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## Internal Audit of the Museums Assistance Program

Office of the Chief Audit and Evaluation Executive  
Audit and Assurance Service Directorate

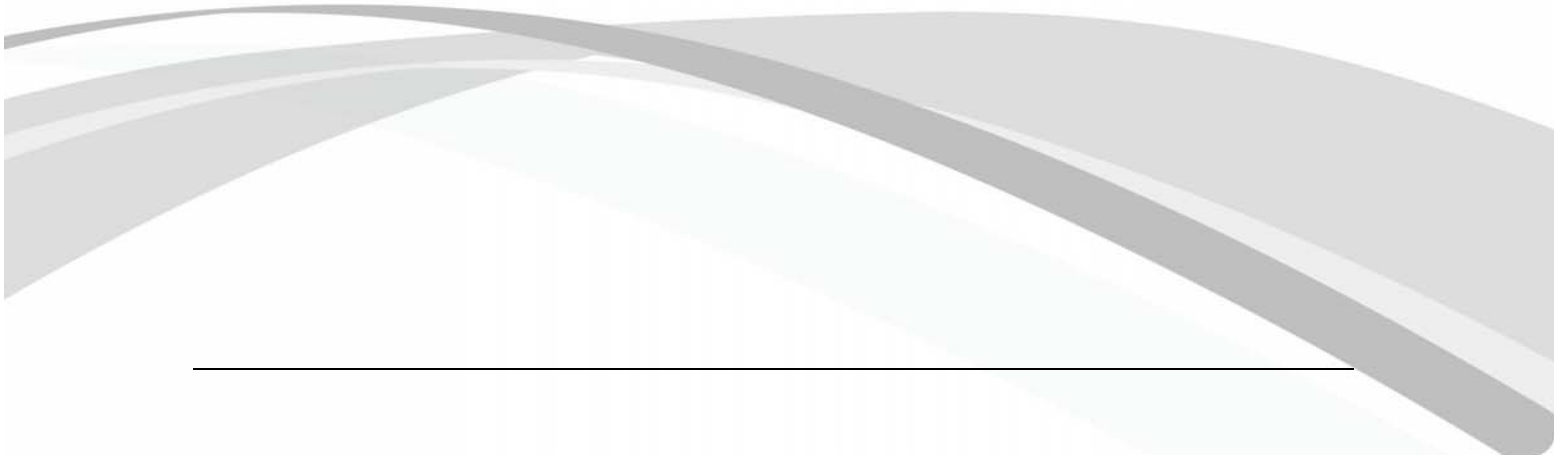
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# Executive Summary

## Introduction

The Museums Assistance Program (MAP) is one of four programs currently administered by the Heritage Policies and Programs Branch (HPPB) within the Citizenship and Heritage Sector at Canadian Heritage (PCH). The MAP's primary objectives are to foster Canadians' access to human, natural, artistic, and scientific heritage, and to enhance awareness, understanding and appreciation of this diverse heritage. The MAP aims to preserve and present Canada's diverse and rich heritage by providing funding, through grants and contributions (Gs and Cs), to museums and related institutions for activities which support these objectives. The program achieves these objectives by providing financial assistance of approximately \$6.8 million dollars a year in Gs and Cs to museums. The program, including Young Canada Works, also has a budget of \$622,600 in operations and management.

The programming elements within the MAP include:

- Access to Heritage, including Exhibition Circulation Fund;
- Aboriginal Heritage;
- Organizational Development;
- Canada-France Agreement; and
- Canadian Museums Association Support.

Audit work was carried out at Headquarters (HQ) in Gatineau and in the regional offices in Ontario (Toronto), Quebec (Montreal), and Western Regions (Vancouver). The audit was conducted between July and October 2008 and covered the fiscal years 2006-2007 and 2007-2008.

The objectives of the audit were to provide PCH senior management with:

- Assurance that management controls, risk management frameworks and overall governance structure are effective and adequate; and
- Assurance that the procurement activities comply with policies and regulations.

## Key Findings

Throughout the audit fieldwork, the audit team identified the following control strengths:

- There has been stability among the MAP program officers in the regional and district offices. A stable workforce has allowed the program to maintain program knowledge and expertise;
- Financial management policies and authorities have been established. There is a clear segregation of duties. Accounting controls ensure that transactions are recorded and coded to the appropriate account;

- The MAP criteria and application guidelines are updated on an annual basis, are readily available to the museum community and clearly set out the program requirements such as: application deadlines, eligibility (project, applicant and expenditure), recipient reporting, maximum funding available, and evaluation criteria; and
- Appropriate tracking systems are in place to ensure that all applications are dealt with in an organized and timely fashion. Project assessments are performed utilizing the evaluation criteria of the department which are tied to the goals and objectives of the program.

However, the audit team identified opportunities to strengthen controls. For example, improvements are required to clarify operating procedures including guidelines, work tools and the reporting and communication structure between HQ and the regions. In addition, the risk and performance management practices need to be strengthened. Recommendations have been made to address these opportunities and issues.

## Recommendations

1. The Executive Director, Heritage Group, should improve the lines of communications between HQ and the Regions. This would include, but is not limited to, encouraging and facilitating communication between HQ and the regions, establishing a process to evidence meetings and recording the decision making, sharing background information to decisions and new developments that affects the operations of the program and requiring input from all levels of employees;
2. The Executive Director, Heritage Group, should review whether the use of Expert Peer Review Committee (EPRC) is still relevant. If the value and relevance of the EPRC are confirmed, the current formal process should be reinforced with clarification to the terms of reference, roles and responsibilities and specific eligibility criteria for the expert members;
3. The Executive Director, Heritage Group, should create and distribute a comprehensive operating manual related to standard operating procedures, processes and work related tools with the intent of increasing awareness of program requirements and introducing consistency in program administration. This manual should include a standardized system for documenting files;
4. The Executive Director, Heritage Group, should ensure that all employees follow the policies and guidelines and that all relevant evidence to support the funding decision is retained on file. In addition, the rationale and approval for any deviation from the guidelines should be well-documented, bringing clarity, transparency and consistency across the regions;
5. The Executive Director, Heritage Group, should develop and implement a formalized performance management and reporting process to align with the

Results-based Management Accountability Framework (RMAF). This should include a performance reporting process with the regions and the establishment of service delivery standards for the application approval process; and

6. The Executive Director, Heritage Group, should establish a formalized process to periodically identify, update and monitor program risks and risk mitigation strategies currently faced by the Program.

## Statement of Assurance

In my professional judgment as Chief Audit and Evaluation Executive, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the opinion provided and contained in this report. The opinion is based on a comparison of the conditions, as they existed at the time, against pre-established audit criteria that were agreed to with management. The opinion is applicable only to the entity examined and within the scope described herein. The evidence was gathered in compliance with Treasury Board policy, directives, and standards on internal audit and the procedures used meet the professional standards of the Institute of Internal Auditors. Sufficient evidence was gathered to provide senior management with the proof of the opinion derived from the internal audit.

## Audit Opinion

Further to my review of management controls, risk management frameworks and overall governance structure to ensure practices are effective and adequate, in my opinion, the Museum Assistance Program has moderate issues requiring management focus in the areas of governance, program management guidance, stewardship and risk management.

Original signed by:

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**Vincent DaLuz**

Chief Audit and Evaluation Executive  
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## Audit Team Members

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# 1. Introduction and Context

## 1.1 Authority for the Audit

The authority for this audit is derived from the 2008-09 Risk-Based Multi-Year Audit Plan which was approved by the Deputy Minister and by the Departmental Audit Committee in June 2008.

## 1.2 Background

The Heritage Policy and Programs Branch (HPPB) is part of the Citizenship and Heritage Sector and it is responsible for managing the following programs:

- a) The Museum Assistance Program (MAP);
- b) The Movable Cultural Property;
- c) The Heritage component of the Canadian Arts and Sustainability program; and
- d) Young Canada Works in Heritage Organizations.

The MAP's primary objectives are to foster Canadians' access to human, natural, artistic, and scientific heritage, and to enhance awareness, understanding and appreciation of this diverse heritage. Increased emphasis is placed on:

- Facilitating Canadians' access to their heritage;
- Ensuring the preservation, management and presentation of Aboriginal cultural heritage; and
- Strengthening professional standards and enhancing competencies in the management of key museological functions.

The MAP supports the creation of increased opportunities for Canadians to access, experience, appreciate and enjoy collections and stories from a wide variety of heritage organizations across the country. The Program aims to preserve and present Canada's diverse and rich heritage by providing funding to museums and related institutions for activities which support these objectives. The program achieves these objectives by providing financial assistance of approximately \$6.8 million dollars a year in grants and contributions to museums for activities which fall under the following six programming elements:

- Access to Heritage: for traveling exhibitions projects;
- Exhibition Circulation Fund: for the hosting of out of province travelling exhibitions;
- Aboriginal Heritage: for projects related to the preservation and presentation of Aboriginal heritage;
- Organizational development: for projects to strengthen the management of key museological functions and related competencies;

- Canada-France Agreement: for joint projects between French and Canadian heritage organizations to create and enhance competencies of museum professional; and
- Canadian Museums Association Support: funding will assist the CMA in four activity areas: Membership Services, Communications, Policy Development and Professional Development, which includes the Bursary Program delivered on behalf of the Department to eligible individuals in the Canadian museum community to enable them to undertake professional development in museum studies or in related areas of specialization.

The program, including Young Canada Works, has a budget of \$622,600 in operations and management.

The MAP's operation and delivery are decentralized. The program operates through the combined efforts of HPPB, regional and district offices, and central services at headquarters.

The program was renewed for the period 2005-2006 to 2009-2010. The program is scheduled for an evaluation in March 2009.

## **2. Objectives**

The audit is intended to provide PCH senior management with assurance that:

- a) management controls, risk management frameworks and overall governance structure are effective and adequate; and
- b) the procurement activities comply with policies and regulations.

## **3. Scope**

The audit covered the activities that were undertaken from April 1, 2006 to March 31, 2008 and conducted from July to October 2008. It focused on the MAP management control framework, governance structures, management practices and risk management. The audit work was carried out at Headquarters (HQ) in Gatineau and in the regional offices in Ontario (Toronto), Quebec (Montreal), and Western Regions (Vancouver).

## **4. Approach and Methodology**

The audit was conducted in accordance with the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA), the federal government's professional internal audit standards, and the Treasury Board (TB) Policy on Internal Audit.

Sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the opinion provided and contained in this report.

The following main audit techniques were used:

- Interviews with program managers and employees;
- Review of relevant documents i.e.: guidelines and procedures;
- Analysis of the program's compliance with Treasury Board Secretariat (TBS) and Department policies, guidelines and procedures;
- Review of the program's internal control systems; and
- Detailed file review of a sample of grants and contributions agreements to verify compliance with PCH and TBS requirements.

Table 1 presents a summary of the sample of program applications that were selected for the audit. The selection of the sample was based on the dollar size of the application (a mix of large and small dollar applications), the nature of the application (mix of small and large organizations) and a mix of rejected and accepted applications. The records were subject to probability sampling in order to obtain a sample that is representative of the various components in the three regions visited.

**Table 1: Sample file selection**

<b>Region<sup>1</sup></b>	<b>2006/07 Applications</b>	<b>2007/08 Applications</b>	<b>Total</b>	<b>Proportion of total Applications in each Region</b>	<b>Sample<sup>2</sup></b>
Ontario	52	53	105	33%	26
Quebec	65	66	131	40%	32
Western	46	41	87	27%	22
<b>Total</b>	<b>163</b>	<b>160</b>	<b>323</b>	<b>100%</b>	<b>80</b>

In addition to the file review, the audit covered:

- The program's processes / governance tools and management through which the program's values and objectives are defined and communicated, and their progress is evaluated and reported;
- The effectiveness and efficiency of the program's financial and non-financial controls – including operational and informatics governance and management controls;
- The program's risk management systems; and
- The effectiveness of existing controls to ensure the integrity of financial and operational program information.

<sup>1</sup> These three regions were selected due to large number and dollar amounts of grant and contribution agreements. The Western region also includes the Alberta District.

<sup>2</sup> The sample size was 80 out of 336 applications received by the Program in fiscal years 2006/07 and 2007/08. As the number of applications is relatively the same for fiscal years 2006/07 and 2007/08 for each region, the sample size was divided equally between the two fiscal years.

The audit criteria and lines of enquiry developed for this audit were linked to the Core Management Control Framework established by Treasury Board and are included in Appendix A to this report.

## **5. Observations, Recommendations and Management Response**

Based on a combination of the evidence gathered through documentation, examination, analysis and interviews, the audit criteria were assessed by the audit team and a conclusion for each of the audit criteria was determined. These are summarized in Appendix A. Details of the analysis and risk assessment for the observations section, along with the recommendations and the management response, are as follows:

### **5.1 Governance**

#### **5.1.1 Communication**

When a program is delivered in the regions, it is critical that there is regular and effective communication between the regions and HQ to ensure that all parties are aware of the progress of the program and any issues and changes that are required for effective program delivery.

##### **Analysis**

Although the program has open lines of communication such as consultations (when there are major issues) or initiatives and holding teleconferences (once a month between HQ and all regions), there are opportunities for improving the sharing of information between HQ and the regions. Regional staff are concerned that their input is not requested or not considered when HQ implements changes to the MAP.

##### **Risk Assessment**

Without proper sharing of information between HQ and the regions, there is an increased risk that necessary information may be overlooked or missed and that program objectives may not be achieved. There is also an increased risk of inconsistent operation and delivery of the program throughout the regions.

##### **Recommendation**

1. The Executive Director, Heritage Group, should improve the lines of communications between HQ and the Regions. This would include, but is not limited to, encouraging and facilitating communication between HQ and the regions, establishing a process to evidence meetings and recording the decision making, sharing background information to decisions and new developments that affects the operations of the program, and requiring input from all levels of employees.

## Management Response

Agreed.

### 5.1.2 Expert Peer Review Committees

Concerns have been raised by the regions over the application approval process. Specifically, the concerns are with the role, relevance, composition and objectivity of both the National Access and the Aboriginal Heritage Expert Peer Review Committees (EPRC) which are held in HQ.

#### Analysis

The application approval process for the Aboriginal Heritage and National Access to Heritage components is that the files are reviewed by both the Regional Program Officer (RPO) and the EPRC.

During part of the scope of the audit, the Organizational Development component had a Regional Expert Peer Review Committee. It was however eliminated to be replaced with a Regional Staff Review Committee (RSRC) composed of departmental staff. Therefore, a model exists whereby the complete assessment function could be performed by the RSRC, moreover the RPO have the knowledge and the capacity to obtain the knowledge to assess the file against all criteria.

The Aboriginal Heritage and National Access files are first reviewed by the RPO for completeness and eligibility and are then sent to the EPRC. The EPRC assesses the files against project related criteria such as project management, project budget, evaluation strategy and project relevance within a national context. The EPRC does not make any recommendations on the projects but, as per their combined expertise, provide advice to the RPO on whether the applicants meet the related criteria and whether they would be able to complete the proposed project. The RPO also assess the files against organizational related criteria such as project management, relevance of project within a regional context and MAP objectives, project budget, and the applicant organization's management capacity. The EPRC and RPO therefore assess the files on similar criteria. However, the RPO does not assess the evaluation strategy criteria of the project.

Although there is a working guide for the EPRC, there is no formal process for choosing the expert members. There were no criteria identified prior to the selection of the panel members, as well as no clear assessment made afterwards to justify the selected members of the panel. Since there are a limited number of appropriate qualified experts and they are often chosen based on availability and willingness to do the job, there is no evidence to demonstrate that these individuals have the qualifications required to review and make recommendations pertaining to the files.

Resources and time are necessary to organise and host the EPRC. The Program pays for the experts' services and their travel, as well as the RPO travel to HQ to present and answer questions about their files to the committee.

Although having an EPRC may bring objectivity to the process, the national perspectives may not always be in concert with regional reality.

### **Risk Assessment**

There is a risk that the roles and responsibilities of the EPRC are misunderstood within the current process.

The current process for choosing the expert members of the EPRC may present a risk that the number of experts sitting on the committee each year could be insufficient and that the provincial representation is inconsistent.

### **Recommendation**

2. The Executive Director, Heritage Group, should review whether the use of Expert Peer Review Committee (EPRC) is still relevant. If the value and relevance of the EPRC are confirmed, the current formal process should be reinforced with clarification to the terms of reference, roles and responsibilities and specific eligibility criteria for the expert members.

### **Management Response**

Agreed.

## **5.2 Policy and Program - Management Guidance**

A comprehensive operating manual outlining procedures, processes and related work tools provides guidance on the delivery of the program. In addition, such a manual enables well documented files which provide evidence that all factors in arriving at a decision are considered. The file should demonstrate that the decision was justified, transparent and made in accordance with program guidelines.

### **Analysis**

Over the years, there has been stability among the MAP program officers in the regional and district offices. A stable workforce has allowed the program to maintain program knowledge and expertise. It was noted that the program relies on its corporate memory but lacks operating manuals outlining its procedures, processes and related work tools to be used in daily operations of the program.

In addition, the audit team found that information and documentation kept on files were not consistent from one region to the other. Some regions had one file with all documentation while other regions had two separate files which were not cross-referenced: a permanent file which contained information such as background information about the client and a project file with documentation about the specific project being funded. The audit team observed that files were missing documentation to render an informed decision such as the complexity assessment and the EPRC members' comments that are used by program officers to evaluate the applications for funding. Furthermore, documents were missing date stamps.

### **Risk Assessment**

Without a comprehensive operating manual, the risk increases that program employees are not aware of program requirements, that new employees are not aware of the standard operating procedures, and that the program is not consistently delivered across the regions.

Without proper standardized project files, there is an increased risk that critical information is not collected and/or maintained on file to provide evidence of the decision making process. Furthermore, if the project files are not cross-referenced to the permanent file, there is a risk that critical information is being overlooked.

### **Recommendation**

3. The Executive Director, Heritage Group, should create and distribute a comprehensive operating manual related to standard operating procedures, processes and work related tools with the intent of increasing awareness of program requirements and introducing consistency in program administration. This manual should include a standardized system for documenting files.

### **Management Response**

Agreed.

## **5.3 Stewardship - Management of Funding Agreements**

The program guidelines offer potential applicants information on eligibility criteria (recipient, project and expenditures) and the deadlines for applying. They also state that applications under \$50,000 and which are considered low risk are eligible to receive a grant. The guidelines should provide applicants with the assurance that all applications will be treated in a consistent and transparent manner.

## Analysis

The MAP guidelines clearly state that the applications must be postmarked by the deadline date in order to be considered for funding. The audit team noted during the file review that in four instances, the date stamp on the application acknowledging the receipt of application was past the deadline date. There was no evidence on file, such as the envelop, that confirmed that the application was postmarked prior to the deadline supporting the decision to evaluate the application even though it was received after the deadline date. Those four applications were evaluated and approved for funding. In another case, permission from HQ was sought and granted to accept and evaluate a late submission. This application was also approved for funding.

In addition, the audit team found four cases where the funding process (grant vs. contribution) did not comply with certain program guidelines, and no justification for this deviation was documented in the files.

It was noted that once there was a depletion of the grants budget, some recipients who were eligible to receive a grant were given a contribution. The audit team noted that four low risk applications for amounts less than \$50,000 and which qualified for a grant were given a contribution. There was also no documentation to support the decision to give one recipient a grant and the other a contribution when both were evaluated at the same risk level. This practice demonstrates a lack of consistency in the allocation of the budget across the MAP and was not compliant with internal policies and program guidelines for these types of funding.

## Risk Assessment

If applications are received after the deadline and there is no evidence on file to support the postmarked date, there is a risk that the applications are approved after the deadline in contradiction to the guidelines. Accepting proposals after the deadline does not provide fairness and transparency of the selection process. If the policies and guidelines that guide the program are not followed, there is a lack of clarity, transparency or consistency across the regions.

## Recommendation

4. The Executive Director, Heritage Group, should ensure that all employees follow the policies and guidelines and that all relevant evidence to support the funding decision is retained on file. In addition, the rationale and approval for any deviation from the guidelines should be well-documented, bringing clarity, transparency and consistency across the regions.

## Management Response

Agreed.



## 5.4 Performance Management

The development and reporting of performance measures and indicators provides program management with information to assess whether the activities being performed and projects being funded are supporting the achievement of the program's goals and objectives.

### Analysis

Performance measures, indicators and targets have been established in the program's RMAF and Risk-based Audit Framework (RBAF). However the audit team noted that there was not sufficient reporting on the overall performance of the program. While the MAP did report on activities through the Departmental Performance Report (DPR), these reports were limited to program expenditures and the number of recipients funded. No other mechanisms were used to report program performance or activities to program stakeholders.

Although project reports can be drawn from GCIMS and financial reports from SAP by HQ, the audit team found that updated periodic roll up performance reports were not submitted by the regions to HQ. These reports should include regional recipient status reports with information such as achievement of objectives and current spending level. Moreover, GCIMS and SAP are systems used by the program for decision making based on performance measurements. However, it was noted that there are discrepancies between the information included in GCIMS and SAP. Figures in GCIMS may not be accurate since the two systems do not automatically reconcile and some files may have been closed in SAP but not closed in GCIMS.

Also, the MAP had no formal annual performance report containing the overall accomplishments of the program's goals and objectives, the impact of the program and the performance indicators set out in the RMAF/RBAF.

HQ is ultimately accountable for the Program and therefore should have a clear knowledge of what is being accomplished in the regions. More consistent reporting to HQ throughout the year would better equip management to take action to meet the requirements of the Program.

In addition, there is no established service delivery standard. This makes it difficult for the Program to evaluate its performance as well as set expectations for the applicants on turnaround time for application assessment. As a minimum, the performance measures indicators and targets in the RMAF should be implemented.

### Risk Assessment

Without a formalized performance management and reporting process, there is a risk that the MAP is unable to adequately report on the overall success of the program. There is therefore a risk that program objectives will not be met.

By not reconciling information in SAP to GCIMS, there is a risk that decisions are based on inaccurate data.

Without service delivery standards for the application approval process, this affects the Program's ability to meet stakeholder expectations, impacting stakeholder satisfaction and the Program's overall reputation.

### **Recommendation**

5. The Executive Director, Heritage Group, should develop and implement a formalized performance management and reporting process to align with the RMAF. This should include a performance reporting process with the regions and the establishment of service delivery standards for the application approval process.

### **Management Response**

Agreed.

## **5.5 Risk Management**

The risks and the risk mitigation plans in the Risk Based Audit Framework (RBAF) should be periodically assessed and monitored to ensure they reflect the current environment of the program.

### **Analysis**

A RBAF is in place for the MAP that identifies risks and risk mitigation strategies. However, the audit team found that, program management does not formally monitor, on an ongoing basis, the risk management strategies and identified risks, which would provide ongoing assurance about the effectiveness of program's risk and management strategies. As a result, the Program cannot periodically update the risks and the risk mitigation strategies to take into consideration the current changes.

The audit team noted that the process used by the MAP employees to monitor recipients consisted of telephone conversation, emails and review of activity and financial reports. It was also noted that further to these activities, some conducted site visits. However, these site visits were not based on risk assessments but rather on outreach activities, time and budget constraints.

### **Risk Assessment**

By not having a formal process to periodically review and update the risks and risk mitigation strategies, it increases the risk that Program risks and mitigation strategies maybe outdated and may not include all risks currently faced by the Program.

Not choosing site visits based on a risk analysis increases the risks of not being able to identify the organizations that are unable of delivering or achieving the expected results. There is also the risk that the Program requirements are not being met by the delivery organizations.

**Recommendation**

6. The Executive Director, Heritage Group, should establish a formalized process to periodically identify, update and monitor program risks and risk mitigation strategies currently faced by the Program.

**Management Response**

Agreed.



## Appendix A – Audit Criteria

The conclusions reached for each of the audit criteria used in the audit were developed according to the following definitions.

Numerical Categorization	Conclusion on Audit Criteria	Definition of Conclusion
1	Well Controlled	<ul style="list-style-type: none"> <li>well managed, no material weaknesses noted; and</li> <li>effective.</li> </ul>
2	Controlled	<ul style="list-style-type: none"> <li>well managed, but minor improvements are needed; and</li> <li>effective.</li> </ul>
3	Moderate Issues	<p>it has moderate issues requiring management focus (at least one of the following two criteria need to be met):</p> <ul style="list-style-type: none"> <li>control weaknesses, but exposure is limited because likelihood of risk occurring is not high;</li> <li>control weaknesses, but exposure is limited because impact of the risk is not high.</li> </ul>
4	Significant Improvements Required	<p>requires significant improvements (at least one of the following three criteria need to be met):</p> <ul style="list-style-type: none"> <li>financial adjustments material to line item or area or to the department; or</li> <li>control deficiencies represent serious exposure; or</li> <li>major deficiencies in overall control structure.</li> </ul>

The following are the audit criteria and examples of key evidence and/or observations noted which were analyzed and against which conclusions were drawn. In cases where significant improvements (4) and/or moderate issues (3) were observed, these were reported in the audit report, and the exposure risk is noted in the table below.

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples of Key Evidence / Observation
1	Headquarters oversees the delivery of the program: - to ensure that the program is achieving its goals and objectives and; - to ensure that the program's role and responsibilities are well defined.	1	Process description Discussions/interviews HQ coordinates and makes decisions about policies procedures
2	Communication between the Regions and Headquarters ensures that the information is received in a timely manner and staff is involved in the identification and implementation of change.	3	Teleconference calls between HQ's and Regions <i>Discussions/interviews</i>
3	Application assessment : - contains eligibility criteria; - reviewed by an independent group or committee; - score the applicants' proposal using selection criteria; - documentation are placed and	3	Discussions/interviews RAF forms Process Description Project File Reviews <i>Some documentation was missing in the files (For example, Expert Peer Review Committees reports)</i>

	maintained in a file.		<b><i>Relevance of the EPRC and RPO since both assess files on similar criteria</i></b>
4	Managers address past audit findings and develop action plans.	2	Discussions/interviews Observations
5	Program Management has developed clear goals and objectives and they have been communicated.	2	Treasury Board (TB) Submission & Terms and Conditions (T&C) May 2005 RMAF/RBAF report MAP Guidelines including Annexes Discussions/interviews
6	A strategic plan has been developed and communicated.	1	Discussions/interviews
7	Processes, procedures and systems are adequately documented, are updated as required and disseminated to appropriate individuals.	3	Process description <b><i>No procedural manual</i></b>
8	Project Files are well Documented. Major management decisions are documented and maintained in the project files and information/reports received from recipients are relevant, reliable and maintained in the project files.	3	Observations GCIMS analysis Review of project and permanent files Central filing system Project Assessment forms Letters of rejection Notes to file by program officers <b><i>There is a regional variance in maintaining files</i></b> <b><i>No documentation protocols have been developed</i></b>
9	Processes and procedures exist to support the continuity of information and systems.	2	GCIMS tracks progress of projects SAP system provides reliable and timely financial information Department's database complies with all laws and regulations <b><i>Program depends on data in GCIMS and SAP that do not automatically reconcile</i></b>
10	A continuous improvement program is in place and: - changes to be made are identified; and - changes are implemented in a practical manner.	2	MAP Guidelines - Annual updated Treasury Board Submission & terms and conditions Process description Discussions/interviews Teleconference calls between HQ's and Regions
11	Training programs are in place and regularly attended and staff skills for each delivery component: - need to be identified; - need to be regularly assessed; - need to have a succession plan.	1	Training Plans Discussions/interviews Departmental & Public Service Courses University Courses available
12	The design of the program is fully consistent with the TB Policy on Transfer Payments.	1	Treasury Board Submission & terms and conditions May 2005 RMAF/RBAF report Discussions/interviews
13	An accountability framework exists and roles and responsibilities have been	1	Heritage Programs Accountability & Control Framework

	communicated and are well understood.		Process descriptions May 2005 RMAF/RBAF report Organization chart & job description Signing authority cards Discussions/interviews
14	Clear eligibility and selection criteria have been developed and: - support the program goals and objectives; - are documented and have been communicated to all stakeholders.	1	Canadian Heritage Website Treasury Board Submission – Annex B MAP Guidelines including Annexes Process Description Correspondence in the project files Application forms from recipients. Evaluation criteria & process Expert Peer Review Committee reports Regional Peer Review Committees Recommendation for Approval forms (RAF) Discussions/interviews
15	A process has been developed to communicate with potential recipients about the program.	2	Canadian Heritage Website Discussion/Interviews Methods to target audience is narrowly defined and not documented
16	An application assessment & selection process has been developed, implement and is transparent. They are applied consistently and fairly.	3	MAP Guidelines including Annexes Process Description Application forms Discussions/interviews <b><i>Lack of evidence on file to support deviation from established guidelines</i></b>
17	Performance information is collected and used in decision making. Overall program, financial and operations' results are: - reported annually; and - reported against performance targets.	3	TB Submission May 2005 RMAF/RBAF MAP Guidelines including Annexes Review documentation Discussions/interviews Departmental Performance Report Heritage Branch G&C's Spreadsheet <b><i>No progress reports</i></b> <b><i>Performance is not measured at regular intervals</i></b> <b><i>SAP &amp; GCIMS reports</i></b> <b><i>No service delivery standards</i></b>
18	Funding levels for projects are pre-established and adhere to.	2	RAF forms Recipient budgets analysis & eligible expenditures Contribution Agreements Minister's office letters
19	Projects where there is an application for additional or extended funding is reassessed and decisions on funding are documented.	1	Amendments to Contribution Agreement Correspondence in project files Discussions/interviews
20	Contribution Agreements/Grant Applications are comprehensive. The terms and conditions stated in the	1	CA & Templates CA & Terms and conditions TB Submission - Annex B

	CA: - facilitate the accomplishment of program objectives and - are in compliance with TB policy on transfer payments.		TB transfer payments policy
21	Regular and ongoing project monitoring is performed and: - includes measurable and attainable performance criteria; - the results achieved by the recipients are in compliance with the terms and conditions of CA; - recipients provide the necessary documentation to support the receipt of public funds - recipients report on the final financial/project results.	1	Contribution Agreements Recipient application forms Project details objectives Project budget & cash flow statements Interim & final reports Final project assessment E-mail traffic & letters between client and program officers Discussions/interviews
22	In the event that terms and conditions/individual agreements are not followed, management rationale is available and properly documented.	3	Project files Follow-up correspondence (e-mail & letters) with clients by program officer Discussions/Interviews <b><i>Lack of evidence on file to support decisions made when deviating from guidelines (i.e. decisions to enter into a contribution agreement with a recipient who was eligible to receive a grant)</i></b>
23	Adequate monitoring and verification procedures are performed on claims and also include: - specific deadlines for submission by recipients of expenditure & other activities.	1	Contribution Agreement dates Budget analysis by program officers Interim reports Correspondence letters & e-mail Notes to file
24	A process is in place to recover amounts utilized by the recipient for ineligible expenses, or in the event of default/termination of the CA or paid in excess of funding requirements.	1	Contribution Agreements restrict the transfer of funds between expense categories Letters to recipients Discussions/interviews
25	Risk assessments and mitigation plans are monitored and updated periodically.	3	May 2005 RMAF/RBAF report <b><i>Risk assessments &amp; mitigation plans are not periodically updated or monitored</i></b>
26	On-site inspections are conducted and field reports are prepared.	3	Discussions/interviews <b><i>Site visits were not based on risk assessment. In some cases, site visit reports were not prepared and in some cases they were prepared but were not located on file</i></b>