

**ACTION PLAN IMPLEMENTATION STATUS UPDATE  
REPORT TO THE AUDIT COMMITTEE - AS OF SEPTEMBER 30, 2011**

| OFFICE OF THE FEDERAL INTERLOCUTOR   |  |                          |   |
|--|--|--------------------------|---|
| AUDIT OF IMPLEMENTATION OF THE URBAN ABORIGINAL STRATEGY (09/62)<br>AEC APPROVAL DATE: May 14, 2010  |  |                          |   |
| PROJECT RECOMMENDATIONS  | ACTION PLAN  | EXPECTED COMPLETION DATE | PROGRAM RESPONSE  |
| <p>1. OFI should review the administrative regime it uses to fund new and developing UAS communities. Specifically, consideration should be given to using a risk-based approach that associates the types of projects and expenditures it funds in a community to the ability of the Community Committee to address the issues of urban Aboriginal people in an accountable manner.</p>   | <p><b>Management Response:</b><br/>OFI agrees that the management and/or mitigation of risks are an important objective, and that new and developing UAS communities require greater care and attention than established communities. A risk-based approach must ensure that the unique circumstances of urban Aboriginal communities are considered so that the UAS remains responsive to community needs.</p> <p><b>Action:</b><br/>OFI will undertake an analysis to develop a risk-based approach, focused on levels of community support, to mitigate any risks that respond to the concerns raised by the auditors with respect to new and developing UAS communities.</p> | <p>September 2010</p>    | <p><b>Status: Complete</b></p> <p><b>Update/Rationale:<br/>As of 30/09/2010:</b></p> <p>OFI has completed an analysis using its own corporate risk 'heat map' which highlighted the capacity of UAS clients as a key risk; UAS RMAF-RBAF, which outlines key risks and mitigation strategies; our UAS terms and conditions, which outlines key entry criteria for 'new' UAS cities; and its Community Assessment Tool, which assesses a number of key elements of successful communities such as community decision making structures and capacity needs. The analysis has been completed and will be applied to new and developing communities, and will inform our renewal efforts in 2012.</p> <p><b>AES:</b> Fully implemented. The recommendation has been closed.</p> |
| <p>2. OFI should establish a consistent expectation for community plans by developing a template that includes the type and level of information required and by providing planning support and guidance as needed. This would ensure that both community and national UAS priorities are addressed, that a shared vision of community success is defined, and that concrete steps are established to achieve objectives and measure progress.</p> | <p><b>Management Response:</b><br/>OFI will continue to develop community plans and will 'regularize' these plans while ensuring that the uniqueness of communities is capable of being captured.</p> <p><b>Action:</b><br/>OFI will design a template that outlines expectations as to the elements that need to be included in community plans, while providing these communities the flexibility to</p>   | <p>September 2010</p>    | <p><b>Status: Complete</b></p> <p><b>Update/Rationale:<br/>As of 30/09/2010:</b></p> <p>A Guide for Community Strategic Plans has been created, including a template for required elements in the plans for each UAS designated city. It can be immediately implemented.</p>  |

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|  | reflect their unique situations. Regional offices will be given direction on the level of support to be provided to Community Committees to enable and ensure effective community planning.   |  | <b>AES:</b> Fully implemented. The recommendation has been closed.  |
| <p>3. When OFI seeks renewal of the UAS spending authority and Terms and Conditions with its federal partners, it should:</p> <ul style="list-style-type: none"> <li>■ Having regard for the flexibility intended with the UAS contribution program and the strategic priorities of the UAS, ensure clarity as to the nature of eligible projects, activities and expenditures;</li> <li>■ Set out expectations for leveraging with provinces and municipalities, how results should be measured, and how leveraging requirements should apply to new and developing communities; and</li> <li>■ Clarify the definition and approval requirements for capital expenditures.</li> </ul> | <p><b>Management response:</b><br/>OFI has terms and conditions approved by Treasury Board Secretariat in accordance with its policy authorities obtained through Cabinet. OFI believes that its terms and conditions reflect the innovations and flexibility mandated by Cabinet to deliver the strategy; and that those terms and conditions are implemented in a manner that respects the objectives of the UAS.</p> <p><b>Action:</b><br/>When seeking the renewal of the UAS, OFI will work with Treasury Board Secretariat (TBS) and federal partners to clarify any ambiguities that may exist with respect to:</p> <ul style="list-style-type: none"> <li>■ the nature of eligible projects, activities and expenditures;</li> <li>■ expectations for leveraging and how it is to be measured, including with respect to new and developing communities; and</li> <li>■ requirements for the approval of capital expenditures.</li> </ul> | <p>Before renewal of UAS in March 2012</p> | <p><b>Status: Ongoing</b></p> <p><b>Update/Rationale:<br/>As of 30/09/2011:</b></p> <p>Work is underway which will inform our renewal efforts in 2012</p> <p>We are consulting with signatory departments on the use of the Horizontal Terms and Conditions.</p> <p><b>AES:</b> Implementation ongoing.</p> |
| <p>4. To support consistent understanding of the flexibilities built into the UAS contribution program, OFI should provide guidance to regional staff and Community Committees on eligibility requirements and use of project and</p>  | <p><b>Management response</b><br/>OFI agrees that there should be a consistent understanding among OFI staff of flexibilities built into the UAS contribution program.</p>  | <p>September 2010</p>                      | <p><b>Status: Complete</b></p> <p><b>Update/Rationale:<br/>As of 31/03/2011:</b></p>  |

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| recipient risk information to substantiate funding decisions.   | <p><b>Action:</b><br/>Through its regular quarterly meetings and bi-weekly calls, OFI will use the detailed findings of the auditors to provide guidance to regional staff, and through them, to Community Committees, on eligibility requirements and use of project and recipient risk information to substantiate funding decisions.</p> <p>OFI will provide a written directive to Regional Directors clarifying the interpretation of UAS's policy authorities, based on the detailed findings of the audit. If there is any uncertainty with respect to project eligibility post-directive, those projects are to be referred to OFI's Director General or ADM for approval.</p> | September 2010           | <p>A Directive on Determining Eligibility of Proposed Activities and Expenditures was distributed to UAS Directors in December 2010.</p> <p><b>AES:</b> Fully implemented. The recommendation has been closed.</p>                    |
| 5. Annual work plans should be established by UAS HQ and each region. These work plans should establish objectives, regional management and program priorities, planned actions and timelines, targets for recipient and community service standards, and expected results (program priorities and expected results should align with the UAS Performance Measurement Strategy to be developed and implemented following the completion of the summative evaluation which is currently underway). The regional plans should be approved by HQ and progress tracked through a quarterly reporting process. | <p><b>Management Response:</b><br/>OFI agrees that there is room for improvement in the annual work planning and priority setting activities in HQ and each Region.</p> <p><b>Action:</b><br/>OFI will formalize the process for establishing objectives, prioritizing activities, setting targets, developing recipient/community service standards and expected outcomes through the development of a framework including a template for the identification of strategic program objectives and horizontality and alignment. The framework will include both approval and monitoring requirements.</p>   | September 2010           | <p><b>Status: Complete</b></p> <p><b>Update/Rationale:<br/>As of 30/09/2011:</b></p> <p>The UAS Integrated Business Plan was approved by UAS Management.</p> <p><b>AES:</b> Fully implemented. The recommendation will be closed.</p> |

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| <p>6. OFI should more fully develop its training regime for Regional Development Officers to ensure that it adequately addresses the dual nature of this role, that being the requirement to support the Community Committees in discharging their responsibilities and the requirement to manage and administer UAS contribution agreements.</p>  | <p><b>Management Response:</b><br/>OFI agrees that training and development is important for employees to carry out their work. While OFI does provide training and development it would benefit from further developing its training regime.</p> <p><b>Action:</b><br/>Through annual learning plans that all employees and managers must complete, OFI will continue to review and develop its training regime to ensure that all necessary training is provided to its employees.</p>  | <p>September 2010</p>     | <p><b>Status: Complete</b></p> <p><b>Update/Rationale:<br/>As of 30/09/2010:</b></p> <p>The UAS Officers Training Map has been developed with input from all UAS sectors. It will be evergreen and updated annually as part of OFI HR planning exercises and will be included in individual learning plans.</p> <p><b>AES:</b> Fully implemented. The recommendation has been closed.</p> |
| <p>7. To ensure efficient and effective processes for the review and approval of projects and the establishment and administration of contribution agreements, OFI should revamp the processes and timelines for soliciting proposals, reviewing project eligibility, preparing and executing funding agreements, processing recipient payments and closing out project files. Service standards should be established and achievement against these standards should be tracked and monitored by OFI HQ on a regular basis.</p> | <p><b>Management Response:</b><br/>The requirement for community driven processes of decision –making and/or priority setting, coupled with the capacity issues of some UAS communities (also identified in the audit) creates some inherent delays in funding some UAS recipients.</p> <p>Having said that, OFI acknowledges that the UAS could benefit from additional improvements in the processing of contribution funding agreement. Initial steps taken by OFI to address the timeliness in establishing contribution funding agreement (acknowledged in the audit) will be followed up with service standards and operational guidelines and processes that ensure consistency across all regions in the completion of the contribution funding agreements.</p> | <p>Annually / Ongoing</p> | <p><b>Status: Ongoing</b></p> <p><b>Update/Rationale:<br/>As of 30/09/2011:</b></p> <p>Development of service standards is underway department-wide.</p> <p><b>AES:</b> Implementation ongoing.</p>   |

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|   | <p><b>Action:</b><br/>OFI will undertake the development of recipient service standards and review its processes and timelines for the solicitation of proposals, to improve timely assessment and approval of projects, preparation and execution of funding agreements, processing of recipient payments and closeout of project files. Service Standards will be monitored and reported to OFI Senior Management.</p>                                    |                          |  |
| <p>8. OFI should more fully define the purpose of the Central Fund, as well as the criteria, policies and procedures used in the solicitation, submission, and assessment of Central Fund projects.</p> | <p><b>Management Response:</b><br/>OFI agrees that it would benefit from more fully defining the purpose as well as the criteria, policies and procedures used in the solicitation, submission, and assessment of Central Fund projects</p> <p><b>Action:</b><br/>To address this, OFI will formalize the criteria, policies and procedures employed in process for project solicitation, proposal submission, and assessment of Central Fund projects.</p> | <p>September 2010</p>    | <p><b>Status: Complete</b></p> <p><b>Update/Rationale:<br/>As of 31/03/2011:</b></p> <p>A guideline for Utilization of Central Fund was distributed to UAS Directors in November 2010.</p> <p><b>AES:</b> Fully implemented. The recommendation has been closed.</p> |