Audit of the Young Canada Works Initiative

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

December 2008

Table of Contents

Executive Summary

Introduction

The Young Canada Works (YCW) Initiative was created in 1996 to support the Government of Canada's Youth Employment Strategy (YES) administered by Human Resources and Social Development Canada (HRSDC). The objectives of the YCW Initiative are:

- to help young Canadians gain practical work experience, develop their skills, enhance their employability and learn more about their career options;

- to increase nationally the pool of skilled and qualified candidates for the cultural, heritage, official languages and parks sectors; and

- to enhance participants' knowledge and appreciation of Canada's achievements and rich cultural heritage.

There are two principal YES Initiative delivery streams in which the Department of Canadian Heritage (PCH) participates:

- Summer Work Experience placements aim to help students acquire employability and/or career related skills; support students in financing and furthering their education; and provide youth with career, learning and labour market information.

- Career Focus internships aim to facilitate the school-to-work transition of highly-skilled young people in order to meet the needs of the Canadian labour market by promoting advanced studies to continue the individual learning of skills and building advanced skills through career related work/learning experiences.

PCH's responsibility for the delivery of the Initiative as part of YES is defined in a Memorandum of Understanding (MOU) between HRSDC and PCH. MOUs between the YCW Secretariat and the three PCH Partner Programs responsible for managing the delivery of the Initiative further define each party's responsibilities and are hereinafter referred to as internal MOUs.

Each year, the Department allocates $8.92M to the YCW Initiative to be delivered via three PCH Partner Programs: Heritage Official Languages and the Aboriginal Peoples' Program. Since 2007-2008, an additional $5M has been allocated through Museum Assistance Program (MAP). The YCW Secretariat serves the function of principal coordinator and liaison between the Partner Programs and provides HRSDC with reports on and results of the YCW programs. The Partner Programs are responsible for managing and delivering the YCW Initiative through contribution agreements to external Delivery Organizations who, in turn, provide funding to eligible employers in support of the Initiative's objectives.

Key Findings

During the conduct of this audit, the audit team observed several controls that were properly designed and were being effectively applied within the YCW Initiative. Noteworthy accomplishments include:

- The Initiative's development of common tools and procedures that are expected to be used by all Partner Programs;
- The investment of the YCW Secretariat in terms of considerable time and resources in sustaining core information systems that support the Initiative's delivery. This has allowed the Secretariat to actively respond to queries and issues faced by both the Partner Programs and Delivery Organizations in using Initiative tools and systems;
- The diligent management of project files by YCW officers and YCW management by engaging in frequent communications with Delivery Organizations to ensure effective and seamless delivery; and
- The Initiative's implementation of standard recipient reporting templates designed to demonstrate the results and impacts of the Initiative.

While sound controls have been identified for the YCW Initiative, the audit team has also identified three areas where management controls can be improved. These areas are governance, stewardship (information systems and recipient monitoring) and risk management.

Recommendations

Here are the recommendations:

1. The Director General, Citizen Participation, with the three Partner Program Director Generals, should define clear lines of authority, accountability and responsibility for the overall management of the Initiative. In addition, formal terms of reference should be developed for the Secretariat with the responsibility for overall oversight of the Initiative's components, and communicated to all stakeholders.

2. The Director General, Citizen Participation with the Chief Information Officer and Knowledge, Information and Technology Services (KITS), should complete the upgrade of the YCW information systems, merge the database and website systems into one, and develop a formal assessment and maintenance schedule to ensure the integrity of the system's infrastructure and data reporting.

3. The Director General, Citizen Participation and the YCW Secretariat, in conjunction with the YCW Steering Committee, should formally define a risk-based approach to monitoring Delivery Organizations. The Initiative should be delivered and managed in a manner that is consistent with the expectations of the YCW MOU across each Partner Program. This would include the responsibility for verifying that a risk-based approach to monitoring Delivery Organizations is followed.

4. The Director General, Citizen Participation, in conjunction with the YCW Steering Committee, should identify and manage Initiative wide risks and ensure that all parties have the authority and the tools to deliver on this responsibility.

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

In my opinion, the Young Canada Works Initiative has implemented good internal controls overall. However, there are moderate issues requiring management focus in the following areas: overall governance, stewardship and risk management.

Original signed by:

_____

Vincent DaLuz
Chief Audit and Evaluation Executive,
Department of Canadian Heritage

Audit Team Members

Director - Carol Najm
Raynald Charest
Dylan Edgar

This audit was conducted with the assistance of external resources.

1.   Introduction and Context

1.1   Authority for the Audit

The audit of the Young Canada Works (YCW) Initiative was conducted pursuant to the Department of Canadian Heritage's (PCH) 2007/08 Risk-Based Audit Plan that was approved by the Departmental Audit and Evaluation Committee in July 2007.

1.2   Background

The YCW Initiative was created in 1996 to support the Government of Canada's Youth Employment Strategy (YES) administered by Human Resources and Social Development Canada (HRSDC). The Initiative has received funding through two different sources:

- the Government of Canada's YES administered by HRSDC; and

- the second, since 2007-2008, being through funds allocated directly to PCH through the Museums Assistance Program (MAP).

PCH is accountable for its portion of YES through its Minister. PCH is directly accountable to Parliament for MAP funding received directly from Treasury Board (TB). Reporting to Parliament on the overall results of the different streams of YES is done through HRSDC.

The objectives of the YCW Initiative are:

- to help young Canadians gain practical work experience, develop their skills, enhance their employability and learn more about their career options;

- to increase the pool of skilled and qualified candidates for the cultural, heritage, official languages and parks sectors; and

- to enhance the knowledge and appreciation of Canada's achievements and rich cultural heritage.

YCW also contributes to and supports the sustainable development of organizations, communities and regions.

PCH supports YES through participation in the delivery of the Summer Work Experience and Career Focus Initiative streams of YES:

- The objectives of the Summer Work Experience stream are to help students acquire employability and/or career related skills, to support students in financing and furthering their education, and to provide youth with career, learning and labour market information. There are three summer job components for students:
    o YCW in Both Official Languages (YCW-BOL);

    o YCW in Heritage Organizations (YCW-HO); and

    o YCW for Aboriginal Urban Youth (YCW-AUY).

- The objectives of the Career Focus stream are to facilitate the school-to-work transition of highly-skilled young people in order to meet the needs of the Canadian labour market. This is achieved by promoting advanced studies to continue the individual learning of skills and by building advanced skills through career related work/learning experiences. There are two internship opportunities for graduate students:
    o YCW at Building Careers in Heritage (YCW-BCH); and

    o YCW at Building Careers in English and French (YCW-BCEF).

Thus, in total, there are five YES components and these are aligned with the Department's mission *"towards a more cohesive and creative Canada"*. Through these five components, Canadian youth have the opportunity to develop an awareness of Canada's achievements and diversity, connect with other Canadians in other regions and gain an awareness of the values associated with citizenship and Canadian identity.

The YCW Initiative is organized across four PCH organizations:
- the principal coordination and liaison function of the YCW Secretariat.
- the Partner Programs: Heritage, Official Languages and Aboriginal Peoples Program.

In 2006-2007, the Departmental contribution of $8.92M supported approximately 2,815 job opportunities through the YCW Initiative components. In 2007-2008 the Departmental contribution increased to $13.92 M ($5M from MAP and $8.92M from YCW) to support approximately 3,236 job opportunities for Canadian youth. Of these amounts, in 2006-2007 the three Partner Programs allocated $287.8K towards PCH operations and maintenance and $269K towards PCH salaries (the Aboriginal Programs Directorate does not have YCW specific salary dollars). In 2007-2008 they allocated $567.8K towards PCH operations and maintenance and $519K towards PCH salaries.

2.   Objectives

The objectives of the audit are to provide assurance to senior management that:

- the management controls, risk management frameworks and overall governance structure are effective, adequate and aligned with the Management Accountability Framework (MAF); and
- the current management of the YCW Initiative complies with the applicable policies and regulations.

It is further expected that the audit will identify any significant exposures to risk and will contribute to improving existing risk management and control systems.

3.   Scope

The scope of this audit covered the risk management frameworks, governance structures and management practices, processes and controls for the PCH YCW Initiative. This included practices within the YCW Secretariat and each of the three Partner Programs.[1] The scope of the audit covered the period from April 1, 2006 through March 31, 2008.

This audit was limited to the activities of the YCW Initiative. It did not extend to responsibilities/activities performed by other functions within PCH.

4.   Approach and Methodology

The audit of the YCW Initiative was conducted following the International Standards for the Professional Practices of Internal Auditing as developed by the Institute of Internal Auditors and in accordance with the Federal Government *Policy on Internal Audit*.

Sufficient and appropriate audit procedures were conducted and sufficient evidence was gathered to support the accuracy of the findings provided and contained in this report based on the audit fieldwork conducted between February 2008 and May 2008.

The approach to the audit consisted of the following:

- Documentation was examined to obtain an understanding of the Initiative's current risk management processes, governance structures and internal controls within the YCW Secretariat and the Partner Programs;

---

[1] This audit excludes the YCW Career Focus programs administered, respectively, by the Arts Policy Branch via the Cultural Human Resource Council and by the Canadian Heritage Information Network, an agency of the Heritage Branch.

- A sample of five of the fourteen Delivery Organizations were selected and their respective project files were examined for compliance with funding agreements, terms and conditions of the Initiative and relevant policies and procedures. The sample provided coverage across each PCH Partner Program as well as each Initiative component and consisted of the following:

    o   two Delivery Organizations from the Heritage Programs;

    o   two from the Official Languages Support Programs; and

    o   one from the Aboriginal Peoples' Programs

- Interviews were conducted with seventeen representatives from the YCW Secretariat, the Partner Programs, selected Delivery Organizations and supporting branches within PCH; and

- The information gathered through the above procedures was analyzed against the audit criteria.

The audit criteria and lines of enquiry developed for this audit were linked to the Core Management Control Framework 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 review, analysis and interviews, each of the audit criteria was assessed by the audit team and a conclusion for each audit criteria was determined. While sound controls were identified with the YCW Initiative, the audit team did identify three areas (four recommendations) where management controls can be improved.

This section presents our detailed findings and recommendations resulting from the audit. The findings are categorized by governance, stewardship and risk management.

5.1   Governance

PCH's responsibility for the delivery of the Initiative as part of YES is defined in a MOU between Human Resources and Social Development Canada and PCH. Responsibilities include reporting the results of the YCW Initiative to HRSDC and participating in Interdepartmental Committees with other YES partners. PCH's responsibilities for the Initiative are further defined in the YCW component of the YES Results-Based Management Accountability Framework (RMAF) and Risk-based Audit Framework (RBAF).

Within the Department, the Initiative is managed and delivered through three Partner Programs and is supported by the YCW Secretariat. Internal MOUs with the three PCH Partner Programs further define the responsibilities of each party. Partner Programs responsible for the Summer Works and Internship Initiative streams were approved through Annexes of the Terms and Conditions of specific existing Programs. This is the

case with the Promotion of Official Languages Programs, the MAP and the Aboriginal Friendship Centres Program. This effectively added certain YCW Initiative components onto existing Programs having their own RBAFs and RMAFs.

5.1.1 Overall Responsibility for the Delivery of the Initiative

One criterion included in this audit is that authorities and responsibilities for the Initiative are to be clearly defined and communicated. The YCW Initiative's governance structure was designed to encourage coordination, input and consistency among all responsible parties within the Department, as defined in the internal MOUs as follows:

- The *YCW Secretariat* is responsible for coordinating meetings of the Steering Committee and Working Group, collaborating with the Partner Programs in the development of strategic plans and Initiative delivery tools and producing and delivering required reporting to HRSDC.

- The *Partner* Programs are responsible for planning and coordinating the delivery of their respective Initiative components, providing funding through contribution agreements to third party Delivery Organizations and monitoring compliance with these agreements, attending and participating in Steering Committee and Working Group meetings and compiling and forwarding information on program performance for the YCW Secretariat in support of HRSDC reporting requirements.

- The *Working Group* consists of program officer level representatives of each Partner Program and meets as required to assist the Steering Committee in making decisions by advising it on matters for which it is responsible.

- The *Steering Committee* is composed of at least one management member from each of the Partner Programs and is responsible for reviewing and approving recommendations as appropriate made by the Working Group. The Steering Committee also has the authority to make decisions to be carried out by the YCW Secretariat and the Partner Programs.

Under its current structure, the Partner Programs vet the Initiative's delivery issues through the Working Group to the Steering Committee. The Steering Committee then has the authority to make overall Initiative decisions that are then supported by the Secretariat through a collaborative decision making process.

The horizontal structure that the Initiative has adopted, combined with the addition of new Terms and Conditions onto existing Programs, has resulted in a dispersed accountability for reporting results and ensuring compliance with the MOU with HRSDC. As identified in the internal MOUs, Partner Programs are responsible for decision making on PCH's Initiative through the Steering Committee and for implementing administrative procedures and practices in compliance with Departmental and YCW requirements. However, there is no link with particular responsibilities identified in the MOU with HRSDC that include verification that the overall Initiative

complies with applicable terms and conditions, RBAFs, RMAFs and YES Interdepartmental Operational Guidelines. It was expected by the audit team that the initial governance structure of the Initiative conferred a coordination function to the Secretariat.

In addition, PCH's component of the YES RBAF and RMAF were developed prior to the formalization of the roles of the Secretariat through the internal MOUs in 2004. As a result, the YES RBAF and RMAF do not reference the roles and responsibilities of the Secretariat in the delivery of the Initiative. Yet, the internal MOU refers to responsibilities of conducting follow-up activities as provided under the RMAF and the RBAF.

Through an examination of the MOUs, RBAFs and RMAFs for the Initiative and the results of the interviews with management, it was noted that there is no one party within the Department with responsibility and authority for the Initiative. The current dispersed accountability structure is further complicated by the fact that certain Partner Programs are also guided in their implementation of the Initiative through Program-specific RMAFs and RBAFs.

The Initiative has an opportunity to redefine the roles, responsibilities and authorities within the key internal stakeholders as the internal MOU expired in September 2006 and has not been formally renewed.

Given that the Secretariat is independent from the implementation and delivery of the Initiative, it is logical that the Secretariat is organizationally in the best position for overall Initiative accountability to reside.

Risk Assessment

The absence of formally defined communicated responsibilities may create difficulties in holding Partner Programs accountable for their performance. This increases the risk that the Initiative may not be delivered and/or managed in compliance with Departmental expectations or the accountabilities to Parliament for funding paid directly to PCH each year.

Recommendation

1. The Director General, Citizen Participation, with the Director Generals of the three Partner Programs, should define clear lines of authority, accountability and responsibility for the overall management of the Initiative. In addition, formal terms of reference should be developed for the Secretariat with the responsibility for the oversight of the Initiative's components, and communicated to all stakeholders.

Management Response

Agreed

5.2   Stewardship

The Initiative is delivered using the YCW website and Access database to capture key information from participants, including employers, employees and Delivery Organizations.

Using the website, employers are able to submit applications for funding, while students are able to apply directly for posted positions under the Initiative. Both employers and students also use the website to fill out required Staffing Reports on the first day that a position is started and End of Work Term Reports upon completion of the position term. A Project Management team for the website has been established within the Department to help ensure that sensitive personal information (Protected B) submitted through the YCW website during the application and reporting phases of the Initiative remains secure.

Delivery Organizations enter information used for monitoring for the Summer Work Experience stream directly into their own version of the Access database designed to capture information for the Initiative as a whole. Once a month, information from the Delivery Organizations is sent to PCH for uploading into the YCW database. This process provides Initiative Partners and the Secretariat with transparency on the status of the delivery of the Summer Work stream across all Delivery Organizations.

The Secretariat supports the database and website, and directly responds to questions received from the Delivery Organizations. Representatives of the Secretariat are also generally asked to attend semi-annual meetings between Initiative Partners Programs and Delivery Organizations to provide training updates on the information system. Training is provided to address new functionality that has been added to the systems or to address responses to common issues that are encountered by the Delivery Organizations.

Partner Programs have regular communication with their Delivery Organizations through informal calls, electronic correspondence, annual training and formal conference calls or meetings.

5.2.1 *Maintenance and Security of Information Systems*

One of the criteria addressed through the audit specified that transactions in the database would be recorded accurately and in a timely manner. An additional criterion stated that the Secretariat was to provide the Partner Programs with the necessary tools to outline and support their responsibilities. Audit interviews identified a number of concerns with respect to the data integrity, privacy, security and maintenance of the YCW information systems (website and database). The two systems do not interact or integrate with one another and this situation results in duplicate entry. Information is entered initially through the website by employers and students and then again through the database as

Delivery Organizations report results. Further, there is no process in place to reconcile the information on the website with information in the database, creating concerns over the completeness and accuracy of information.

In addition, the database currently runs on an Access 2000 system, which is out of date and unable to support the increasing amount of functionality being added to the system. This has resulted in Delivery Organizations experiencing loss of data and system "crashes" on some occasions. The YCW Access database is currently supported by KITS. The YCW interactive website is currently supported by an external service provider. It is the audit team understanding, based on interviews with management, that the Secretariat has been notified by both KITS and the external service provider that significant additional changes to either the website or database may jeopardize the system's base functionality.

Results of interviews identified that the security of personal information of YCW participants submitted through the YCW website, specifically wages and equity group information, is not compliant with departmental security and privacy standards. The Initiative is in the process of developing a solution to resolve this and is currently working with KITS in implementing the components of a "secure channel" infrastructure for the safe transportation of information. The secure channel initiative is a government-wide initiative aimed at protecting the privacy and security of electronic information.

It is the audit team understands that the Initiative had initially requested support for the development and maintenance of its information systems internally. However, due to the small size of the Initiative and other higher-risk priorities within the Department, the required resources were not available to support the Initiative from the beginning. This explains the Initiative's decision to obtain support from a third-party service provider. Recently, the Secretariat has had a number of discussions with KITS and the Chief Information Officer and that working sessions are ongoing to discuss and develop an action plan for the resolution of these issues. In addition, consideration is being given to merging the database and website into one system to avoid the need for duplication of data entry.

Risk Assessment

To ensure that transactions would be recorded accurately and in a timely manner, the efficiency, integrity and capability of the YCW information systems are essential. Given that information systems are used to house monitoring tools and reporting, any decrease in their performance may significantly impact Initiative delivery and the accurate and complete reporting of Initiative results.

Recommendation

2. The Director General, Citizen Participation with the Chief Information Officer and KITS, should complete the upgrade of the YCW information systems, merge the database and website systems into one, and develop a formal assessment and maintenance schedule to ensure the integrity of the system's infrastructure and data reporting.

Management Response

Agreed

5.2.2 Monitoring of Delivery Organizations

Criteria that were addressed through the audit included establishing that management has a risk-based process in place for managing third-party contracts. High-level expectations for monitoring the performance of Delivery Organizations are established in the YCW component of the YES's RMAF and RBAF. It is the audit team understanding, based on interviews with management, that the Secretariat has also provided suggestions with respect to the nature and extent of monitoring that should be conducted by the Partner Programs to monitor the performance of their Delivery Organizations.

The current governance structure does not define or assign authority and responsibility for ensuring that decisions made by the Steering Committee are being implemented as expected nor for ensuring that each Partner Program is meeting its overall responsibilities as defined in the MOU with HRSDC, including that the overall Initiative complies with the terms and conditions, RBAFs, RMAFs and YES Interdepartmental Operational Guidelines. As one example of this, the interviews identified concerns that two of the three Programs have not been conducting significant monitoring activities, which is a requirement established in the PCH component of the YES RBAF. However, it is the audit team's understanding that no one party currently has the authority or clearly defined responsibility to follow-up on concerns relating to the delivery and management of the Initiative.

In addition, Partner Programs have a responsibility as defined in the internal MOU to ensure that the data entered into the YCW database are accurate, relevant and current for their respective program component. Despite this responsibility, results of a file review process and analysis indicate that although there was evidence on file that the Initiative Officers verified that Delivery Organizations sent all required documents, there was minimal evidence on file of review and analysis of the integrity of the information submitted.

Results of the file reviews confirmed inconsistencies in the nature and extent of monitoring activities between the Partner Programs.

While it is recognized that individual Partner Programs may have individual RBAFs, these RBAFs should be consistent with overall risk-based monitoring guidelines for the YCW Initiative.

Risk Assessment

This situation of inconsistent RBAFs and of inconsistencies in the nature and extent of monitoring activities between the Partner Programs could lead to instances where implementation risks are not being identified or addressed. Specifically, risks related to

non-compliance with contribution agreement terms and conditions and YES's terms and conditions may not be detected or resolved on a timely basis.

Recommendation

3. The Director General, Citizen Participation, and the YCW Secretariat, in conjunction with the Steering Committee, should formally define a risk-based approach to monitoring Delivery Organizations. The Initiative should be delivered and managed in a manner that is consistent with the expectations of the YCW MOU across each Partner Program. This would include the responsibility for verifying that a risk-based approach to monitoring Delivery Organizations is followed.

Management Response

Agreed

5.3   Risk Management

Risk management criteria that were addressed through the audit included criteria that management identified, addressed and responded to these risks. As previously mentioned, an RBAF has been developed for the YCW component of YES. In addition, some Partner Programs have further defined risks within YCW and other similar initiatives being delivered through their Programs in separate RBAFs. Further, risks affecting the delivery of the Initiative are identified through Working Group and Steering Committee meetings.

5.3.1 Monitoring of Initiative Risks and Results

Opportunities of improvement were noted in the area of risk management, as overall risks of the Initiative are not being monitored or consolidated at an Initiative-wide level. This may impact management's ability to adequately identify and address risks.

Challenges in the overall accountability of the Initiative, as described under the governance section above, also impact the Initiative's risk management practices. This is due to the absence of a party having overarching responsibility for monitoring and addressing risks facing the Initiative as a whole. There are a number of challenges faced by the Initiative, such as the increased pressure on Delivery Organizations to maintain consistent targets from year to year without corresponding changes in funding, changes in the labour market and market wages and other factors.

The Secretariat should be a key control in fulfilling the Department's obligations for horizontal reporting and in responding to the challenges of a changing environment.   It is not clear what the role of the Secretariat is in the monitoring and management of risk.

Risk Assessment

The current structure, in which no one party has overall accountability for the identification and mitigation of risks, creates an environment where issues affecting the Initiative as a whole may not be addressed or mitigated in a timely or consistent manner.

Recommendation

4. The Director General, Citizen Participation, in conjunction with the YCW Steering Committee, should identify and manage Initiative wide risks and ensure that all parties have the authority and the tools to deliver on this responsibility.

Management Response

Agreed

Appendix A – Audit Criteria & Conclusion

Based on a combination of the evidence gathered through documentation examination, analysis and interviews, each of the audit criteria listed below was assessed and concluded on using the following definitions:

Numerical Categorization	Conclusion on Audit Criteria	Definition of Conclusion
1	Well Controlled	• well managed, no material weaknesses noted; and • effective and sustainable.
2	Controlled	• well managed, but minor improvements are needed; and • effective and sustainable.
3	Moderate Issues	Moderate issues requiring management focus (at least one of the following two criteria need to be met): • 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	Requiring significant improvements (at least one of the following three criteria need to be met): • 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.

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	The Secretariat has a clearly communicated mandate that includes roles with respect to governance, risk management and control.	3	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Initiative RMAFs, MOU between HRSDC and PCH and MOU between Secretariat and Partner Programs. ▪ PCH component of YES and Partner Initiative RMAF and Umbrella and Initiative Terms and Conditions define roles and responsibilities. ▪ MOU between HRSDC and PCH and MOU between Secretariat and Partner Programs define roles but provide no overall authority for the Initiative.
2	YCW Secretariat has clearly defined and communicated strategic directions and strategic objectives, aligned with the YES Initiative mandate established by HRSDC.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES RMAF. ▪ PCH component of YES RMAF clearly defines strategic direction and objectives, aligned with the YES Initiative. ▪ Strategic direction is understood in Partner Directorates; however, there is no one party accountable for YCW results overall within the Department.
3	PCH has operational plans and objectives in place for their component of the YCW Initiative aimed at achieving its strategic objectives.	2	▪ Review of PCH component of YES RMAFs. ▪ Interviews with Members of the Partner Programs and Secretariat. ▪ Operational plans and objectives have been defined in the PCH component of YES RMAF; however, there is no one party accountable within the Department for verifying that operational plans are being followed.
4	External and internal environments are monitored to obtain information that	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of MOU between HRSDC and PCH and MOU between Secretariat and Partner Programs. ▪ Responsibility for monitoring YCW's environment is

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples Of Key Evidence/Observation
	may signal a need to re-evaluate the Initiative's objectives, policies and/or control environments.		not specifically defined in the MOU between Secretariat and Partner Directorates; however, some Partner Directorates are monitoring the environment and making adjustments to their portion of the Initiative as required.
5	The Secretariat and Partner Initiative request and receive sufficient, complete, timely and accurate information.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Initiative information is compiled semi-annually and sent to HRSDC for compilation with other Initiative component results; however, responsibility for reviewing information for accuracy and completeness at YCW prior to being sent to HRSDC is not consistently understood across all Partner Directorates. ▪ Initiative information is entered by Delivery Organizations and YCW Participants directly into the Initiative's website and database allowing Secretariat and Partner Programs to have timely visibility of Initiative results.
6	Partner Programs and Secretariat have resources to support research and policy analysis.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Responsibility for research and policy design has not been well defined within the Initiative (see below). Party assigned with this responsibility would need additional resources to support this role.
7	YCW has a formal and rigorous approach to policy and Initiative design.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of MOU between PCH and HRSDC and MOU between Secretariat and Partner Programs. ▪ Policy and Initiative design issues are expected to be raised through Steering Committee and Working Group meetings; however, there is no one party responsible for evaluating the Initiative to determine if issues exist and need to be resolved.
8	Monitoring of policy and Initiative design options occur in a regular and timely manner.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of MOU between PCH and HRSDC and MOU between Secretariat and Partner Programs. ▪ Policy and Initiative design issues are expected to be raised in Steering Committee and Working Group meetings; however there is no one party responsible for evaluating the Initiative to determine if issues exist and

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples Of Key Evidence/Observation
			need to be resolved. ▪ Any issues identified are brought forward by the Secretariat for discussion at YES Interdepartmental Committees.
9	Recruitment, hiring and promotion consider the current and future needs of the Initiative.	1	▪ Interviews with members of the Partner Programs and Secretariat. ▪ In Initiative areas with expected retirements, management is having more junior staff job shadow the position to allow for transfer of corporate knowledge and to develop an understanding of roles and responsibilities.
10	Secretariat provides Partner Directorates with the necessary direction and tools to outline and support their responsibilities	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Secretariat develops tools in conjunction with the Steering Committee and Working Group and suggests to Partner Programs which tools should be used to monitor and deliver the Initiative; however, overall authority for determining which tools are required to be used and following up to verify that the tools are being used has not been defined.
11	Management has identified the risks that may preclude the achievements of its objectives.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Programs RBAFs. ▪ PCH component of YES RBAF has been developed for the YCW component of YES and some Partner Directorates have further defined risks and how to address them in separate RBAFs. ▪ Some Initiative risks are discussed at Working Group and Steering Committee meetings; however, overarching responsibility for defining and assessing Initiative risks and how they are being addressed has not been assigned.

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples Of Key Evidence/Observation
12	Management has identified and assessed controls in place to address risks.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Programs RBAFs. ▪ File reviews of Delivery Organization files at Partner Programs ▪ Some Initiative risks are discussed at Working Group and Steering Committee meetings; however, overarching responsibility for defining and assessing Initiative risks and how they are being addressed has not been assigned. ▪ Results of file reviews noted differences in the manner in which files were monitored between the Partner Programs.
13	Management has assessed the risks it has identified.	1	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Programs RBAFs. ▪ PCH component of YES RBAF has been developed for the YCW component of the YES and some Programs have further defined risks and how to address them in separate RBAFS.
14	Management formally responds to its risks.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Programs RBAFs. ▪ PCH component of YES RBAF has been developed for the YCW component of YES and some Partner Programs have further defined risks and how to address them in separate RBAFS. ▪ Some Initiative risks are discussed at Working Group and Steering Committee meetings; however, overarching responsibility for defining and assessing Initiative risks has not been assigned.
15	Timely budget is developed and forecasts are monitored on a regular basis.	1	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Annual budgets for the YCW component of the YES strategy are determined at the YES level and reporting occurs semi-annually.

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples Of Key Evidence/Observation
16	Financial management policies and authorities are established, revisited, revised, communicated and followed up regularly.	2	▪ Review of Delegated Financial Signing Authorities Chart. ▪ The Chart appears to read that Section 32 authority can be exercised by all Initiative staff while it is our understanding that the intention of the policy is to identify who can sign contribution agreements once Section 32 is approved. This policy could be confusing to users. ▪ The policy also does not address authority over the entry of commitments into SAP prior to the Minister's Section 32 approval.
17	Transactions are coded and recorded accurately and in a timely manner.	2	▪ Interviews with Members of the Partner Programs and Secretariat. ▪ File reviews of Delivery Organization files at Partner Programs. ▪ Results of file reviews noted differences in the manner in which files were monitored between the Partner Programs as there is no one party responsible for monitoring procedures performed across Partner Directorates for consistency.
18	There is appropriate segregation of duties.	1	▪ File reviews of Delivery Organization files at Partner Programs. ▪ No issues were noted.
19	Management compares results (financial and non-financial) achieved against expectation, on a periodic basis.	2	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Each Partner Program is responsible for monitoring their own portion of the budget and target numbers; however, there is no one party responsible for overall Initiative results.

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples Of Key Evidence/Observation
20	Development, implementation or changes to information systems are based on strategic planning and are in line with organizational strategic and operational objectives.	3	▪ Interviews with members of the Partner Programs, Secretariat and Delivery Organizations. ▪ Results of interviews indicated that systems are aged and have raised concerns over data integrity, security, maintenance and sustainability of the network. However, actions are currently in progress to address these issues.
21	Management has established processes to manage third-party contracts.	3	▪ Interviews with members of the Partner Programs and Secretariat. ▪ File reviews of Delivery Organization files at Partner Programs. ▪ Results of file reviews noted differences in the manner in which files were monitored between the Partner Programs as there is presently no one party responsible for ensuring that the Initiative is delivered consistently across all Partner Programs. ▪ Secretariat develops tools in conjunction with the Steering Committee and Working Group and suggests to Partner Programs which tools should be used to monitor and deliver the Initiative; however, overall authority for determining which tools to used and following up to verify that the tools are being used has not been defined.
22	Authority, responsibility and accountability are clear and communicated. Organizational structure is clear and documented.	4	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of MOU between Partner Programs and Secretariat. ▪ MOU between Partner Programs and Secretariats identifies certain responsibilities for the Partner Directorates, Secretariat, Working Group and Steering Committee but does not identify overall Initiative accountability.
23	Management has identified planned results linked to organizational objectives.	1	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Program RMAFs. ▪ RMAF links planned results to organizational objectives.

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples Of Key Evidence/Observation
24	Management has identified appropriate performance measures linked to planned results.	1	▪ Interviews with members of the Partner Programs and Secretariat. ▪ Review of PCH component of YES and Partner Program RMAFs. ▪ RMAF identifies appropriate performance measures.