

**ACTION PLAN IMPLEMENTATION STATUS UPDATE  
REPORT TO THE AUDIT COMMITTEE  
AS OF JUNE 30, 2014**

Northern Affairs Organization			
<i>Audit of Nutrition North</i>			
<i>APPROVAL DATE: 06-20-2013</i>			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Assistant Deputy Minister of the Northern Affairs Organization should clarify the purpose and role, membership, and meeting frequency required to implement an effective Oversight Committee and review the purpose and role of Advisory Board for the next phase of program implementation, taking into consideration the level of program resources available to support Advisory Board activities.</p>	<p>The purpose and role of the Advisory Board will be reviewed</p> <p>Details regarding the purpose, role, membership, and meeting frequency of the NNC Oversight Committee will be examined and clarified.</p>	<p>February 2014</p> <p>March 2014</p>	<p><b>Status: Completed</b></p> <p><b>Update/Rationale:</b> As of 31/03/2014: The purpose and role of the Advisory Board was reviewed, leading to revised Terms of Reference being recommended to the Minister.</p> <p>The purpose, role, membership and meeting frequency of the NNC Oversight Committee was reviewed, and recommendations made to the Minister.</p> <p><b>AES: Substantially implemented. Recommendation to be closed. Closed.</b></p>
<p>2. The Assistant Deputy Minister of the Northern Affairs Organization should support cost containment strategy measures undertaken by the program, and monitored by the Oversight Committee, in order for the program to remain within approved budget levels.</p>	<p>The manner in which the Oversight Committee carries out its role and fulfills its mandate, including application of the Cost Containment Strategy in a manner that respects authorities, will be reviewed and clarified.</p>	<p>March 2014</p>	<p><b>Status: Completed</b></p> <p><b>Update/Rationale:</b> As of 31/03/2014: The purpose and role of the Oversight Committee, including application of the cost containment strategy was reviewed. Recommendations were made to the Minister.</p> <p><b>AES: : Substantially implemented. Recommendation to be closed. Closed.</b></p>

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<p>3. The Assistant Deputy Minister of the Northern Affairs Organization should: document the risks and rationale used in selecting recipients for compliance reviews; create a compliance review plan based on this approach; retain the evidence gathered during the compliance reviews; and, ensure observations made in published reports specifically address the key risks and intended scope and approach.</p>	<p>The risks and criteria used to select recipients who will be subjected to compliance reviews will be documented.</p> <p>A compliance review plan will be established.</p> <p>The evidence is retained by the compliance audit form and available upon request. Options for retention and proper storage and disposal of working papers will be examined as part of the compliance review plan.</p>	<p>December 2013</p> <p>March 2014</p>	<p><b>Status: Completed</b></p> <p><b>Update/Rationale: As of 31/03/2014:</b></p> <ol style="list-style-type: none"> <li>1. A risk-based process to prioritize NNC Recipients using a variety of factors (e.g., general assessment tool, funding amount, compliance history) has been developed to select recipients for compliance reviews.</li> <li>2. An evergreen five year compliance review plan has been developed.</li> <li>3. The accounting firm that performs the recipient audits has the responsibility of keeping its working papers to support its audit findings. Discussions were held with the audit firm to ensure the Program can access the records at any time, and the firm agreed that this is standard procedure.</li> </ol> <p><b>AES: Implementation completed. Recommendation to be closed. Closed.</b></p>
<p>4. The Assistant Deputy Minister of the Northern Affairs Organization should: request information on the claims processor quality assurance approach to determine whether an audit of the current</p>	<p>The program will build on its current periodic site visits and make further inquiries to review quality assurance. NNC will request ongoing quality assurance reviews and/or internal audits ensure processes are working as intended.</p> <p>Approval procedures and payment</p>		<p><b>Status: Completed</b></p> <p><b>Update/Rationale: As of 30/06/2014:</b></p> <ol style="list-style-type: none"> <li>1. Program officials are in contact with the claims processor on a daily basis, and are in a position to assess the quality and the accuracy of claims verification services provided by the supplier. When</li> </ol>

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<p>claims processor is necessary; ensure payment review and approval procedures are adequately documented; develop a risk-based sampling approach for recipient claims; and, investigate appropriate contract requirements for future claims processor contracts (i.e. service monitoring and service auditor report).</p>	<p>review processes for recording keeping, training and succession planning purposes will be documented.</p> <p>A risk-based sampling approach will be developed.</p> <p>Future contracts for claims processors will ensure appropriate requirements for quality assurance.</p>	<p>March 2014</p> <p>March 2014</p> <p>April 2014</p>	<p>difficulties are encountered or when issues require more in-depth discussions, on-site visits can be scheduled.</p> <p>2. NNC payment processes have been inventoried and documented. A document named « Procédures pour faire les paiements des bénéficiaires » has been completed in March 2014. All steps needed to do the NNC payments are explained in this document. The document still needs to be translated in English.</p> <p>3. NNC has developed a risk-based sampling method to guide the claims verification process to be implemented as of fiscal year 2014-15.</p> <p>4. A Service Level Agreement (SLA) has been completed and signed by both parties. Data collection for service standards started on July 1, 2013. This requirement will be enforced in future contracts.</p> <p><b>AES: Implementation on-going. Recommendation will be closed once AES receives assurance that agreement with third-party provider articulates quality assurance requirements.</b></p>
<p>5. The Assistant Deputy Minister of the Northern Affairs Organization should establish a process for periodic review and policy discussion regarding food items and community eligibility.</p>	<p>A practice to examine the options and viability of bi-annual review of food items and community eligibility will be implemented. Key NNC governance bodies (Advisory Board and Oversight Committee) and partners such as Health Canada will be consulted.</p>	<p>March 2014</p>	<p><b>Status: Completed</b></p> <p><b>Update/Rationale: As of 31/03/2014:</b></p> <p>1. Policy work undertaken to develop a new strategy to review food eligibility once every two years in partnership with Health Canada, and with the advice of the Advisory Board</p>

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			<p>regarding Northern perspectives.</p> <p>2. Community eligibility based on program objectives was reviewed. In 2014-15 all isolated communities will be examined and the revised eligibility criteria developed for consideration.</p> <p><b>AES: : Implementation completed. Recommendation to be closed. Closed.</b></p>
<p>6. The Assistant Deputy Minister of the Northern Affairs Organization should implement tools/systems with access controls to effectively collect data, conduct trend analysis, and monitor changes in the price of food basket items, and complete awareness and retail surveys to obtain feedback on program progress and retailer costs.</p>	<p>Appropriate tools and systems to collect and analyze trends is being designed and will be implemented.</p> <p>A comprehensive study of northern retailing to obtain feedback from northern customers, communities, and retailers will be completed.</p>	<p>March 2014</p> <p>June 2014</p>	<p><b>Status: Completed</b></p> <p><b>Update/Rationale: As of 30/06/2014:</b></p> <p>1. Two tools and systems to collect data and analyse trends have been implemented. An action plan for ongoing maintenance and data entry is approved. The full implementation will make available all price related data. Historical data integrity verification is also being done to ensure its accuracy.</p> <p>2. A final report of the study has been received. The program has provided some additional comments to improve the quality of the document and a revised report will be received later in August.</p> <p><b>AES : Implementation completed. Recommendation to be closed. Closed.</b></p>