

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

<b>IOGC</b>			
<i>Audit of Southern Oil and Gas</i>			
<b>APPROVAL DATE: 20-09-2013</b>			
<b>PROJECT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>	<b>EXPECTED COMPLETION DATE</b>	<b>PROGRAM RESPONSE</b>
<p>1. The Executive Director of Indian Oil and Gas Canada should ensure IOGC policy and procedures are sufficiently documented for key processes which clearly describe roles and responsibilities.</p>	<p>Indian Oil and Gas Canada will ensure policy and procedures are sufficiently documented for key processes and that they clearly describe roles and responsibilities. A policy/ procedure on the process of determining bonus will be documented and in place by March 31, 2014 and a work alone policy and related safety procedures will be developed and approved by June 30, 2014.</p>	<p>June 30, 2014</p>	<p><b>Status: Request to Close</b></p> <p><b>Update/Rationale:</b> As of 30/06/2014:</p> <p>The policy/procedure on determining bonus has been developed and approved at Executive Committee. A work alone policy has been drafted, discussed at Operations Committee and is pending minor revisions prior to Executive Committee approval.</p> <p><b>AES: Implementation ongoing.</b> Recommendation will be closed once Work Alone policy is approved and communicated to relevant staff.</p>
<p>2. The Executive Director of Indian Oil and Gas Canada should ensure that supporting evidence to demonstrate due diligence, review, and approval is properly maintained for accountability and audit trail purposes.</p>	<p>Indian Oil and Gas Canada will ensure supporting evidence to demonstrate due diligence, review and approval is properly maintained for accountability and audit trail purposes. By June 30, 2014, IOGC will review and revise its checklists to note key documents required and</p>	<p>June 30, 2014</p>	<p><b>Status: Underway</b></p> <p><b>Update/Rationale:</b> As of 30/06/2014:</p> <p>To ensure supporting evidence is properly maintained for accountability and audit trail purposes, a peer review process was instituted on checklists to ensure required documents are in place prior to approval. Work to further update checklists to list required documents for</p>

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

<b>IOGC</b>			
<i>Audit of Southern Oil and Gas</i>			
<i>APPROVAL DATE: 20-09-2013</i>			
<b>PROJECT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>	<b>EXPECTED COMPLETION DATE</b>	<b>PROGRAM RESPONSE</b>
	ensure the appropriate sign-off and other due diligence requirements for each transaction type are noted and present.		various types of transactions is underway using a risk-based approach. Progress on this initiative was impacted due to staff departures and subsequent vacancies of both the Manager and Supervisor positions.  AES: Implementation ongoing.
3. The Executive Director of Indian Oil and Gas Canada should document the approach and selection rationale used to select companies for monitoring reviews, and for production reviews, implement a contracting vehicle, update the risk matrix used, and ensure company action plans are adequately reviewed and approved by the independent reviewer prior to final approval by IOGC.	Indian Oil and Gas Canada will document the approach and selection rationale used to select companies for price, production volume and royalty reviews by June 30, 2014. New contract vehicles for price, production and royalty reviews will be in place by December 30, 2013. The risk matrix used to select which property or facility for production reporting review will be updated by March 31, 2014. Requirements to document the review and commentary by independent reviewers prior to	June 30, 2014	<b>Status: Request to Close</b>  <b>Update/Rationale:</b> <b>As of 30/06/2014:</b>  Documents outlining the approach and selection rationale have been created for price, production volume and royalty reviews. New contract vehicles were initiated for external production and royalty reviews (price is reviewed by internal staff). The contract for production volume reviews (inspections and audits) was put in place and audits have been completed. The request for proposal for royalty review (which includes price and gas cost allowance) was unsuccessful due to bids being non-compliant. An exemption from using the mandatory standing offer was requested and granted by Public Works Government Services Canada and a new request for proposal was

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

<b>IOGC</b>			
<i>Audit of Southern Oil and Gas</i>			
<i>APPROVAL DATE: 20-09-2013</i>			
<b>PROJECT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>	<b>EXPECTED COMPLETION DATE</b>	<b>PROGRAM RESPONSE</b>
	final approval by IOGC will be implemented by March 31, 2014.		<p>posted on Buy and Sell closing August 25, 2014. The risk matrix used to select properties or facilities for production reporting reviews was updated by December 30, 2013 and has been updated again in the first quarter of 2014-15. The requirement to document the review and commentary by independent reviewers prior to final approval by IOGC has been implemented.</p> <p><b>AES: Substantially implemented. Recommendation to be closed. Closed.</b></p>
<p>4. The Executive Director of Indian Oil and Gas Canada should review control requirements and implement a risk-based approach to process different types of agreement transactions in order to improve processing timeliness. It is further recommended that performance indicators be developed and monitored to reflect the time to process agreement transactions and</p>	<p>Indian Oil and Gas Canada will complete a review of its control requirements and will implement a risk based approach to process different types of agreement transactions by June 30, 2014. Existing performance indicators will be reviewed/revise and new performance indicators will be developed, as necessary, by March 31, 2014, which will reflect the time to process agreement transactions and which will highlight delays or</p>	<p>June 30, 2014</p>	<p><b>Status: Underway</b></p> <p><b>Update/Rationale: As of 30/06/2014:</b></p> <p>Indian Oil and Gas Canada completed a risk-based review of the priority of the various agreement transactions. Service standards and performance indicators were reviewed and substantiated based on risk to client stakeholders. The review of the control requirements for the low-risk assignment process is underway and has been included in a broader "Streamlining Lease Administration" initiative included in the management plan for 2014-15. Progress on this initiative was impacted due to staff departures and</p>

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

<b>IOGC</b>			
<i>Audit of Southern Oil and Gas</i>			
<i>APPROVAL DATE: 20-09-2013</i>			
<b>PROJECT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>	<b>EXPECTED COMPLETION DATE</b>	<b>PROGRAM RESPONSE</b>
highlight delays and/or bottlenecks pertaining to certain types of transactions.	bottlenecks for certain transaction-types.		<p><b>subsequent vacancies of both the Manager and Supervisor positions.</b></p> <p><b>AES: Implementation ongoing.</b></p>
<p>5. The Executive Director of Indian Oil and Gas Canada should ensure the Steering Committee provides governance and oversight of RIMS in order to ensure change requests are prioritized and high risk issues are addressed in a timely manner. It is further recommended that primary RIMS enhancements are identified and the revised RIMS2 business case be presented to Headquarters.</p>	<p>Indian Oil and Gas Canada will ensure the Steering Committee provides governance and oversight of RIMS during monthly meetings which provide: oversight of RIMS and of the work of the RIMS user group, which meets weekly to address operational issues; prioritization of change requests for resolving system fixes; to ensure high risk issues are addressed in a timely manner; and the identification and consideration of required RIMS enhancements to determine whether investment for new desired functionality should be made within the existing RIMS, or the RIMS2 system under</p>	<p>March 31, 2014</p>	<p><b>Status:</b> Underway</p> <p><b>Update/Rationale:</b></p> <p><b>As of 31/03/2014:</b></p> <p>RIMS User Group met weekly during FY2013-14 to deal with operational issues related to system fixes and RIMS enhancements. The RIMS Steering Committee adopted the department's gating process for governance and provided both oversight of RIMS user group operational issues and prioritization of change requests for resolution of system fixes. Proposed changes have also been integrated within IOGC's planning processes to facilitate prioritization which is underway. The gating process was adopted and facilitates review,</p>

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

<b>IOGC</b>			
<i>Audit of Southern Oil and Gas</i>			
<i>APPROVAL DATE: 20-09-2013</i>			
<b>PROJECT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>	<b>EXPECTED COMPLETION DATE</b>	<b>PROGRAM RESPONSE</b>
	development. The revised RIMS2 business case will be presented to headquarters as part of the IMB gating process by March 31, 2014.		consideration and approval of RIMS changes that arise outside of the annual planning cycle. The Project is undergoing IMB gating process. Projects have been initiated to address data conversion and data clean-up to facilitate IOGC-Petrinex integration.  <b>AES: Recommendation substantially implemented. To close. Close.</b>
6. The Executive Director of Indian Oil and Gas Canada should ensure regulations and procedures posted on the IOGC website remain up-to-date, in particular as new regulations come into effect.	Indian Oil and Gas Canada will complete a review and update its website documentation by March 31, 2014 and will add a last reviewed date to ensure quarterly updates at a minimum, with changes to specified areas more frequently, if required.	March 31, 2014	<b>Status: Request to Close</b>  <b>Update/Rationale:</b> <b>As of 30/06/2014:</b>  <b>Indian Oil and Gas Canada completed a full review and update of all website documentation. A server crash in Q1 resulted in the loss of some of the updates; a detailed assessment of each page to ensure it contains all the updated information and links previously implemented is underway. The option to utilize a "Date of last Review" in addition to a "Date Modified" is under exploration.</b>  <b>AES: Substantially implemented. Recommendation to be closed. Closed.</b>