cycle phase (PPA Phase or Phase 2b/2c – Preliminary/Detail Design) and evolve to include the total project scope before the Effective Project Approval is sought from the Treasury Board. The Risk Management Plan will be included in the Project Execution Plan (PEP) for the project.	Execution Plan: <i>March 31, 2013</i>  Overall GMRP Project Execution Plan: <i>December 31, 2014</i>	
3. The Assistant Deputy Minister, Northern Affairs Organization, should ensure, as part of the Major Project Office implementation, that: <ul style="list-style-type: none"> <li>• Clear roles and responsibilities between PWGSC and AANDC for the Giant Mine Remediation Project are</li> </ul>	The GMRP team accepts this recommendation. As part of the Major Project Office implementation, the following specific actions will be taken: <ul style="list-style-type: none"> <li>• The Giant Mine Remediation Project Team will finalize the draft Project Charter which lays out the roles and responsibilities.</li> </ul>	<i>November 15, 2012</i>  <i>March 31, 2013</i>	<b>Status:</b> <i>Underway</i>  <b>Update/Rationale:</b> <b>As of 31/12/2013:</b> <ul style="list-style-type: none"> <li>• Project Charter finalized: <b>Completed</b> - November 19, 2012</li> </ul>



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<p>Methodology. The establishment of these documents will help to ensure that a clear window to the overall position and progress for the Giant Mine Remediation Project is provided to the project management team(s).</p> <ul style="list-style-type: none"> <li>A rigorous and effective change management program be finalized to support the consideration and reporting of changes to the scope and total estimated cost of the Giant Mine Remediation Project.</li> </ul>	<p>project duration, as well as a baseline schedule for the five-year period of the PPA Phase. The baseline schedule will form the basis for monitoring project performance/progress and controlling schedule changes. The Schedule Management Plan will form part of the PPA Phase PEP and finally overall GMRP PEP.</p> <ul style="list-style-type: none"> <li>The current draft Change Control Process will be finalized in accordance with the MPO Standards and Guidance Manual to track changes to scope, schedule, cost, technical or other approved baselines. This plan will be part of the Project Control Plan, which</li> </ul>		<p>Standards and Guidance Manual approved March 31, 2013.</p> <ul style="list-style-type: none"> <li>To be rolled out to GMRP team - training to occur in the winter of 2013/2014: <b>Underway</b> (Note: Project Leader signed off on January 7, 2014)</li> <li>Baseline schedule for Definition Phase (five-year period) to be revised with four-year project plans: <b>Completed</b> - September 2012</li> <li>Master schedule for total project (2025) developed, approved and included in the PEP: <b>Completed</b> - November 2013</li> <li>Schedule Management Plan (PEP) has been completed: <b>Completed</b> - November 2013</li> </ul>

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	will be included in the PEP.		<ul style="list-style-type: none"> <li>GMRP Change Control process to be developed and approved: <b>Completed</b> – March 2013</li> <li>Change Control process incorporated into PEP Chapter four: <b>Completed</b> - November 2013</li> </ul> <p><b>AES: Substantially implemented. The recommendation will be closed following the roll-out of training to the GMRP team.</b></p>
4. The Assistant Deputy Minister, Northern Affairs Organization, should ensure, through consultation with the Chief Financial Officer, that budget management and cost estimation practices for the Giant Mine Remediation	<p>The GMRP team accepts this recommendation. The following actions will be implemented in consultation with the Chief Financial Officer:</p> <ul style="list-style-type: none"> <li>A Cost-Management Plan will be developed for the overall GMRP, which includes a Master Project</li> </ul>	<i>December 31, 2014 (Overall GMRP)</i>	

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<p>Project are strengthened by:</p> <ul style="list-style-type: none"> <li>• Developing a <i>Master Project Total Estimated Cost to Complete</i> document that includes a cost variance simulator, such as a 'Monte Carlo Simulation', to highlight the potential and probable deviation ranges in total cost estimates. The establishment of such a document would help to communicate key assumptions in the cost estimate and variance vulnerabilities to all project stakeholders.</li> <li>• Incorporating multi-year requirements of future work and costs in a <i>Master Project Total Estimated Cost to Complete</i></li> </ul>	<p>Budget (Total Estimated Cost to Complete), estimate basis, assumptions and cost-management processes. This Master Project Budget will utilize probabilistic simulation techniques such as a 'Monte Carlo Simulation' to establish potential and probable estimate deviation ranges. This Cost-Management Plan will form part of the overall GMRP PEP.</p> <ul style="list-style-type: none"> <li>• The Cost-Management Plan for the overall GMRP will incorporate multi-year requirements for future work, which will focus initially on the five-year period of the PPA Phase and finally for the total</li> </ul>	<p><i>March 31, 2013 (PPA Phase)</i></p>	

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document based on industry best practices and the Association for the Advancement of Cost Engineering International <i>Cost Estimate Classification</i> system. Roles and responsibilities for maintaining, reviewing, and monitoring this document should be defined and communicated.	project cost. The Cost-Management Plan shall include clear roles and responsibilities for ownership of the document.		
5. The Assistant Deputy Minister, Northern Affairs Organization, should ensure, through consultation with the Chief Financial Officer, that the current approach to procurement management for the Giant Mine Remediation Project is strengthened by: <ul style="list-style-type: none"> <li>Improving the tools and</li> </ul>	The GMRP team accepts this recommendation. The following actions will be implemented in consultation with the Chief Financial Officer: <ul style="list-style-type: none"> <li>A Procurement Management Plan will be developed to ensure funds that are being expended by PWGSC are achieving</li> </ul>	<i>March 31, 2013</i>	<p><b>Status:</b> Underway</p> <p><b>Update/Rationale:</b> <b>As of 31/12/2013:</b></p> <ul style="list-style-type: none"> <li>An Integrated Procurement Management Plan (AANDC and PWGSC) has been developed and forms part of the Project Execution Plan: <b>Completed</b> - November 2013</li> </ul>





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			<p>The amendment request form (including checklist) is now mandatory and reviewed for every amendment and a copy is kept on file.</p> <p><b>AES: Ongoing. The recommendation will be closed following completion of the procurement strategy.</b></p>