



Office of the
Commissioner of
Official Languages

Commissariat
aux langues
officielles

AUDIT

Horizontal Audit of Accountability for
Official Languages Transfer Payments
to the Provinces
(Part VII of the *Official Languages Act*)

Citizenship and Immigration Canada
Health Canada
Canadian Heritage

FOLLOW-UP
October 2016



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Cat. No.: SF31-113/1-2016E-PDF
ISBN: 978-0-660-06432-1

In September 2013, the Office of the Commissioner of Official Languages published a horizontal audit of accountability for official languages transfer payments to provinces (Part VII of the *Official Languages Act*) at three federal institutions: Citizenship and Immigration Canada (CIC), Health Canada (HC) and Canadian Heritage (PCH).

This audit was conducted at the headquarters of the three institutions. The Commissioner of Official Languages made one recommendation to CIC and two recommendations to PCH to help them improve the accountability of their official languages transfer payments to the provinces. The recommendations and the findings of the follow-up to the audit are in Appendix A.

The three recommendations addressed the following three objectives:

- Ensure that senior management at the audited institutions are strongly committed to accountability mechanisms for official languages transfer payments to the provinces.
- Verify whether the institutions have formal and effective procedures and mechanisms in place with regard to accountability for official languages transfer payments.
- Verify whether federal institutions are effectively monitoring their performance in terms of accountability for official languages transfer payments.

In July 2015, the Office of the Commissioner initiated a follow-up to the audit in order to evaluate and document the measures taken by CIC and PCH to implement the Commissioner's recommendations.

METHODOLOGY

The results of the audit follow-up are the product of an analysis of the progress report and action plan submitted by CIC and PCH in response to the recommendations made in the initial audit, as well as an analysis of the supporting documents and information obtained through an interview. We also reviewed files at PCH headquarters.

RESULTS OF OUR EVALUATION BY RECOMMENDATION

OBJECTIVE 1

***ENSURE THAT SENIOR MANAGEMENT AT THE
AUDITED INSTITUTIONS ARE STRONGLY COMMITTED
TO ACCOUNTABILITY MECHANISMS FOR OFFICIAL
LANGUAGES TRANSFER PAYMENTS TO THE PROVINCES.***

RECOMMENDATION 1

The Commissioner of Official Languages recommends that Citizenship and Immigration Canada (CIC) ensure the Government of British Columbia accounts for its activities and spending for Francophone newcomers separately and in more detail when preparing its final annual report, which will be presented to CIC on August 31, 2014.

In its final annual report submitted to CIC on August 31, 2014, the Government of British Columbia accounted for its activities and spending, separately and in detail, with respect to services provided to French-speaking immigrants. The province fulfilled its commitment to CIC, which enabled the Department to better assess the results of this agreement in terms of official language minority community immigration.

CIC has implemented Recommendation 1.

RECOMMENDATION 2

The Commissioner of Official Languages recommends that Canadian Heritage proceed with field validations to follow up on activity and financial reports received in accordance with the outcomes domain in the agreements, to ensure better accountability for funds that are transferred to provincial and territorial departments of education. It must also ensure effective record keeping in this regard.

During our visit to PCH headquarters, we were informed that 2013 was different from other years in terms of on-site visits because, at that time, the Department had been in the process of negotiating most of the agreements with the departments of education. However, videoconferences were organized in 2014 and 2015 to discuss achievements and progress on the initiatives described in the action plans. These videoconferences usually involved a PCH officer and manager, as well as program directors and the coordinators responsible for agreements at the departments of education.

We noted as part of our audit follow-up that PCH practices with respect to the field validations performed during the annual visits by departmental representatives are the same as those that were in effect during our initial audit. We were informed that there had been no field validations covering all of the activities presented in the activity reports, even though the Commissioner had issued a recommendation in this regard.

In terms of effective record keeping, we noted an improvement. The sample taken during the audit follow-up included files from 2013–2014 and 2014–2015 on the agreements reached with the provinces of British Columbia, Ontario, Quebec and Nova Scotia. The Nova Scotia file did not include the minutes of the last meeting, because they were in the process of being approved.

Since our audit in 2013, PCH has developed templates to standardize its practices and files. A table was created to record visits and telephone calls to each department of education for fiscal years 2013–2014 to 2015–2016. These tables, which are in the files, are updated as the activities occur. Furthermore, the officers are required to draft reports summarizing all the points discussed and the information gathered, as well as follow-up activities and decisions made during the visits. A report template was developed; however, our review of the files showed that individual officers have their own way of preparing their reports after the meetings.

We noted that some reports were more detailed than others and that some files might therefore be incomplete. The reports are validated by the supervisor before they are submitted to management and filed. A file checklist is also included inside the cover page. It should be noted that we did not see or obtain guidelines on record keeping and on supervisory approval in this regard.

At the time of our audit follow-up, PCH had started developing an internal operating procedure manual for all activities related to the negotiation and administration of federal-provincial/territorial agreements.

PCH has partially implemented Recommendation 2.

OBJECTIVE 3

VERIFY WHETHER FEDERAL INSTITUTIONS ARE EFFECTIVELY MONITORING THEIR PERFORMANCE IN TERMS OF ACCOUNTABILITY FOR OFFICIAL LANGUAGES TRANSFER PAYMENTS.

RECOMMENDATION 3

The Commissioner of Official Languages recommends that Canadian Heritage use its next internal audit on the modernization of grants and contributions to integrate all accountability activities related to transfer payments to the provinces and territories, and governed by official languages support programs, into its audit objectives.

In March 2015, the Office of the Chief Audit Executive in PCH's Audit and Assurance Services Directorate conducted an internal audit entitled *Audit of PCH Responsibilities related to the Roadmap for Canada's Official Languages 2013–2018: Education, Immigration, Communities*. The objective of this audit was to provide assurance that governance, risk management and internal control structures and processes for *Roadmap 2013–2018* were adequate and effective.

Our aim was to see whether PCH had reviewed the various activities related to accountability for transfer payments to the provinces and territories, and governed by official languages support programs. Our review showed that the internal audit included a criterion to check whether "management assesses and monitors PCH recipients to ensure compliance with the Transfer Payments Policy, and the Program's Terms and Conditions/MOUs." According to the findings of the internal audit, the controls and operational practices are efficient to ensure compliance with the Policy on Transfer Payments.

PCH has implemented Recommendation 3.

CONCLUSION

The Commissioner is satisfied with the implementation of Recommendation 1 by CIC and Recommendation 3 by PCH. He is only partially satisfied with the measures taken by PCH to implement Recommendation 2.

Audit follow-ups are as important as the audits themselves because they evaluate the extent to which the audited institutions have made the changes recommended in the audit reports or confirm that they have committed to doing so. This audit follow-up showed that CIC has completed its work.

PCH needs to continue its efforts to ensure that Recommendation 2 is implemented. It must conduct field validations during its annual visits to the departments of education, as was recommended during the initial audit. The Commissioner would like to reiterate that this practice would strengthen the accountability process and ensure that the funds transferred to the provinces and territories are used to enhance the vitality and support the development of official language minority communities, which was the purpose of the initial audit.

Because PCH still has work to do in terms of field validations and related processes, the Office of the Commissioner intends to continue its intervention with the Department to ensure that it fully implements Recommendation 2.

AUDIT TEAM

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APPENDIX A – RECOMMENDATIONS FOR CITIZENSHIP AND IMMIGRATION CANADA AND CANADIAN HERITAGE

RECOMMENDATION 1 (IMPLEMENTED)

The Commissioner of Official Languages recommends that Citizenship and Immigration Canada (CIC) ensure the Government of British Columbia accounts for its activities and spending for Francophone newcomers separately and in more detail when preparing its final annual report, which will be presented to CIC on August 31, 2014.

RECOMMENDATION 2 (PARTIALLY IMPLEMENTED)

The Commissioner of Official Languages recommends that Canadian Heritage proceed with field validations to follow up on activity and financial reports received in accordance with the outcomes domain in the agreements, to ensure better accountability for funds that are transferred to provincial and territorial departments of education. It must also ensure effective record keeping in this regard.

RECOMMENDATION 3 (IMPLEMENTED)

The Commissioner of Official Languages recommends that Canadian Heritage use its next internal audit on the modernization of grants and contributions to integrate all accountability activities related to transfer payments to the provinces and territories, and governed by official languages support programs, into its audit objectives.