



Public Health
Agency of Canada

Agence de la santé
publique du Canada

FOLLOW-UP REPORT

ON RECOMMENDATIONS FROM THE 2008 AUDIT ON
THE OFFICE OF THE PUBLIC HEALTH PRACTICE

Audit Services Division

June 2010

Approved by Chief Public Health Officer
on June 22, 2010

Canada 

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Executive Summary

1. The follow-up to the audit on the Office of the Public Health Practice (OPHP) was carried out in accordance with the Audit Services Division's Risk-Based Audit Plan, recommended by the Public Health Agency of Canada's (PHAC) Audit Committee and approved by the Chief Public Health Officer (CPHO).
2. The objective of this follow-up was to ensure that management had effectively implemented the actions arising from the recommendations contained in the 2008 audit of the Office of the Public Health Practice.
3. The objectives of the 2008 audit of the OPHP was :
 - to determine whether adequate procedures and controls are in place to ensure that OPHP activities are delivered with due regard to economy, efficiency and effectiveness;
 - to determine whether OPHP activities and expenditures are aligned with PHAC goals and authorities (to the extent not addressed by the Capacity Assessment); and
 - to identify relevant opportunities for improvement.

Conclusion

4. The results of the follow-up indicate that 12 of the 19 recommendations have been fully addressed with six action items still in progress and one recommendation being obsolete. We note that the most significant recommendations have been acted upon. The initial target date for starting and/or completing management actions was April 2009. We believe that management attention is still required on the six action items and next year we will follow-up on three recommendations that were directed at the Canadian Field Epidemiology Program (CFEP). We conclude that for the proposed six actions still in progress, when fully implemented, could remedy the observed conditions identified in the 2008 audit.
5. The follow-up work was performed as a review engagement. The review engagement provides only a moderate level of assurance which is normally limited to enquiry, analysis and discussion. The follow-up was done in accordance with Treasury Board policies and directives. The follow-up confirmed the status of corrective measures established by management in the area of the Office of the Public Health Practice.

Statement of Assurance

6. In my professional judgment as Chief Audit and Evaluation Executive, sufficient and appropriate procedures have been conducted and evidence gathered to support the accuracy of the conclusion provided and contained in this report. The conclusion is based on our review of approved management actions against the 2008 audit recommendations.

Christian Asselin, CA, CMA, CFE Chief Audit and Evaluation Executive

Management Response

7. The Agency's management agrees with our assessments.

Background

8. In accordance with the Risk-Based Audit Plan for 2010-11, the Audit Services Division undertook the follow-up of the Management Action Plan (MAP) submitted by the Director General OPHP in response to the 2008 audit report on the OPHP.
9. The performance audit was conducted in accordance with the Risk-Based Audit Plan for 2007-2008.
10. The 2008 audit addressed four significant risk areas:
 - alignment of activities and expenditures with goals and authorities;
 - availability and usefulness of information for planning and reporting;
 - proper management of projects/programs; and
 - proper management of grants and contributions.
11. **Alignment:** It was determined that OPHP met senior management's expectations for alignment and reporting on results and expenditures, and that the descriptions of OPHP activities and outcomes are consistent with Public Health Agency of Canada (PHAC) goals.
12. **Information for planning and reporting:** The 2008 audit looked at whether OPHP has the tools and information required for planning and for meeting senior management's expectations for reporting on results and expenditures.
13. **Program/project management:** Six of OPHP's 15 programs were selected for closer examination during the 2008 audit. These included:
 - Annual Report of the CPHO Skills Enhancement for Public Health
 - Data Coordination and Access Program (DCAP)
 - Geographic Information Systems (GIS)
 - Canadian Field Epidemiology Program (CFEP)
 - Professional Development
14. The 2008 audit attempted to determine whether there was an adequate steering mechanism which mapped how the goals will be achieved over time and with what resources, whether performance and resource use was reported to management on a timely basis; and whether there were clearly defined roles and responsibilities.
15. **Management of grants and contributions:** Six of the \$8.8 million in contributions awarded to the National Collaborating Centres unit were selected for examination during the 2008 audit as well as a selection of the \$2.2 million in grants and contributions awarded by the Scholarship and Tools for Workforce Development Program and the Canadian Public Health Service.

About the Follow-up

Objectives

16. The objectives for this follow-up were:

- To assess the extent to which Departmental Management has made progress in implementing the intended course of action arising from the OPHP; and
- To assess whether the actions taken by management were sufficient to correct the noted deficiencies.

Scope

17. The scope of the follow-up covered the recommendations contained in the 2008 audit project:

- Policies, directives, processes and evidence of improved situations were collected for the period of April 2009 to April 2010.

18. The follow-up was conducted from May to June, 2010.

Approach and Methodology

19. The follow-up was performed as a review engagement. A review does not constitute an audit. The review provides a moderate level of assurance with respect to the Status of the Management Action Plan to our recommendations as at June 4, 2010. It may also identify areas of weakness that were not identified in the original audit.

20. For the follow-up, evidence was collected to provide assurance that the action plans were implemented. The follow-up methodology included interviews, review of updated processes, policies, standards, newly implemented procedures and limited testing. We also assessed the efficiency of processes and internal controls in place to determine the extent to which the recommendations from the previous audit have been implemented and whether the reported situations had improved.

21. For each recommendation, the follow-up examined the actions taken to rectify the reported situations. Furthermore, we collected evidence of the actions taken and examined the appropriateness of each proposed solution. When agreed actions were not completely implemented, we further assessed:

- What remained to be done, by whom and when?
- What were the implemented alternatives that may have been more appropriate?
- Were the agreed actions effective or did they cease to be of value?

- If no action was taken, why not?
- What were the issues or concerns causing inaction?

22. The evidence was gathered in compliance with Treasury Board policy, directives and standards on internal audit and the procedures used to meet the professional standards of the Institute of Internal Auditors.

Overall Assessment

23. We reviewed management's actions taken to address the audit recommendations and, in our opinion, progress has been made on the majority of the 2008 audit recommendations.

24. However for six recommendations whose management actions are still on going, we conclude that the proposed actions, when fully implemented, could remedy the observed conditions identified in the 2008 audit.

25. We note that since our original audit, one program area, the Geographic Information Systems (GIS), will cease to exist in 2010-11. A 2008 audit recommendation (number 8) was directed to this program. The recommendation will become redundant at the point the program no longer exists. Therefore, the recommendation will be reported as obsolete.

26. There were three recommendations from the 2008 audit directed at the Canadian Field Epidemiology program (CFEP). The management action plan indicated that the program was to reorganize and that there would be an evaluation undertaken on the program. We note that there have been significant management changes in this area. We were informed that the program started to review their operations, manuals and procedures with the intent of making them more effective and efficient. These actions have delayed the completion of the 2008 approved MAP for this recommendation. We believe that the actions are positive and we will follow up in a year the progress of these initiatives.

In Progress Assessment

27. 2008 Audit Recommendation # 5:

- *OPHP should review the goals and mandate of Data Coordination and Access Program (DCAP) and revise them, if necessary, to enable DCAP to be more accountable for its mandated deliverables.*

28. We were informed that DCAP's mandate, strategic values and program overview have been developed and were reviewed by OPHP Executive on June 9th, 2010. OPHP Executive recommended that the documents be reviewed and approved by the Surveillance Integration Team and Surveillance Management Committee. This is expected to be done in fall 2010. We have obtained and reviewed the draft documents.

We believe that until the documents have been approved, this recommendation remains in progress.

29. 2008 Audit Recommendation # 6:

- DCAP should revise its work plan and intended outputs to respond to its clarified mandate and these should be communicated to users via a Website or other means.

30. One of OPHP's management actions in response to this recommendation is to develop a communications strategy. Key documents were tabled at the OPHP Executive meeting where it was recommended that these documents be approved by the Surveillance Integration Team and Surveillance Management Committee. Once the approval has been received the information will be sent to PHAC Communications group. This is expected to be completed in the later part of 2010-2011. Until the communication strategy has been developed and implemented this recommendation remains to be in progress.

31. 2008 Audit Recommendation # 9:

- Clarity and consistency of reporting on Canadian Field Epidemiology Program's (CFEP) targets and on whether they have been met should be improved and an explanation provided for significant variances such as the large decline in the current intake.

32. We were informed that the CFEP has undergone an operational review and a reorganization of the program. We have reviewed the new organizational chart. However, the reorganization appears to be ongoing. Until such time as we receive confirmation that the reorganization is complete this recommendation is considered to be still in progress.

33. 2008 Audit Recommendation # 14:

- PHAC should undertake an evaluation of the CFEP program, or at least an external assessment and review of key strategic components of the CFEP program, such as the selection process and course design.

34. The approved 2008 MAP had three parts proposed in response to the recommendation, two of which have not been completed. One planned action was a reorganization of the program. We have been informed that this has occurred but to date some key documents are still only in draft form.

35. The second action was to obtain a comprehensive evaluation of the CFEP program. We have been informed that this will be part of the planned evaluation of all PHAC field services in 2011. We were also informed that the Director responsible for CFEP has started to review how the program operates and their procedures. We commend this action but we have not seen any documentation on this initiative. Until these two management actions have been completed we assess this recommendation to be in progress.

36. 2008 Audit Recommendation #15:

- *For planning and performance review purposes, CFEP should more clearly specify the division and sharing of duties and responsibilities.*

37. We were advised that Audit Services Canada had completed an operational review of Field Service Training and Response (FSTR), including CFEP. We were informed that based on the review of CFEP, the group has been restructured. Other documentation has been provided but is only in draft form. We note that there is a revised organizational chart but no document has been provided detailing the revised roles and responsibilities of the new organizational structure. Until we have been provided the final version of key documents we are assessing the recommendation to be in progress.

38. 2008 Audit Recommendation #17:

- *OPHP should perform on-site visits to assess the projects that it is funding through the Scholarship Program. As well, OPHP should conduct an annual review of its financial information to ensure that the funds are spent as reported.*

39. The approved 2008 MAP indicated that OPHP would do site visits of recipients on a three year cycle basis and more frequent site visits of those recipients who are determined to be at a higher level of risk. We were informed that only two site visits had been performed during 2009-2010. We were also informed that additional site visits were planned, but due to H1N1 duties and increased workload, they did not get done. Until more site visits have been scheduled and completed, we assess this recommendation to be in progress.

Conclusion

40. The results of the follow-up indicate that 12 of the 19 recommendations have been fully addressed with six action items still in progress and one recommendation no longer applicable. We note that the most significant recommendations have been acted upon. The initial target date of completing and/or starting all management actions was April 2009. We believe that management attention is still required on the six action items and next year we will follow-up on three recommendations that were directed at the CFEP. We conclude that, for the proposed six actions still in progress, when fully implemented, could remedy the observed conditions identified in the 2008 audit.

Appendix A: Summary Assessment of the Implementation of the Recommendations from the 2008 Audit on Office of the Public Health Practice

Recommendations	Management Response	Target Date	Completed	In Progress
1. The Chief Financial Officer (CFO), with input from the Office of Public Health Practice (OPHP), should resolve OPHP's projected salary budget shortfall issue in a manner such that expected results from OPHP, the Public Health Agency of Canada's (PHAC) financial resources and Treasury Board of Canada (TB) authorities are each respected on a continuing basis.	Agree. This problem is not unique to OPHP. Over the next few months the CFO will use the Resource Planning and Management Committee, which the Director General (DG) of OPHP attends, to lead an integrated planning and budgeting process that will bring planned results and budgets at the division level into alignment as much as possible for the current year. CFO acknowledges that it will take some iterations of the process to achieve satisfactory results across the Agency. The Branch Capacity Assessment will support these efforts. Within this framework, CFO will collaborate with OPHP to resolve the salary shortfall and other budget issues.	Oct 31, 2008	Yes	Full Implementation
2. OPHP should institute some form of variance analysis so that management can determine the financial and resource implications of deviations from operational plans and adjust accordingly.	Agree. We will review current processes for managing financial and human resources in OPHP and will investigate options to monitor variances in a timely fashion, including Management Variance Reporting (MVR) that PHAC is planning to implement	Sept 30, 2008	Yes	Full Implementation
	We will develop an implementation strategy and a plan to monitor and develop methods to address significant variances greater than 10%.	Nov 28, 2008	Yes	Full Implementation
	Using the developed methods, each division within OPHP will report on variances and resulting changes in respective operational plans.	Apr 1, 2009	Yes	Full Implementation
3. OPHP should periodically review its stated program outputs to better relate them to outcomes and	Agree. We will prepare an action plan that will involve improving/adjusting current activities (e.g., quarterly reviews)	Feb 27, 2009	Yes	Full Implementation

Recommendations	Management Response	Target Date	Completed	In Progress
also, wherever appropriate, quantify expected outputs/outcomes so that achievements can be measured against planned outputs.	and adding new, where appropriate, that will monitor outputs on an ongoing basis both at the OPHP level as well as at the program level. We will implement this action plan.	Apr 1, 2009	Yes	Full Implementation
4. The Chief Public Health Officer (CPHO) unit should submit to the CPHO, for his approval, an action plan that is designed to improve the process and organizational structure for the production of future CPHO Reports.	Agree. We will prepare a Lessons Learned report and present to PHAC Executive Committee.	July 15, 2008	Yes	Full Implementation
	Based on the Lessons Learned, OPHP will prepare a plan to tackle 'operational' process and organizational (governance) issues it faced in the development of first CPHO Report.	Sep 30, 2008	Yes	Full Implementation
	We will submit the plan to the CPHO for approval.	Nov 28, 2008	Yes	Full Implementation
	We will circulate final action plan to internal stakeholders for their reference.	Dec 15, 2008	Yes	Full Implementation
5. OPHP should review the goals and mandate of Data Coordination and Access Program (DCAP) and revise them, if necessary, to enable DCAP to be more accountable for its mandated deliverables.	We will undertake the development of a logic model for evaluation of the CPHO Reports on the State of Public Health in Canada	Mar 31, 2009	Yes	Full Implementation
	Agree. We will prepare a document to better reflect the role DCAP plays in data acquisition, protection and use as well as its mandate in light of the Agency-wide policy on data acquisition, protection and use.	Aug 29, 2008	Yes	Full Implementation
	We will submit the document for approval by the OPHP Executive, present it to the Surveillance Integration Team (SIT) and, if appropriate, PHAC Surveillance Management Committee (PSMC).	Oct 31, 2008	No	Preparation for Implementation
	DCAP will adjust its workplans for 2008-09 in anticipation of the work that will be required above.	Jul 31, 2008	Yes	Full Implementation

Recommendations	Management Response	Target Date	Completed	In Progress
6. DCAP should revise its workplan and intended outputs to respond to its clarified mandate and these should be communicated to users via a Website or other means	Agree. We will revise DCAP's workplans and intended outputs to respond to its clarified mandate, once approved.	Dec 31, 2008	No	Preparation for Implementation
	We will communicate DCAP's mandate, products and services, through PHAC website.	Feb 27, 2009	No	No progress or insignificant progress
	We will prepare a long-term plan (for 2009-2010 and beyond) for DCAP to fulfil its agreed upon mandate.	Mar 31, 2009	Yes	Full Implementation
7. DCAP should systematically seek and, where feasible and appropriate, act upon feedback received from users on data quality, relevance and timeliness.	Agree. We will review the current mechanism and will put in place an enhanced mechanism for ongoing feedback.	Mar 31, 2009	No	Preparation for Implementation
	We will use the feedback to modify program services and its approach to deliver them.	Sept. 30, 2009	Yes	Full Implementation
8. Geographic Information Systems should institute a means to gauge the relevance of its work to target groups and establish some performance measures that are quantitative.	Agree. The GIS team is already putting in place some measures to address this. An "exit survey" has been developed for any client requesting to be removed from the GIS Infrastructure Program. The purpose is to evaluate their satisfaction of the program's service and tools, and to identify any gaps or areas of improvement.	Jul 31, 2008	Yes	Obsolete
	We will develop a robust feedback mechanism for clients who will continue to use GIS services.	Dec 31, 2008	Yes	Obsolete
9. Clarity and consistency of reporting on Canadian Field Epidemiology Program's targets and on whether they have been met should be improved and an explanation provided for significant variances such as the large decline in the current intake.	Agree. We will re examine the CFEP logic model and revise where needed.	Jan 30, 2009	Yes	Full Implementation
	We will examine the issue identified, and develop an approach to provide a clearer and consistent variance reporting on CFEP's targets, including yearly intake.	Mar 31, 2009	No	Preparation for Implementation
10. CFEP staff meetings should have minutes that record decisions, timelines, and other matters of relevance.	Agree. We will put in place measures to record minutes of the CFEP staff meetings.	Already implemented	Yes	Full Implementation
	As well, we will examine this	July 31,	Yes	Full

Recommendations	Management Response	Target Date	Completed	In Progress
	matter in other areas of OPHP and where required will put in place appropriate measures.	2008		Implementation
11. In collaboration with other branches, OPHP should develop a clear and integrated rationale for all its Professional Development (PD) activities within PHAC and seek a mandate from the Executive Committee (EC) for pursuing the business case for an integrated Agency-wide approach to PD.	Agree. We will jointly with HR Directorate present a learning strategy to PHAC EC for approval. This will provide a clear and integrated rationale for all of OPHP's PD activities within PHAC.	Sep 30, 2008	Yes	Full Implementation
	We will complete the PD business case already being developed in consultation with the Human Resources (HR) Directorate.	Sep 30, 2008	Yes	Full Implementation
12. OPHP, with the CFO, should implement additional mechanisms into PHAC's reporting and budgeting system to facilitate horizontal projects.	Agree. This problem is not unique to OPHP. The improved integrated planning and budgeting process (see Management Response #1) will be part of the solution in that significant horizontal projects will be established as priorities during the process and all contributors to those projects will be required to include their contributions in their division-level operational plans. Another part of the solution will be the development of new policy and practices for Project Management being developed by the Corporate Administration, Facilities and Security Directorate.	Oct 31, 2008	Yes	Full Implementation
13. OPHP should plan the CPHO Reports with a time horizon of at least three to five years to help ensure that appropriate staff and other required resources are in place as required.	Agree. We will develop a strategic plan for the themes for the annual CPHO Report for the next 3-5 years including the identification of required resources from the Agency for this task.	Mar 31, 2009	Yes	Full Implementation
14. PHAC should undertake an evaluation of the CFEP program, or at least an external assessment and review of key strategic components of the CFEP program, such as the selection process and course design.	Agree. We will develop a detailed plan and timelines for evaluation as recommended.	Dec 31, 2008	Yes	Full Implementation
	We will undertake independent assessment of key strategic components.	Jun 30, 2009	No	Preparation for Implementation
	We will undertake a comprehensive evaluation of the CFEP program.	Dec 31, 2009	No	No progress or insignificant progress

Recommendations	Management Response	Target Date	Completed	In Progress
15. For planning and performance review purposes, CFEP should more clearly specify the division and sharing of duties and responsibilities.	Agree. We will prepare a document that will identify the roles and responsibilities of its staff	Sept 30, 2008	No	Substantial Implementation
16. For the next phase of the National Collaborating Centres (NCC) Program, OPHP should develop immediately a strategy that sets out the approach and criteria for renewing contribution agreements and present it for approval by senior management.	Agree. The development of a strategy has been initiated and will be completed and approved by the target date.	Sept. 19, 2008	Yes	Full Implementation
17. OPHP should perform on-site visits to assess the projects that it is funding through the Scholarship Program. As well, OPHP should conduct an annual review of its financial information to ensure that the funds are spent as reported.	Agree. We will do site visits of recipients on a 3 year cycle basis. We will do more frequent site visits of those recipients who are determined to be at a higher level of risk.	June 2009	No	Substantial Implementation
18. There should be more rigorous internal controls within OPHP to ensure the validity and accuracy of the recipients' expenses. OPHP should compare the contributed funds, the planned spending, recipients' cash flow statements and actual expenditures. OPHP should ensure that variance analyses are carried out by its personnel and that explanations are received from the recipient for any significant variances.	Agree. We will develop approach to variance analysis that includes resources, outputs, and quality and apply quarterly to all projects.	Sept, 2008	Yes	Full Implementation
19. OPHP should assess, on a regular basis and based on a risk approach, the recipients' compliance with the Terms and Conditions of their contribution agreement. These assessments can be performed by OPHP	Agree. We will assess all projects annually and perform site visits on those determined to be at risk.	Sept, 2008	Yes	Full Implementation

Recommendations	Management Response	Target Date	Completed	In Progress
directly through on-site visits, including a review of the financial aspect of the contribution as well as the activities component of it or through its right to request an audit of revenues and expenditures by a third party.				

Appendix B: Assessment Rating Guide

1. No progress or insignificant progress

No action taken by management or insignificant progress. Actions such as striking a new committee, having meetings, and generating informal plans are insignificant progress.

2. Planning stage

Formal plans for organizational changes have been created and approved by the appropriate level of management (at a sufficiently senior level, usually executive committee level or equivalent) with appropriate resources and a reasonable timetable.

3. Preparation for implementation

The entity has begun necessary preparation for implementation, such as hiring or training staff, or developing or acquiring the necessary resources to implement the recommendation.

4. Substantial implementation

Structures and processes are in place and integrated in some parts of the organization, and some achieved results have been identified. The entity has a short-term plan and timetable for full implementation.

5. Full implementation

Structures and processes are operating as intended and are implemented fully in all intended areas of the organization.

Obsolete

Recommendation is obsolete or no longer applicable because of unforeseen events or because the issue involved was superseded by the introduction of a new process or program.

Appendix C: Acronyms

CFO: Chief Financial Officer

CFEP: Canadian Field Epidemiology Program

CPHO: Chief Public Health Officer

DCAP: Data Coordination and Access Program

GIS: Geographic Information Systems

MAP: Management Action Plan (MAP)

OPHP: Office of Public Health Practice

PHAC: Public Health Agency of Canada