



Canadian
Heritage

Patrimoine
canadien

Canada



Audit of Canada's Participation in the World Exposition Shanghai China 2010 (Expo 2010)

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

May 2012



Cette publication est également offerte en français.

This publication is available upon request in alternative formats.

This publication is available in PDF and HTML formats on the Internet at <http://www.pch.gc.ca/>

© Her Majesty the Queen in Right of Canada, 2012.

Catalogue No. CH6-11/2012E-PDF

ISBN: 9781-100-20933-3

Table of Contents

| | |
|--|-----------|
| Executive Summary | 1 |
| 1.0 Introduction and Context | 4 |
| 1.1 Authority for the Project | 4 |
| 1.2 Background..... | 4 |
| 2.0 Objectives | 5 |
| 3.0 Scope..... | 5 |
| 4.0 Approach and Methodology | 6 |
| 4.1 Methodology | 6 |
| 4.2 Sampling | 6 |
| Contracts | 6 |
| Expenditures Transactions | 6 |
| 5.0 Findings and Recommendations | 7 |
| 5.1 Expo 2010 Governance, Control and Risk Management | 7 |
| 5.1.1 Contracting and expenditure controls. | 7 |
| 5.1.2 Revenue Sharing | 9 |
| 5.1.3 Follow-up on relevant recommendation Aichi, Japan 2005, World Exposition | 9 |
| Appendix A: Audit Criteria and Conclusions | 11 |
| Appendix B: Management Action Plan | 16 |

Executive Summary

Introduction

The International Expositions Directorate (IED) of Canadian Heritage (PCH) is responsible for the planning, implementation and management of Canada's participation in international expositions. Canada previously participated in the 2005 World Exposition held in Aichi, Japan and recently concluded its participation in the World Exposition in Shanghai, China in 2010 (Expo 2010), held May 1 to October 31, 2010. The Canada Pavilion attracted 6.4 million visitors exceeding original expectations of 5.5 million visitors. Canada's budget for Expo 2010 was \$58M with reported final costs of \$51.2M by end of September 2011.

The objectives of this audit were to provide assurance on the adequacy and effectiveness of the International Expositions (IE) Program's governance processes, internal controls (including procurement activities) and risk management as it related to the Expo 2010 project; provide assurance on the processes and controls used to track and account for the revenue sharing arrangements; and, follow-up on Canada's Participation in the 2005 Aichi, Japan World Exposition on relevant audit recommendations subsequent to the Follow-up Audit that was presented to the Departmental Audit Committee (DAC) in June 2010.

The scope of this audit included governance processes and structures, internal controls and risk management framework of the IE Program specific to Canada's participation in Expo 2010 from the planning of the event in 2006-2007, through the operation of the Canada Pavilion at Expo 2010 and post-event to the completion of the audit fieldwork.

Strengths

The audit team identified strengths that resulted in positive findings, including:

Governance

- The Assistant Deputy Minister (ADM) played an oversight role for Canada's participation in Expo 2010. The ADM's roles and responsibilities were clear and communicated. The ADM was actively involved in the project by setting the strategic direction and exercising oversight of management's processes.
- Weekly bilateral meetings were held between the ADM and the Director, IED, prior to and during Expo 2010. Prior to Expo 2010, quarterly activity reports were provided to the ADM; during Expo 2010, weekly reports were provided to the ADM.
- During Expo 2010, the ADM also reinforced the financial control framework by directly involving the Chief Finance Officer.
- Accountabilities for Expo 2010 operations were clearly established before the event.

Controls

- Financial reports were prepared on a regular basis and reviewed by management; variances and projections were reviewed during meetings with Finance Management staff.

- Each employee had a job description and received training in areas such as culture, language and security (IT, at the Pavilion, Emergency Preparedness).

Risk Management

- A formal and comprehensive risk assessment was completed prior to Expo 2010 that identified assessed, prioritized, and documented risks. Risk management strategies were developed to mitigate significant exposures to risk.
- During Expo, regular meetings were held to discuss and address risk issues.

Findings and Recommendations

The audit team recognized that Canada's participation in Expo 2010 was a complex project in a challenging environment. In addition, throughout the process, the International Exposition Program and the staff were bound by the general regulations, special regulations and other demands requested by the Expo organizers. Time pressures of operating a Pavilion which was open 13 hours per day, seven days per week for 184 days, while liaising with PCH headquarters 12 time-zone hours away created an environment for last minute expenditures and contracts that caused procedural inconsistencies in the internal control framework.

The following observations highlight areas of improvement that should be addressed, as well as a positive finding that requires no recommendation:

1. Application of internal controls for contracting and expenditures processes was, in several instances, inconsistent (mostly occurring during Expo 2010).
2. Processes and controls were in place to ensure revenues/sales information was properly recorded.
3. Recommendations of the Audit on Canada's Participation in the 2005 Aichi Japan, World exposition were implemented prior to the Shanghai Expo 2010. The results of this audit indicate that opportunities for additional attention related to contracts and expenses processes would have served well during the Shanghai Expo 2010.

The following recommendation addresses the first and the third finding, and there is no recommendation for the second finding:

In consideration of the local practices and legislation of the Expo host country, the Executive Director, Major Events and Celebrations should ensure additional attention is applied to contracting and expenditure controls during participation in international events.

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.

Audit Opinion

In my opinion, Canada's participation in World Exposition Shanghai China 2010 (Expo 2010) was well managed in areas of governance and risk management, and minor improvements to contracting and expenditures control processes during international events are required.

Richard Willan, CGA

Chief Audit and Evaluation Executive, Department of Canadian Heritage

1.0 Introduction and Context

1.1 Authority for the Project

The authority for this audit is derived from the Multi-Year Risk-Based Audit Plan 2010-2011 to 2012-2013 which was recommended by the Departmental Audit Committee and approved by the Deputy Minister in March 2010.

1.2 Background

The *Bureau international des expositions* (BIE) is an intergovernmental organization with more than 150 member countries that oversees the calendar, bidding, selection, and organization of World and International Expositions (Expos). The International Expositions Program (IEP) within the Department of Canadian Heritage (PCH, or the Department), on behalf of the Government of Canada, represents Canada as a member nation at the BIE, and plans, coordinates and implements Canadian participation in international expositions. Canada has a long history of participating in expositions, beginning with the first World Expo which took place in 1851 in London, England. Canada has also hosted two international expositions: Expo 67 in Montréal and Expo'86 in Vancouver.

Canada accepted China's invitation to participate in Expo 2010 in March 2006. The Executive Director of IEP, as a direct report to the Assistant Deputy Minister (ADM) was responsible for planning Canada's participation in Expo 2010. Planning activities included obtaining the authorities for Canada's participation in Expo 2010, as well as periodic meetings with the BIE and the Chinese Organizing Committee to discuss regulations and the upcoming Expo. The Commissioner General, an Order-in-Council appointment, was the Canada Pavilion's lead spokesperson and host to media and dignitaries from around the world. The Deputy Commissioner General (DCG) performed similar protocol functions in support of the Commissioner General in his absence. The DCG's responsibilities also included administrative responsibilities such as an overall management and operations of the Pavilion (human resources and finances), liaison with counterparts of other pavilions and the accountability within the Department of Canadian Heritage for the success of Canada's participation during Expo 2010.

When planning for Expo 2010 began in 2006-2007, the IEP consisted of a small core team reporting to an Executive Director. In 2008, this team was divided into two directorates - policy and program, and operations - later reporting directly to the sector ADM. The lead for planning Canada's participation at Expo 2010 was assumed by the Operations Directorate. The team to manage Expo 2010 Canada Pavilion was created from these two directorates on April 15, 2010.

From May 1 to October 31, 2010, the Canada Pavilion welcomed more than 6.4 million visitors - exceeding the original expectation of 5.5 million visitors. The Pavilion, equipped with a conference centre, visitors' lounge and executive boardroom hosted approximately 150 events, and welcomed hundreds of international and Canadian dignitaries, including the Governor General, 11 Federal Cabinet Ministers and 5 Premiers. The Pavilion also included an area for administrative and operational requirements. Other elements of Canada's participation included initiatives for "Engaging Canadians", a business and trade program where Canadian businesses

showcased opportunities for expanding economic ties with Chinese counterparts, and a cultural program featuring nearly 200 Canadian artists and legacy projects.

The Canada Pavilion was the result of collaboration between the Government of Canada, Cirque du Soleil and SNC-Lavalin Inc. Cirque du Soleil developed the creative concept for the pavilion, produced the public presentation, delivered the cultural program and secured strategic corporate alliances. SNC-Lavalin Inc. was responsible for the Pavilion's overall technical design and construction. The international reputation and network of Cirque du Soleil helped promote Canada's participation in Expo 2010 to a global audience and contributed to making the Canada Pavilion a must-see highlight of Expo 2010.

The budget for Expo 2010 was \$58M, with reported final costs of \$51.2M by end of September 2011.

From August 2006 up to and including Expo 2010, the IEP was supplemented with additional Government of Canada employees through assignments and/or secondments. In addition, contract personnel were hired for the six month operation of the Pavilion and included hosting, protocol and culinary staff. At the conclusion of Expo 2010, PCH proceeded with the completion of the project which included the sale of the Pavilion, the supervision of the dismantling of the Pavilion, the closing of all remaining contracts and reporting on the overall success of Canada's participation in Expo 2010.

2.0 Objectives

The objectives of this audit engagement were to:

1. Provide assurance on the adequacy and effectiveness of the IE Program's governance processes, internal controls (including procurement activities) and risk management as it related to the Expo 2010 project;
2. Provide assurance on the processes and controls used to track and account for the revenue sharing arrangements; and
3. Follow-up on Canada's Participation in the 2005 Aichi, Japan World Exposition relevant audit recommendations subsequent to the Follow-up Audit that was presented to the Departmental Audit Committee in June 2010.

3.0 Scope

The scope of this audit included governance processes and structures, internal controls and risk management framework of the International Expositions Program specific to Canada's participation in the 2010 World Exposition from the planning of the event in 2006-2007, through the operation of the Canadian Pavilion in 2010 (including revenue-sharing) and post-event to the completion of the audit fieldwork.

The audit scope also included a follow-up on the relevant recommendations in relation to the Audit on Canada's Participation in the 2005 Aichi, Japan World Exposition.

4.0 Approach and Methodology

4.1 Methodology

Audit work was conducted in accordance with the Treasury Board's (TB) *Internal Auditing Standards for the Government of Canada*, and the *TB Policy on Internal Audit*.

Audit criteria identify the standards against which an assessment is made and form the basis for the audit work plan and conduct of the audit. Audit criteria are specific to each audit's objectives and scope. The detailed audit criteria for the audit objectives regarding Expo 2010 are provided in Appendix A.

The results of this audit cannot be extrapolated to all PCH contracting or expenditure management as the focus of this audit was on a single project, i.e. Canada's participation in Expo 2010.

The audit methodology included:

- A review of documentation including authorities, guidelines and procedures, roles and responsibilities, event descriptions, policies and legislation;
- 21 interviews with management and staff; and
- Testing of a sample of expenditures and contracts.

4.2 Sampling

Contracts

Using judgment sampling from a population of 249 contracts (with a total value of \$ 32.3 M), a sample of 28 contracts was selected, which consisted of the following:

- Contracts over \$10K: 9 contracts (total commitment of \$ 31.8 M including two major contracts of \$ 27.5M and \$ 2.43M);
- Contracts under \$10K: 19 contracts (total commitment of \$53.5 K).

Expenditures Transactions

A random sample of 125 expenditure transactions was selected out of a population of 4,050 expenditure transactions.

5.0 Findings and Recommendations

This section presents detailed findings and related recommendations for the Audit of Canada's Participation in Expo 2010. The findings are based on the evidence and analysis from both the initial risk analysis and the detailed audit conduct. Appendix A provides a summary of all findings and conclusions for each of the criteria assessed by the audit team. During the course of the audit, minor findings were communicated directly to Management.

5.1 Expo 2010 Governance, Control and Risk Management

The following findings relate to the audit objective of providing assurance on the adequacy and effectiveness of the IE Program's governance processes, internal controls and risk management as it related to the Expo 2010 project.

With the audit providing positive findings reflected in the audit opinion and as identified in appendix A on both governance and risk management, the findings reported below relate only to internal controls.

Context

Canada's participation in Expo 2010 was a complex project in a challenging environment. In addition, throughout the process, the IEP and its staff were bound by the general regulations, special regulations and other demands requested by the Expo organizers. Time pressures that create an environment for last minute expenditures / contracts caused procedural inconsistencies in the internal control framework. These procedures included contracts initiated or approved after the start of the work, missing approval signatures/dates, or decisions made without full documentation.

5.1.1 Contracting and expenditure controls.

Finding 1: Application of internal controls for contracting and expenditures processes was, in several instances, inconsistent (mostly occurring during Expo 2010).

Contracting

The audit team expected to find that contract files were compliant with all relevant policies and followed the processes in place.

The 28 Expo 2010 contract files selected were assessed for compliance to the Treasury Board (TB) *Contracting Policy* and *Government Contracts Regulations*. During the course of the audit, the team observed administrative errors in 15 of these files. Examples of these errors were missing signatures and dates, and contracts signed late in the process.

Notwithstanding that the observations are administrative in nature, incomplete information does not support compliance with the TB *Contracting Policy* and *Government Contracts Regulations*.

Expenditures

The *Financial Administration Act* (FAA) requires three authorizations for each financial transaction:

- Section 32 – the authority to make a financial commitment;
- Section 33 – the authority to make a payment; and
- Section 34 – the authority to determine that a payment should be made based on work performed, goods supplied, or services rendered.

The audit team expected to find that expenditure transactions were compliant with all relevant policies and followed the processes in place.

The team found that the segregation of duties during Expo 2010 was well established. Specifically, Section 33 had two methods to release payments: 1) Through the Financial Management Branch at Headquarters using Electronic Authorization and Authentication, 2) In Shanghai, Section 33 was delegated on site to the senior Finance Officer, the Deputy Commission General, and the Finance and Human Resources Officer.

With regards to expenditure processes, the audit team tested 125 expenditure transactions and found that controls were not consistently applied under the Sections 32 and 34 FAA requirements. Errors were found relating to missing signatures and dates or transactions signed late in the process.

Also, as a result of the signing authority testing on transactions, the audit team found that the specimen signature forms were not properly completed. The effective dates supporting the signing authority related to the position were either missing or did not correspond to the period when the expenditures were signed.

This resulted in errors for 75 of the transactions sampled, with a higher proportion having occurred during Expo 2010. Overall, errors found from testing were administrative in nature and did not result in the inappropriate use of resources.

Risks

Without appropriate signatures and dates, late approvals in the process and incomplete information, there is a risk of a perceived systemic problem or acceptance for non-compliance with the FAA and the *TB Contracting Policy* and *Government Contracts Regulations*.

Recommendation

- 1.0 *In consideration of the local practices and legislation of the Expo host country, the Executive Director, Major Events and Celebrations should ensure additional attention is applied to contracting and expenditure controls during participation in international events.*

5.1.2 Revenue Sharing

Finding 2.0: Processes and controls were in place to ensure revenues/sales information was properly recorded.

During Expo 2010, the Canada Pavilion had a boutique and a restaurant that generated revenue. Revenue/sales information from these activities was collected and reported. This included tax information collected by the Chinese authorities.

Analysis

During the course of the audit, the team found that daily transactional records on Expo 2010 revenue accounts were kept. Sales income data was downloaded every day from the onsite cash register system. Revenues and expenses information included in the monthly Tax Reports was received and verified by the Senior Finance Officer, and were provided in a timely manner.

2.0 *No recommendation*

5.1.3 Follow-up on relevant recommendation Aichi, Japan 2005, World Exposition

Finding 3: Recommendations of the Audit on Canada's Participation in the 2005 Aichi Japan World exposition were implemented prior to the Shanghai Expo 2010. The results of this audit indicate that opportunities for additional attention related to contracts and expenses processes would have served well during the Shanghai Expo 2010.

Analysis

Taking in consideration that all recommendations of the Audit on Canada's Participation in the 2005 Aichi Japan, World exposition were implemented, IEP requested that the audit address and report on the relevant recommendations that can be applied to Canada's participation in Expo 2010.

These recommendations were: to put in place the need to secure significant contracts as early as possible to provide sufficient lead time to prepare for the Pavilion opening; to determine early in the planning process the required financial authorities and procedures to ensure that key financial contracts are designed and operating effectively prior and during the exposition; and to establish a solid documented control framework prior to Expo to ensure compliance with Federal Government financial management rules and regulations.

The results of the audit indicated that significant contracts were in place early before the Pavilion opening. A Financial Control Framework was put in place to ensure the respect of the financial requirements. However, during Expo 2010, the results of the audit indicated that errors related to contracts and expenses processes had recurred as stated in section 5.1.1 of this report.

Recommendation

- 3.0 *In consideration of the local practices and legislation of the Expo host country, the Executive Director, Major Events and Celebrations should ensure additional attention is applied to contracting and expenditure controls during participation in international events.*

Appendix A: Audit Criteria and Conclusions

The conclusions for each audit criterion reflect the following definitions.

| Numerical Categorization | Conclusion on Audit Criteria | Definition |
|--------------------------|-----------------------------------|--|
| 1 | Well Controlled | <ul style="list-style-type: none"> Well managed, no material weaknesses noted; and Effective. |
| 2 | Controlled | <ul style="list-style-type: none"> Well managed, but minor improvements are needed; and Effective. |
| 3 | Moderate Issues | <p>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"> Control weaknesses, but exposure is limited because likelihood of risk occurring is not high; Control weaknesses, but exposure is limited because impact of the risk is not high. |
| 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"> Financial adjustments material to line item or area or to the department; or Control deficiencies represent serious exposure; or Major deficiencies in overall control structure. <p>Note: Every audit criteria that is categorized as a “4” must be immediately disclosed to the CAEE and the subjects matter’s Director General or higher level for corrective action.</p> |

The following table includes audit criteria, conclusions against the criteria and examples of the evidence and/or observations that helped form the conclusion. If significant improvements were required (4) and/or moderate issues (3) observed, these are detailed in the audit report and the exposure risk noted in the table.

| Audit Objective 1: Provide assurance on the adequacy and effectiveness of risk management, governance processes and internal controls | | |
|--|-------------------|---|
| Audit Criteria | Conclusion | Example Observations |
| GOVERNANCE | | |
| Oversight body of the project had clear and communicated roles and responsibilities, was actively involved, had a significant level of influence, and exercised oversight of management's processes. | 1 | <ul style="list-style-type: none"> The ADM played an oversight role. The ADM's roles and responsibilities were clear and communicated. The ADM had significant influence and was actively involved in the project by setting the strategic direction and exercising oversight of management's processes. |
| The oversight body received sufficient, complete, timely and accurate information in order to make informed decisions. | 1 | <ul style="list-style-type: none"> Weekly bilateral meeting were held between the ADM and the Director, International Expositions Program (IEP), prior to, and during Expo 2010. Prior to the start of Expo 2010, quarterly reports were provided to the ADM that included status updates of activities underway. During Expo 2010, weekly reports were provided to the ADM. |
| Management, through their actions, showed a commitment to upholding public service values. | 1 | <ul style="list-style-type: none"> PCH employees are given a copy of the Values and Ethics (V&E) guide/hand book. Cultural training included a V&E component. V&E were discussed during staff meetings. |
| Decision making, accountability and roles/responsibilities are clearly defined and understood. | 1 | <ul style="list-style-type: none"> The Deputy Commissioner General was accountable for the operations of the project. The job descriptions outlined the roles and responsibilities for each position and were included in the training manual distributed to each employee. |
| CONTROLS | | |
| Procurement processes, expenditures, and transactions are compliant with all relevant policies and processes in place. | 3 | <ul style="list-style-type: none"> Several contract and expenses files did not follow the processes in place. With regards to contracting files: there were administrative errors. Examples of these errors were missing signatures and dates, and contracts signed late in the process. With regards to expenditures process: errors were found relating to missing signatures and dates or transactions signed late in the process. Also as a result of the signing authority testing on transactions, the audit team found |

| Audit Objective 1: Provide assurance on the adequacy and effectiveness of risk management, governance processes and internal controls | | |
|--|-------------------|---|
| Audit Criteria | Conclusion | Example Observations |
| | | that the specimen signature forms were not properly completed. The effective dates supporting the signing authority related to the position were either missing or did not correspond to the period when the expenditures were signed. |
| All activities and resources needed to achieve objectives have been integrated into the budget. | 1 | <ul style="list-style-type: none"> A budget was established and integrated the activities and resources that were needed to achieve objectives. |
| Financial reports were prepared on a regular basis, reviewed by management and include explanations of variances. | 2 | <ul style="list-style-type: none"> Financial reports were prepared on a regular basis and were reviewed by management. Variances and projections were reviewed during meetings with the finance staff. The projections did not include explanations or notes of the assumptions used or reasons for variances. |
| Recruitment, hiring and promotion consider the current and future needs of the organization and are conducted in a manner that is fair and objective. | 1 | <ul style="list-style-type: none"> IE had a Human Resource Implementation Plan. Different staffing strategies were used for various positions. Therefore opportunities were given to staff to participate to Expo 2010. |
| Employees received the necessary training, tools, resources, information, and performance evaluations to support the discharge of their responsibilities. | 1 | <ul style="list-style-type: none"> Employees were provided with a manual. Employees received training, including language and cultural training. |
| RISK MANAGEMENT | | |
| A formal and comprehensive risk assessment was completed where risks were identified, assessed, prioritized, documented and risk management strategies were developed to mitigate significant exposures to risk. | 1 | <ul style="list-style-type: none"> A formal and comprehensive risk assessment was completed where risks were identified, assessed, prioritized, documented and risk management strategies were developed to mitigate significant exposures to risk. |
| Monitoring activities were conducted to periodically reassess risk and the | 2 | <ul style="list-style-type: none"> While a comprehensive risk assessment was completed, it was not formally updated on a regular basis to re-assess the risks and |

| Audit Objective 1: Provide assurance on the adequacy and effectiveness of risk management, governance processes and internal controls | | |
|--|-------------------|--|
| Audit Criteria | Conclusion | Example Observations |
| effectiveness of controls to manage risk. | | controls. <ul style="list-style-type: none"> Monitoring of activities was conducted on an informal basis. |

| Audit Objective 2: Provide assurance on the processes and controls used to track and account for the revenue sharing arrangements. | | |
|--|-------------------|---|
| Audit Criteria | Conclusion | Example Observations |
| Revenue sharing was applied according to the contract clauses. | 1 | <ul style="list-style-type: none"> Revenue sharing was applied according to the requirements. |
| Processes and controls were in place to ensure revenue/sales information was accurate, reviewed by IEP and any concerns were raised and resolved with CDS. | 1 | <ul style="list-style-type: none"> Processes and controls were in place to ensure that revenue/sales information was properly reported. This information was reviewed by IEP. Daily account of revenues were kept. An upload of sales income data was done every day from the cash register system. |

| Audit Objective 3: Follow-up on Canada's Participation in the 2005 Aichi, Japan World Exposition outstanding audit recommendations subsequent to the Follow-up Audit that was presented to the Departmental Audit Committee in June 2010. | | |
|--|-------------------|---|
| Audit Recommendations | Conclusion | Example Observations |
| The need to secure significant contracts as early as possible to provide sufficient lead time to prepare for the Pavilion opening. | 1 | <ul style="list-style-type: none"> The two major contracts for a total value of \$30M were put in place in a timely manner. |
| The need to set in place early in the planning process the required financial authorities and procedures to ensure that key financial contracts are designed and operating effectively prior to the Exposition. | 1 | <ul style="list-style-type: none"> A Financial Management Framework for International Expositions – "CHINA 2010" was developed and approved between Financial Management Branch (FMB) and IEP. |
| The need to set in place early in the planning process the required | 3 | <ul style="list-style-type: none"> Application of internal controls for contracting and expenditures processes, were, in several instances, inconsistent |

Audit Objective 3: Follow-up on Canada's Participation in the 2005 Aichi, Japan World Exposition outstanding audit recommendations subsequent to the Follow-up Audit that was presented to the Departmental Audit Committee in June 2010.

| Audit Recommendations | Conclusion | Example Observations |
|---|------------|---|
| financial authorities and procedures to ensure that key financial contracts are designed and operating effectively during the Exposition. | | (mostly occurring during Expo 2010). See Section 5.1.1 |
| Establish a solid documented control framework prior to Expo to ensure compliance with Federal Government financial management rules and regulations. | 1 | <ul style="list-style-type: none"> • A Financial Management Framework for International Expositions – "CHINA 2010" was developed and approved between FMB and IEP. |

Appendix B: Management Action Plan

| MANAGEMENT ACTION PLAN | | | |
|--|---|------------------------|-------------------|
| 5.1.1 Contracting and expenditure controls | | | |
| 5.1.3 Follow-up on relevant recommendation Aichi, Japan 2005, World Exposition | | | |
| Recommendation | Actions | Who | Target date |
| <i>1.0 & 3.0 In consideration of the local practices and legislation of the Expo host country, the Executive Director, Major Events and Celebrations should ensure additional attention is applied to the contracting and expenditure controls during participation in international events.</i> | Agree. In a future Expo, additional attention will be given to strengthening contracting and expenditure controls, while respecting local practices and legislation of the Expo host country. | The Executive Director | To be determined. |