

**ACTION PLAN IMPLEMENTATION STATUS UPDATE  
REPORT TO THE AUDIT COMMITTEE - AS OF MARCH 31, 2009**

**EDUCATION AND SOCIAL DEVELOPMENT PROGRAMS AND PARTNERSHIPS – COMMUNITY INFRASTRUCTURE**

**AUDIT OF CAPITAL FACILITIES AND MAINTENANCE (200719)**  
**AEC APPROVAL DATE: 04/12/2008**

PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Director General, Community Infrastructure Branch should work closely with the Director General, Operations and Planning Support Branch and the Chief Financial Officer to reassess the funding authorities and First Nation funding agreements that currently provide flexibility in the funding on minor capital and operations &amp; maintenance expenditures, giving consideration to providing funding on a more 'targeted' basis.</p>	<p>a) Chief Financial Office to develop standardized departmental approach to drafting First Nation funding agreements that respond to funding authority requirements under the new TB Transfer Payment Policy.</p> <p>b) Community Infrastructure Branch to work with Chief Financial Office (Transfer Payments and Financial Policy Directorate) to understand broad framework of new Treasury Board Transfer Payment Policy and how it affects future funding authorities /agreements as it relates to community infrastructure and apply these principles to the future funding agreements.</p> <p>c) Operations and Planning Support Branch to work with Regional Offices (Chief Financial Office and Community Infrastructure Branch in support) to develop mechanisms to bring about more effective oversight of minor capital and operations &amp; maintenance spending in First Nation funding agreements. This work will be aligned with a and b.</p>	<p>30/09/2009</p> <p>31/12/2009</p> <p>31/03/2010</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b></p> <p>a) Ongoing - CFO has until March 31, 2011 to develop a departmental action plan in response to the new Transfer Payment Policy. CFO Currently has in place a national standardized departmental approach relating to funding agreements which will be updated to respond to the requirements under the new policy and directive on transfer payments.</p> <p>b) Ongoing - Community Infrastructure Branch continues to work with CFO to understand how the Transfer Payment Policy affects future funding agreements as they relate to community infrastructure.</p> <p>c) Pending completion of CIB/CFO work. OPS Branch is working with CIB and CFO staff to assist in the development of policies which will improve oversight of minor capital and operations &amp; maintenance spending in First Nation funding agreements. We will also be engaging the Regions and seeking their feedback at a National Workshop in Toronto on April 16<sup>th</sup> and 17<sup>th</sup>.</p> <p><b>AES: AES attended National Workshop in Toronto on April 16<sup>th</sup> &amp; 17<sup>th</sup>.</b></p>

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<p>2. The Director General, Community Infrastructure Branch and the Director General, Operations and Planning Support Branch should ensure that the roles and responsibilities for performance management at the senior management and board / committee level are defined and communicated, and that performance information, including Key Performance Indicators, is incorporated into ongoing performance management at both the national and regional levels.</p>	<p>a) Community Infrastructure Branch to develop a CFM Program-specific Performance Measurement Strategy (replacement for now defunct RMAF/RBAF) in conjunction with program renewal. Performance Measurement Strategy will spell out roles and responsibilities, as well as key performance indicators. Key performance indicators will also continue to be reported on quarterly through the department's smart reporting process.</p>	31/12/2009	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale: As of 31/03/2009:</b></p> <p>a) Ongoing - Community Infrastructure Branch is commencing work on the development of a Performance Measurement Strategy for the CFM Program. Strategy is expected to be completed by June 30, 2009.</p> <p>b) Completed – National Capital Management Board has been dissolved. The work of the Board has been taken over by the Operations Committee. To reflect these new roles and responsibilities, new terms of reference for the Committee have been approved.</p> <p>c) On-going – Operations and Planning Committee and DG IOC are meeting on a by-weekly basis. On-going development of key performance indicators. The current Quarterly review process will be one of the measures used to assess performance.</p>
	<p>b) Community Infrastructure Branch to work with Operations and Planning Support Branch to restructure terms of reference for the National Capital Management Board and/or other senior management committees, clarify roles and responsibilities with respect to CFM Program, and establish key performance measurement indicators for ADM-Committee level (i.e., review of quarterly reporting input, follow up on A&amp;E action plans, DPR/RPP input, etc.).</p>	30/06/2009	
	<p>c) Operations and Planning Support Branch to communicate roles and responsibilities to Regional Offices and develop procedures to collective performance information on key performance indicators and ensure that</p>	31/03/2010	

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	the key performance indicators are incorporated into regional and national level Performance Management Agreements.		
3. The Director General, Community Infrastructure Branch and the Director General, Operations and Planning Support Branch should develop, formalize, document and implement a risk management framework specific to the CFM Program that incorporates roles and responsibilities at the Headquarters and regional senior management and board / committee level and an appropriate level of oversight / monitoring / quality assurance role for Headquarters over regional practices.	a) Community Infrastructure Branch to develop a CFM Program-specific Performance Measurement Strategy in conjunction with program renewal. The Strategy will include a risk management framework that details oversight and quality assurance functions for Headquarters and regions.  b) Operations and Planning Support Branch to work with Regional Offices to implement risk management framework and oversight and quality assurance functions for Headquarters and regions	31/12/2009          31/03/2010	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b></p> <p>a) Ongoing - Community Infrastructure Branch is commencing work on the development of a Performance Measurement Strategy &amp; risk management framework for the CFM Program. Strategy is expected to be completed by June 30, 2009.</p> <p>b) On-going – working with CIB. BC Region will be presenting a Best Practices example on the development of risk-based practices for major capital projects at a National Workshop in Toronto between April 16<sup>th</sup> and 17<sup>th</sup>. Once CIB completes (a) above we may commence full implementation of the Performance Measurement Strategy &amp; risk management framework for the CFM Program.</p> <p><b>AES: AES attended National Workshop in Toronto on April 16<sup>th</sup> &amp; 17<sup>th</sup>.</b></p>

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<p>4. The Director General, Community Infrastructure Branch and the Director General, Operations and Planning Support Branch should conduct a review of the methodology and process for allocating CFM Program funding from Headquarters to regions.</p>	<p>a) Community Infrastructure Branch to work with Chief Financial Office, Operations and Planning Support Branch and Regional Offices to explore options for enhancing the methodology and process for allocating CFM Program funding (core and non-core) from Headquarters to regions.</p> <p>b) Community Infrastructure Branch to work with Chief Financial Office, Operations and Planning Support Branch and Regional Offices to take results from 4.1.1 and apply to each of the asset classes (i.e., water, schools, housing). The current engineering assessment for water will also provide information for this exercise.</p>	<p>31/12/2010</p> <p>31/12/2011</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b> a/b) Community Infrastructure Branch is working with CFO on options for the allocation of CFM Program funding from HQ to Regions. This action item ties into the work being done in action item #1 relating to departmental response to new Transfer Payment Policy.</p>
<p>5. The Director General, Community Infrastructure Branch and the Director General, Operations and Planning Support Branch should ensure that updated and comprehensive national guidelines for the management of the CFM Program are developed and disseminated to program management in the regions.</p>	<p>a) Community Infrastructure Branch to develop/update high level flowchart, indicating various activities undertaken by the department and the purpose of each activity. Will cover generic processes (major capital, minor capital, etc.) and theme-specific processes (water major capital, school major capital, etc.)</p> <p>b) Operations and Planning Support</p>	<p>30/06/2009</p> <p>30/09/2009</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b> a) Capital Planning process drafted, Major Capital underway. <b>AES: AES to review draft Capital Planning process.</b></p> <p>b) Pending implementation - Operations and Planning Support Branch is implementing the</p>

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	Branch to work with regions to implement work done in a).	30/09/2009	Capital Planning Process as detailed in the MCF. Implementation of the MCF will be discussed at a National Workshop in Toronto between April 16 <sup>th</sup> and 17 <sup>th</sup> .
	c) Community Infrastructure Branch to develop/update 2 <sup>nd</sup> tier guidelines that will detail roles and responsibilities, the management control framework for the CFM Program, and authorities to approve funding expenditures. Flowcharts in 5.1.1 will also be expanded to additional themes including roads and bridges major capital and electrification major capital.	30/09/2009	<b>AES: AES attended National Workshop in Toronto on April 16<sup>th</sup> &amp; 17<sup>th</sup>.</b>  c) Pending implementation – Work to be performed over summer/09.
	d) Operations and Planning Support Branch to work with regions to implement work done in 5.1.3.	31/12/2009	d) Pending implementation following completion of (c).
	e) Community Infrastructure Branch to compile/consolidate national standards for engineering and/or construction standards, templates, financial coding, detailed audit and compliance regimes, checklists for business processes, etc. Regional variations may be introduced to account for different regional factors. Identified gaps in information will be filled with new procedures/processes development as required.	31/12/2009	e) Work to be performed over summer and fall 2009.
	f) Operations and Planning Support		

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	Branch to work with regions to implement work done in 5.1.5.		f) Pending implementation following completion of (c).
6 a) The Director General, Community Infrastructure Branch should develop and communicate guidelines for the categorization of projects to be managed as major capital projects.	<p>a) Community Infrastructure Branch to draft/update comprehensive national guidelines for the categorization of projects to be managed as major capital projects.</p> <p>b) Operations and Planning Support Branch to implement in regions comprehensive national guidelines for the categorization of projects to be managed as major capital projects.</p>	<p>30/06/2009</p> <p>30/09/2009</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale: As of 31/03/2009:</b></p> <p>a) Drafting of guidelines began in Spring 2009 and is expected to be completed in Summer 2009.</p> <p>b) Pending development and approval of new guidelines, Capital Facilities and Maintenance Program (CFMP) will be implemented as per current policies.</p>
6 b) The Director General, Operations and Planning Support Branch should establish processes for the ongoing monitoring of regional practices by Headquarters.	Operations and Planning Support Branch to establish processes for the ongoing monitoring of major capital regional practices (i.e., file review, project approval process) by Headquarters, including communication interface between Operations and Planning Support Branch and Community Infrastructure Branch.	30/09/2009	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale: As of 31/03/2009:</b></p> <p>On-going – Currently working with regional capital managers to establish and streamline processes for the on-going monitoring of regional practices. The on-going processes associated with the management, tracking and reporting of CEAP projects will be used as a basis for oversight for the remainder of major capital projects.</p>

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<p>7 a) The Director General, Community Infrastructure Branch should ensure that national comprehensive guidelines for management of the CFM Program (as recommended in item #5.1) include major capital project file documentation requirements to address key risk areas.</p>	<p>a) Community Infrastructure Branch to draft/update comprehensive national guidelines for major capital project file documentation requirements to address key risk areas.</p> <p>b) Operations and Planning Support Branch to implement in regions comprehensive national guidelines for the management of the CFM Program that include major capital project file documentation requirements, which address key risk areas.</p>	<p>30/09/2009</p> <p>30/09/2009</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b></p> <p>a) CFM Management Control Framework (details major capital project file documentation requirements) developed and approved by Operations Committee. Major Capital document checklist drafted.</p> <p><b>AES: AES to obtain &amp; review Major Capital document checklist.</b></p> <p>b) On-going – Operations and Planning Support Branch to provide by Spring 2009 ICMS guidelines including processes for data entry and report generation by the Regions. Furthermore, HQ will conduct file reviews in regions of high risk projects. OPS Branch is currently conducting file reviews of all major capital projects over \$10M.</p>
<p>7 b) The Director General, Operations and Planning Support Branch should establish processes for the ongoing monitoring of regional practices by Headquarters to assess compliance with the guidelines.</p>	<p>Operations and Planning Support Branch to establish processes for the ongoing monitoring of regional practices by Headquarters to assess compliance with guidelines as they relate the major capital project file documentation.</p>	<p>31/12/2009</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b></p> <p>On-going – File reviews and compliance visits will be conducted throughout fiscal year 2009-2010.</p>

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<p>8 a) The Director General, Community Infrastructure Branch should develop guidelines outlining minimum requirements or expectations, including monitoring, for the management and oversight of minor capital and operations &amp; maintenance.</p>	<p>a) Community Infrastructure Branch to draft/update guidelines detailing minimum requirements for the management of oversight of minor capital and operations &amp; maintenance.  b) Operations and Planning Support Branch to implement in regions guidelines detailing minimum requirements for the management of oversight of minor capital and operations &amp; maintenance.</p>	<p>31/09/2009  31/03/2010</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b> a) Work to commence in late spring. b) On completion of (a) above Operations and Planning Support Branch will implement guidelines detailing requirements for management of oversight of minor capital and operations and maintenance.</p>
<p>8 b) The Director General, Operations and Planning Support Branch should work closely with the Chief Financial Officer to establish processes for the ongoing monitoring of regional practices by Headquarters to assess compliance with the guidelines.</p>	<p>Operations and Planning Support Branch to work with Chief Financial Office to establish processes for the ongoing monitoring of regional practices by Headquarters to assess compliance with the minor capital and operations &amp; maintenance guidelines.</p>	<p>31/03/2010</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b> On completion of 7(a) above OPS Branch with CFO assistance will establish processes for the ongoing monitoring of regional practices by Headquarters to assess compliance with the minor capital and operations &amp; maintenance guidelines.</p>
<p>9. The Director General, Community Infrastructure Branch and the Director General , Operations and Planning Support Branch should consider the implementation of risk based FN compliance audits as part of a formalized risk management framework.</p>	<p>a) Community Infrastructure Branch to work with Operations and Planning Support Branch to develop compliance audit framework and process for the CFM Program, building upon the compliance audit work that has been undertaken specifically for the First Nations Water and Wastewater Action Plan.</p>	<p>31/12/2009</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b> <b>As of 31/03/2009:</b> a) Work to commence in summer 2009.</p>



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	b) Operations and Planning Support Branch, with support from Community Infrastructure Branch, to implement the compliance audit framework and processes in the regions.	31/03/2010	b) Pending implementation following completion of (a).