

**IMPLEMENTATION STATUS UPDATE  
REPORT TO THE AUDIT AND EVALUATION COMMITTEE (AEC) JUNE 27, 2008**

PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<b>AUDIT OF ABC – ABORIGINAL FINANCIAL INSTITUTIONS AND ACCESS TO CAPITAL (200704)</b> <i>AEC APPROVAL DATE: 30/03/2007</i>			
<b>ABORIGINAL ECONOMIC DEVELOPMENT</b>			
1. Aboriginal Business Canada's (ABC) management should enhance its management control and accountability framework to better guide the management and operations of its Aboriginal Financial Institutions (AFI) and Access to Capital (ATC) programming.	<p>Aboriginal Business Canada has an informal management and accountability framework in place to guide management of its Aboriginal Financial Institutions (AFI) and Access to Capital (ATC) programming. General program policies are contained on the ABC toolkit. Where necessary, Aboriginal Business Canada's (ABC) will enhance and formalize policies and procedures affecting AFI programming. Specifically, Aboriginal Business Canada will:</p> <ul style="list-style-type: none"> <li>· update its existing Risk Management Plan to include AFI and ATC components of the Aboriginal Business Development Program (ABDP) to better recognize and consider risks facing the program;</li> <li>· develop a specific risk assessment tool and guidelines to address AFI and ATC projects being funded under the ABDP;</li> <li>· enhance the schedule of recipient audits for AFI and ATC projects;</li> <li>· provide additional clarification on the roles and responsibilities of each party involved in the delivery of AFI/ATC programming;</li> <li>· define a clear set of communication guidelines to ensure the efficient transfer of information between Aboriginal Business Canada's (ABC) and</li> </ul>	31/03/2007	<p><b>Status: Implemented</b></p> <p><b>Update/Rationale:</b> A program specific risk management plan is developed annually by the IDO team that outlines detailed on-site evaluations/reviews to assist AFIs address operational and developmental lending issues.</p> <p>A draft risk assessment tool and guidelines has been completed. These guidelines and tools will support ABC officers, the assessment project proposals and on-going file management.</p> <p>8-recipient audits have been completed and an action plan has been developed and shared with IDOs to ensure recommendations are implemented</p> <p>Roles and responsibilities for each party involved with AFI/ATC programming have been developed and documented in the final draft Management Control Framework.</p> <p>A clear set of communication guidelines have been developed and documented in the final draft Management Control Framework.</p> <p>A draft Logic Model and Performance Measures guide and training has been developed for distribution and inclusion in the Management Control Framework.</p>

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	AFIs; and · finalize the performance measures associated with AFI programming, prepare related reporting schedules, and develop a standardized reporting template for AFIs.		<a href="#">AES: We are working with the sector to monitor implementation of the commitments in the context of the audit and evaluation work now underway. If appropriate we will close.</a>
2. Aboriginal Business Canada's (ABC) management should re-examine and clarify roles and responsibilities at the program officer and manager levels and identify and resolve related training needs.	<p>An Institutional Development Officers (IDO) Team was established in the Summer 2005 to discuss Aboriginal Financial Institutions (AFI) program and third-party delivery issues, resolve concerns and identify on-going training needs for IDOS. The IDO Team is involved with on-going quarterly teleconferences and participates in semi-annual meetings/training sessions.</p> <p>ABC will update the roles and responsibilities of IDOs and Regional Managers, job descriptions and identify related training needs. A job description for the IDO function has been in place since inception of Aboriginal Capital Corporation programming. These roles and responsibilities will be reflected in proposed MCF.</p> <ul style="list-style-type: none"> <li>· Clarify roles and responsibilities of IDO functions;</li> <li>· Examine and, if required, redistribute the number of IDOs in the regions to maximize use of resources, and</li> <li>· Develop and deliver a tailored training program to IDOs, on AFI</li> </ul>	31/03/2007	<p><b>Status: Implemented</b></p> <p><b>Update/Rationale:</b> The roles and responsibilities for Institutional Development Officers have been developed and will be documented in the draft Management Control Framework.</p> <p>Director West conducted a review of resources and concluded that no change or additions are required.</p> <p>A training package for IDOs has been developed focussing on the analysis of AFI financial statements, conducting compliance reviews and monitoring site visits was conducted in March 2007.</p> <p><a href="#">AES: Close.</a></p>

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	programming and its delivery.		
<p>3. Aboriginal Business Canada's (ABC) management should reinforce the need for officers to receive and maintain appropriate supporting documentation for advances and claims and provide some 'refresher' training to clarify Treasury Board and ABC requirements.</p>	<p>All policies and procedures with respect to processing of advances and claims for payments are clearly articulated on the Aboriginal Business Canada's (ABC) toolkit. The following actions will be undertaken:</p> <ul style="list-style-type: none"> <li>ABC will re-emphasize Treasury Board and ABC guidelines on requirements for the inclusion of supporting documentation for advances and payment claims;</li> </ul>	<p>31/12/2007</p>	<p><b>Status: Implemented</b></p> <p><b>Update/Rationale:</b> ABC has developed four tailored training programs for all staff that includes a section on payments.</p> <p>The Corporate Services Unit conducts regular reviews of the toolkit and seeks advice from all staff to ensure clarity and precision procedures affecting the delivery of the Aboriginal Business Development Program,</p>

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	<ul style="list-style-type: none"> <li>ABC will review existing toolkit guidelines to ensure clarity and precision on the processing and proofs of payment required for advances and payment claims;</li> <li>the Quality Assurance Team will conduct follow-up Quality Assurance reviews of advances and payment claims to ensure the appropriate guidelines are followed and proofs of payment are attached to file; and</li> <li>tailored training for new and existing staff will be developed and conducted as an on-going learning opportunity at ABC.</li> </ul>		<p>including payments.</p> <p>The Quality Assurance Team conducted a Quality Assurance Review in the Autumn 2006.</p> <p>ABC has developed four tailored training programs and will continue to do so and will also investigate new opportunities for training across ABC.</p> <p><b>AES:</b> CLOSE, the current audit will confirm.</p>
<p>4. Aboriginal Business Canada's (ABC) management should continue to improve the clarity of its file documentation requirements, including the development of tailored tools and templates for the Aboriginal Financial Institutions (AFI) and Access to Capital (ATC) programs, and provide related training as necessary to Aboriginal Business Canada's (ABC) employees.</p>	<p>Aboriginal Business Canada currently has specific tools, letters and forms in place related to the delivery and administration of Aboriginal Financial Institutions (AFI) and Access to Capital (ATC) programming. These will be updated as required and included in the MCF for AFI/ATC programming. Further:</p> <ul style="list-style-type: none"> <li>ABC will develop "Model" File procedures and standards to ensure a common file format is communicated to staff and adopted;</li> <li>appropriate tools, templates and forms will be developed as a part of the MCF to ensure consistency in the administration of AFI/ATC programming;</li> </ul>	<p>31/12/2007</p>	<p><b>Status: Pending Implementation</b></p> <p><b>Update/Rationale:</b></p> <p>"Model" File Committee has developed model file and guidelines for the effective administration of project files.</p> <p>A Management Control Framework will be developed that includes the appropriate tools, templates and forms to ensure consistency in the administration of AFI/ATC programming.</p> <p>A training package for IDOs is in development focussing on the analysis of AFI financial statements, conducting compliance reviews and monitoring site visits.</p>

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	and  · ABC will develop and rollout tailored training for those responsible for the delivery of AFI/ATC programming.		AES: We will review and close, if appropriate.
5. Aboriginal Business Canada's (ABC) management should enhance its risk-based audit framework with a formal risk-based approach to guide the selection and nature of Aboriginal Financial Institutions (AFI) and Access to Capital (ATC) programs monitoring activities.	Aboriginal Business Canada conducts compliance reviews and financial audits of all Aboriginal Financial Institutions (AFIs) still under contract with the program. This activity has been carried out in the past by the National Aboriginal Capital Corporation Association (NACCA) on behalf of the program. To ensure greater consistency in timeliness and quality of reporting, ABC will:  · enhance the terms of reference for monitoring and compliance reviews of AFIs under the control period;  · explicitly indicate that recipient audits must adhere to Sections 5100, 5805 and 9100 of the Canadian Institute of Chartered Accountants Handbook. These sections provide guidance to an auditor when engaged to express an opinion on financial information they have reviewed; and  · take a risk based approach to monitoring and compliance of AFIs as per recommendation 1 above.	31/03/2007	<b>Status: Pending Implementation</b>  <b>Update/Rationale:</b> An enhanced terms of reference were developed and utilized to conduct a recipient audit of eight-AFI clients in February 2007.  The enhanced terms of reference required auditors to express an opinion on the financial information reviewed in the recent recipient audit as required in Sections 5100, 5805 and 9100 of the Canadian Institute of Chartered Accountants Handbook.  A final draft set of risk guidelines and assessment tool for AFIs has been developed and will be included in the Management Control Framework.  AES: We will review and close, if appropriate.
6. Aboriginal Business Canada's (ABC) management should revise existing guidelines to address documentation standards and expectations with respect	Currently Aboriginal Business Canada has a number of measures to monitor Aboriginal Financial Institutions (AFI) and Access to Capital (ATC) programs	31/03/2007	<b>Status: Pending Implementation</b>  <b>Update/Rationale:</b>

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to monitoring activities.	<p>performance including quarterly contact with Aboriginal Financial Institutions (AFIs) delivering Aboriginal Youth Business Initiative (AYBI) and Business Support Officer (BSO) programming. Evidence of contact with the recipient should be documented on the file. In this respect, ABC will:</p> <ul style="list-style-type: none"> <li>· formally define and communicate expectations for the formal documentation of key monitoring activities in project files, such as sign offs on recipient activity reports and the provision of commentary on the recipient's progress against their business plan or objectives. Similarly, discussions with the recipient, required action steps, and any follow-up undertaken, should be clearly documented and dated in a summary form at the front of the file.</li> </ul>		<p>A draft Management Control Framework is in development that includes the appropriate tools, templates and forms to ensure consistency in the administration of AFI/ATC programming, including the documentation of key monitoring activities.</p> <p>AES: We will review and close, if appropriate.</p>