Grants and Contributions Modernization Audit: Post Implementation Review of the Grants and Contributions Business Process Modernization

Office of the Chief Audit Executive

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List of Acronyms

ADM Assistant Deputy Minister

CAPF Canada Arts Presentation Fund

CoE Centre of Expertise

CIO Chief Information Officer

CIOB Chief Information Officer Branch

DAC Departmental Audit Committee

DM Deputy Minister

DPR Departmental Performance Report

EOS Enterprise Online System

EXCOM Executive Committee

Gs&Cs Grants and Contributions

GCIMS Grants and Contributions Information Management System

GCMAP Grants and Contributions Management Action Plan

GCM:BPM Grants and Contribution Modernization: Business Process Modernization

GCMI Grants and Contribution Modernization Initiative

PCH Canadian Heritage

RBAP Risk Based Audit Program

RKMI Record Keeping Modernization Initiative

RPP Report on Plans and Priorities

TBS Treasury Board Secretariat

TICC Transformation Initiative Coordinating Committee

Executive Summary

Introduction

The Grants and Contributions Modernization: Business Process Modernization (GCM:BPM) was launched in April 2010 in the context of two Government of Canada initiatives: the Federal Strategy to Reform Program Administration which was announced in Budget 2010; and the Report of the Independent Blue Ribbon Panel on Grants and Contributions (2007).

Through the GCM:BPM, Canadian Heritage (PCH) has established a new program delivery framework that enables PCH programs to standardize, simplify, streamline and improve services for the Department's grants and contributions (Gs&Cs) clients.

The first phase of this Initiative focused on redesigning internal business processes related to the assessment of funding applications that included a more risk-based approach. In 2011-2012, this new risk-based approach to assessing applications was piloted for the following programs: the Canada Arts Presentation Fund (CAPF); the Community Life Component under the Development of Official-Languages Communities Program in the Ontario and Quebec Regions; and the Celebrate Canada Program. The Department also introduced substantial technology improvements intended to provide efficiencies in the pilot programs.

As of March 2014, the new business model had been implemented in all remaining Gs&Cs programs across the Department.

The overall audit objective was to provide assurance on the effectiveness of governance, risk management practices, and internal controls in place to implement the GCM:BPM and to identify lessons learned, including sound practices that may benefit the Department and the broader Government of Canada in implementing similar large scale initiatives.

The scope of the audit covered the period from inception of the Modernization Initiative to the implementation of the business processes which extended from April 2010 to March 2014. The scope of the audit excluded the examination of system-related changes, under the Initiative, which will be audited separately.

Key Findings and Lessons Learned

Throughout the audit fieldwork, the audit team observed several examples of effective controls and project management practices. This resulted in several observed strengths and lessons learned that should be applied to future initiatives which are listed below:

- A number of oversight committees and working groups that included representatives of senior management, where roles and responsibilities were formally defined and documented in terms of reference, were implemented in the early stages of the

project, supporting a formal and clearly defined governance and oversight structure for the Initiative.

- Formal project progress reports were provided to senior management on a regular basis to support effective project monitoring and oversight.

- The new risk-based approach to assessing applications was piloted for three programs prior to implementing the approach in the remaining programs across the Department, thereby enabling the identification of strengths and weaknesses in the new approach and providing an opportunity to remediate any issues identified before widespread implementation.

- Management's expectations with respect to efficiency gains were established and communicated from the inception of the Initiative. Time motion assessments to determine the efficiency gains resulting from the revised business processes in the three pilot programs were completed during the early stages of the Initiative which supported the ability to quantify actual results achieved and determine if management expectations were met.

- Consistency in the application of new processes was supported by formal workbooks providing details on the revised business process for all programs, training sessions provided to major stakeholders, and tools and templates. Support for the new processes were made available through the Centre of Expertise (CoE) which ensured that any changes to processes remained consistent with PCH's *Grants and Contributions Management Policy* and the Treasury Board Secretariat's *Policy on Transfer Payments*.

Although considerable progress has been made in formalizing the Department's processes and procedures for monitoring and coordinating the activities related to the implementation of the GCM:BPM, the audit team identified four opportunities for improvement to management practices and processes that should be addressed for future major initiatives.

1. A formal performance measurement strategy with defined key performance indicators to measure the achievement of the objectives of the delivery of GCM:BPM was not implemented in the early stages of the project.

2. Formal risk registers had not been updated on a regular basis during the first two years of the implementation.

3. A formal and well understood information management framework guiding the documentation, retention and sharing of information was not in place throughout the implementation period.

4. A formal post-implementation report of the Initiative up to the completion of implementation of the business process changes was not completed.

Recommendations

1. The Senior Director – Grants and Contributions Management Action Plan (GCMAP), in consultation with the Strategic Planning Directorate, should ensure that a robust performance measurement framework is developed and implemented to enable management to monitor and report on its progress and results against defined performance measures, including outcomes-based measures.

2. The Senior Director - GCMAP should ensure that risk tracking and reporting activities are updated regularly, to ensure that emerging risks are identified and properly mitigated throughout the project life cycle.

3. The Chief Information Officer (CIO) should ensure that a formal information management framework be implemented, consistent with federal government and departmental protocols for information management.

4. The Senior Director - GCMAP should ensure that a post-implementation report is completed to assess the actual benefits delivered, confirm the achievement of stated project objectives, and identify and share lessons learned.

Through the course of the audit fieldwork, it was identified that some of the above observations, including more formal risk monitoring and reporting and performance measurement plans and strategies, have been implemented for the system-related component of the Modernization Initiative. However, as stated previously, system-related aspects of the Initiative were not included in the scope of this audit and will be audited separately. The observations and recommendations for improvement are provided as lessons learned, intended to help strengthen the consistency and rigour of management practices for future major initiatives.

Statement of Conformance

In my professional judgment as Chief Audit Executive, the audit conforms with the Internal Auditing Standards for the Government of Canada, as supported by the results of the quality assurance and improvement program.

Audit Opinion

In my opinion, effective governance structures and formalized processes and procedures for monitoring and coordinating the activities related to the implementation of the GCM:BPM were implemented by project management. In the areas of risk management and internal controls, the audit team identified four opportunities for improvement to management practices and processes that should be addressed by Departmental management. These findings are detailed in the remainder of this report.

Signed by

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Maria Lapointe-Savoie
Chief Audit Executive
Department of Canadian Heritage

Audit Team Members

Maria Lapointe-Savoie - Director

Dylan Edgar - Manager

Jean-Philippe Rioux - Auditor

With the assistance of external resources

1.   Introduction and Context

1.1   Authority for the Project

The authority for this audit is derived from the Multi-Year Risk-Based Audit Plan (RBAP) 2014-2015 to 2016-2017, which was recommended by the Departmental Audit Committee (DAC) and approved by the Deputy Minister (DM) in March 2014.

1.2   Background

Grants and contributions (Gs&Cs) account for over 85 percent of Canadian Heritage (PCH)'s annual budget of over $1.2 billion. The Grants and Contributions Modernization: Business Process Modernization (GCM: BPM)was launched in April 2010 in the context of two Government of Canada initiatives: the Federal Strategy to Reform Program Administration which was announced in Budget 2010; and the Report of the Independent Blue Ribbon Panel on Grants and Contributions (2007).

Through the GCM:BPM, PCH has established a new program delivery framework that enables PCH programs to standardize, simplify, streamline and improve services for the Department's grants and contributions clients.

The first phase of this Initiative focused on redesigning internal business processes related to the assessment of funding applications. Specifically, grants and contributions applications are now being assessed and processed using a simplified, standardized, risk-based approach. In 2011-2012, this new risk-based approach to assessing applications was piloted for the following programs: the Canada Arts Presentation Fund (CAPF); the Community Life Component under the Development of Official-Languages Communities Program in the Ontario and Quebec Regions; and the Celebrate Canada Program. The Department also introduced substantial technology improvements intended to provide significant efficiencies for the pilot programs.

As of March 2014, the new business model had been implemented in all remaining Gs&Cs programs across the Department.

2.   Objective

The overall audit objective was to provide assurance on the effectiveness of governance, risk management practices, and internal controls in place to implement the GCM:BPM and to identify lessons learned, including sound practices that may benefit the Department and the broader Government of Canada in future major change initiatives. The audit has three sub-objectives:

1) To assess the effectiveness and efficiency of the GCM:BPM's governance structure, including reporting and accountability.

2) To assess the effectiveness of mechanisms and practices in place to identify, manage and mitigate key risks related to the GCM:BPM.

3) To assess the effectiveness of processes and procedures to manage the planning, development and implementation of the GCM: BPM Initiative, including the effectiveness of key mechanisms utilized to manage, coordinate and monitor its implementation across the Department, and engage users throughout the process.

3. Scope

The scope of this audit covered the period from inception of the modernization initiative to implementation of the business processes which extended from April 2010 to March 2014. The scope of the audit excluded an examination of system-related changes, which will be audited separately.

4. Approach and Methodology

The GCM:BPM Modernization audit was conducted in accordance with the Treasury Board Secretariat's *Internal Auditing Standards for the Government of Canada*, and *Policy on Internal Audit*.

The audit methodology included, but was not be limited to:

- a review of documentation related to the GCM:BPM, including project management documents such as terms of reference, project reporting, risk registers, meeting minutes, process guidelines and procedures, policies, and relevant legislation;

- the collection of data through interviews and walkthroughs with the project owners, which included representatives from the Centre of Expertise (CoE), Chief Information Officer Branch (CIOB), business unit personnel, and project managers to examine processes, procedures and practices in place; and

- a sample of revised workbook walkthroughs.

5. Findings and Recommendations

This section presents detailed findings and related recommendations for the audit. The findings are based on a combination of the evidence gathered through the examination of documentation, analysis, and interviews conducted for each of the audit criteria. Appendix A provides a summary of all findings and conclusions for each of the criteria assessed by the audit team.

The audit team identified four opportunities for improvement resulting in four recommendations. Details of these observations and recommendations are provided below. During the course of the audit, minor findings were communicated directly to management.

5.1 Governance

The results of the audit identified that effective governance structures were established for oversight of the implementation of the GCM:BPM from the inception of the Initiative.

Analysis

The successful implementation of the GCM:BPM is recognized and supported by senior management as a critical initiative for the Department, and is reflected in the project's governance and oversight structures. In this regard, a number of oversight committees were established to oversee, advise on, and respond to, matters of relevance to the implementation of the GCM:BPM Initiative.

The Transformation Initiative Coordinating Committee (TICC) was established at the beginning of the Initiative in 2010. The Committee's purpose was to provide overall direction for various supporting committees and branches responsible for the Initiative and to make recommendations to the Executive Committee (EXCOM).

In July of 2012, the TICC was replaced by the Grants and Contributions Modernization Initiative (GCMI) Steering Committee that reports to EXCOM. The purpose of the GCMI Steering Committee is to help ensure that GCMI investments are achieving expected results that risks associated with the Initiative are properly managed, and that changes are properly managed and communicated in accordance with relevant Departmental and Government of Canada policies. The Committee is chaired by the Assistant Deputy Minister (ADM) Strategic Policy, Planning and Corporate Affairs and its membership includes senior management of all sectors, thereby providing an effective forum to obtain the perspectives of cross-functional leadership. Our review of a sample of meeting minutes and records of decision confirmed that this Committee meets on a regular basis and receives timely information to support discussion and decision-making regarding issues related to the GCM:BPM implementation.

In addition to the committees noted above, two other committees are involved in the implementation of the GCM:BPM:

1) the Business Operations Committee, responsible for reviewing, endorsing, and/or approving courses of action in relation to Gs&Cs management, information management, technology management, and service-channel communication and management; and

2) the Modernization Integration Working Group, responsible for helping to ensure coherence and common strategic directions among PCH modernization initiatives. The Working Group is chaired by the Director General Modernization Integration and its membership consists of Leads of Modernization Initiatives.

The mandate and composition of each of the above committees is clearly defined and formally documented in terms of reference. Membership within the various committees appropriately includes senior management from all directorates, including programs. Leading practices advocate the implementation of formal oversight committees, including steering committees, that are composed of senior representatives of key stakeholder groups and that are supported by formal terms of reference that clearly define their mandate and functioning. In addition to the formal committee structures, individual roles and responsibilities for the GCM:BPM are formally defined in the 2012-2013 GCMI Roles and Responsibilities document.

Although a formal project charter was not developed at the inception of the Initiative, a Grants & Contribution – Enterprise Online System (GC-EOS) project charter was created in March 2012. A second charter, the Grants and Contributions Modernization Action Plan (GCMAP) was finalized in July of 2014. In addition to defining the project organization, governance structure and stakeholders, the charter defines the project objectives, expected outcomes, and deliverables.

The audit team identified one area for improvement in relation to governance.

5.1.1 Performance Measurement and Monitoring

> Although formal and regular reporting on the progress of the Initiative was provided to management and oversight committees and expected efficiency gains were defined up front, a formal performance measurement strategy and plan were not fully developed and implemented for the GCM:BPM.

Analysis

Based on an examination of a sample of meeting minutes and materials, the audit team confirmed that formal updates on the progress of the GCM:BPM were provided to EXCOM, management committees and working groups on a regular basis. Reports included information on the status of the overall project against plan and updates on the status of pilot projects, staff training, staff acceptance, information technology challenges, and files processed under the revised risk-based approach, among other key measures of the overall progress of the Initiative.

In addition, the GCMI Committee recognised the importance of developing and implementing a formal performance measurement framework to measure and monitor the progress and achievements of the Initiative in early 2010, near its inception. While a performance measurement plan was developed in late 2012, the indicators for each program and supporting tools and processes needed to collect the required information from clients had not been developed to support the implementation of this plan. As a result, formal measurement and monitoring of the impacts and outcomes of the GCM:BPM against expected performance was not conducted.

Management's expectations with respect to efficiency gains were established and communicated from the inception of the Initiative. Some analysis of time motion assessments to determine the efficiency gains resulting from the revised business processes in the three pilot programs were completed. The results supported the ability to quantify actual results achieved and determine if management expectations were met.

While management has indicated that a logic model and supporting performance measurement strategy is being developed for the overall Initiative, including system-related components, a formal assessment of actual performance against expected results for the business process modernization component as a whole was not completed.

Risk Assessment

There is a risk that management may not have sufficient and relevant information to measure and monitor the actual performance results achieved on the GCM:BPM Initiative, particularly with respect to the impacts of the Initiative on efficiency and client satisfaction. In light of the significant impact of this Initiative on the entire Department, the high level of investment, and the intent for other departments to implement similar initiatives, it would be of benefit to both PCH and other departments to have objective, reliable and complete information on the return on investment achieved as well as other qualitative benefits that have been realized from the implementation.

Recommendation

1. The Senior Director - GCMAP, in consultation with the Strategic Planning Directorate, should ensure that a robust performance measurement framework be developed and implemented to enable management to monitor and report on its progress and results against defined performance measures, including outcomes-based measures.

5.2 Risk Management

> The audit confirmed that a number of mechanisms were in place to identify, assess and develop mitigation plans for risks related to the implementation of the GCM:BPM. However, formal risk registers were not updated on a regular basis in the initial few years of the implementation.

Analysis

A number of formal and informal mechanisms to identify, manage and monitor risks related to the GCM:BPM were in place throughout the implementation of the GCM:BPM.

At the inception of the project (December 2010), a formal risk register was developed that identified risks related to the implementation of the GCM:BPM. Risks were formally measured and ranked based on the expected impact if the risk were to occur and

the probability of the risk occurring. The register also included mitigating strategies and assigned formal responsibility for the implementation of risk mitigation action plans.

While the audit confirmed that information on key challenges and risks of relevance to the GCM:BPM was discussed through various meetings, the initial risk register from December 2010 was not formally updated until January 2013. In addition, based on a comparison of the two formal risk registers, no additional risks had been identified since the initial register and no changes were noted in the risk ratings. In addition, in some instances, risk mitigation plans were overdue and/or had not been implemented in 2013 and no update was provided on any revised target date or action plan.

In conjunction with the development of more formal and robust project management tools for the EOS component of the Initiative, the audit noted that beginning in November of 2012, more detailed and regular risk analysis was performed using project registers and risk dashboards. The dashboards identify risk, risk mitigation plans and rate risks based on impact and probability of occurrence. Our review of a sample of risk dashboards confirmed that they are updated on a regular basis.

Risk Assessment

Management may not have had effective mechanisms in place to identify, assess, and monitor changes in risks related to the achievement of the GCM:BPM goals during the initial period of implementation, thereby impacting management's ability to respond to emerging and changing risks in a timely manner.

Recommendation

2. The Senior Director - GCMAP should ensure that risk tracking and reporting activities are updated regularly, to ensure that emerging risks are identified and properly mitigated throughout the project life cycle.

5.3 Implementation Processes and Procedures

The results of the audit identified that a number of effective project management practices were in place to support the implementation of the GCM:BPM.

Analysis

A number of processes and procedures were implemented by the GCMI implementation team to manage the planning, development and implementation of the GCM:BPM Initiative. In addition to sound project management practices that included formal and regular project progress reporting and clear governance structures as described previously in this report, a number of sound and leading project management practices were also in place to support the effective implementation of new business processes.

The audit observed evidence of formal engagement with key stakeholders, including representative of regional offices, at various stages of the implementation. Regular interaction and engagement with key stakeholders is a critical success factor in the implementation of any significant initiative to help secure the commitment of key stakeholders as well as to understand and respond to their needs and expectations.

The implementation phase was supported by formal workbooks providing details on the revised business processes. These workbooks, and other tools and templates supporting the new processes, were made available to stakeholders through the CoE and helped to promote consistency in the application of the new process in practice. Consistency was further supported through formal training sessions.

Lastly, the adoption of a pilot project approach, under which process changes were applied to three programs through pilot projects, is consistent with leading practices as it helps provide a forum through which strengths, challenges, and potential issues with the proposed changes can be identified and rectified prior to implementing new processes on a global scale.

The audit team identified two areas for improvement in relation to processes and procedures.

5.3.1 Information Management

> A formal and well understood information management framework guiding the documentation, retention and sharing of information was not in place throughout the implementation period.

Analysis

In the course of the audit, the team noted that although information of relevance to the Initiative was maintained in a central repository, documentation was not organized in a manner that made it easily accessible for consultation. In addition, there was no formally defined classification and data taxonomy structure, nor were there policies or guidelines regarding information retention, naming conventions, version control, file and records storage, records destruction, and/or archival procedures.

Information is a critical asset to the Department, and as such, should be managed with due regard to safeguarding its security and protection, accessibility, relevance and utility, and compliance with relevant legislation. The existence of a formal information management process within any organization is critical to help ensure that key information assets are properly maintained, retained, stored, and archived in a consistent manner across the organization to support effective decision-making and meet compliance requirements. Formal information management guidelines and policies are particularly critical within matrix environments, such as that at PCH.

Risk Assessment

Throughout the project, complete information may not have been available to assist management in monitoring the evolution of the GCM:BPM, as well as identifying issues that may impact the success of the project. In addition, the current method of managing information leads to inefficiencies as information is not readily accessible. Further, with the Department viewed as a leader in the modernization of grants and contributions programs, queries and questions from other implementing departments should be expected, and a sound information management framework is key to supporting consistent, complete, relevant, and timely responses and support by PCH management.

Recommendation

3. The Chief Information Officer (CIO) should ensure a formal information management framework be implemented, consistent with federal government and departmental protocols for information management.

5.3.2 Post-Implementation Report

A post-implementation report has not been completed.

Analysis

Although time motion studies and analysis of efficiency gains was completed based on an analysis of the results of the three pilot projects, no further analysis was conducted for the GCM:BPM as a whole. In addition, and as noted previously, the analysis conducted on the three pilot projects was felt to be overstated due to a number of factors.

The audit team further understands that within the GC-EOS portion of the project implementation, a number of lessons learned exercises were conducted to identify opportunities for functional and project management improvements.

Leading practices advocate conducting a post-implementation report on the progress made in delivering project deliverables and in providing overall benefits for significant projects and initiatives. Such a post implementation report is typically conducted 3 to 6 months after project completion and is intended to help identify lessons learned for future projects by measuring the extent to which benefits and objectives have been achieved, confirming whether the project as completed was within scope, schedule and budget, and stating final project outcomes, among other factors.

Risk Assessment

Opportunities to implement additional functional improvements or changes to business processes may not be identified in a timely manner and management may have difficulty "proving" and promoting the value of the Initiative without a post-implementation report.

Recommendation

4. The Senior Director - GCMAP should ensure that a post-implementation report is completed to assess the actual benefits delivered, confirm the achievement of stated project objectives, and to identify and share lessons learned.

Appendix A – Audit Criteria

The conclusions reached for each of the audit criteria used in the audit were developed according to the following definitions.

Numerical Categorization	Conclusion on Audit Criteria	Definition of Conclusion
1	Well Controlled	• well managed, no material weaknesses noted; and • effective.
2	Controlled	• well managed, but minor improvements are needed; and • effective.
3	Moderate Issues	Has 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	Requires 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. Note: Every audit criteria that is categorized as a **"4"** must be immediately disclosed to the CAE and the subjects matter's Director General or higher level for corrective action.

The following are the audit criteria and examples of key evidence and/or observations noted which were analyzed and against which conclusions were drawn.

Audit Objective 1: To assess the effectiveness and efficiency of the GCM:BPM's governance structure, including reporting and accountability.			
Criteria #	Audit Criteria	Conclusion	Examples of Key Evidence / Observation
1.1	An effective governance structure is in place where roles, responsibilities and accountabilities are clearly communicated and understood to enable strategic oversight of the delivery of the GCM:BPM.	1	• A number of oversight committees were established throughout the implementation of the GCM:BPM to oversee, advise on and respond to matters that may have affected the successful implementation of the Initiative.
1.2	Sufficient information related to the delivery and implementation of the GCM:BPM, is provided to the oversight bodies, management and partners on a timely basis to enable effective decision making.	1	• Senior management, including EXCOM, and oversight committees received project status updates on a regular basis.
1.3	The GCM:BPM management team has clearly defined and communicated strategic directions and strategic objectives, aligned with its mandate.	1	• The GCM:BPM directions and objectives are aligned with PCH's mandate as reported in PCH's Report on Plans and Priorities (RPP) and Departmental Performance Report (DPR).
1.4	Expected results are clear, measurable, communicated, and directly support the achievement of the Department's and government's objectives related to modernization.	3	• A formal performance measurement strategy has not yet been finalized and implemented.

Audit Objective 2: To assess the effectiveness of mechanisms and practices in place to identify, manage and mitigate key risks to the GCM:BPM.			
Criteria #	**Audit Criteria**	**Conclusion**	**Examples of Key Evidence / Observation**
2.1	A mechanism exists to systematically identify, assess and mitigate, monitor and report on risks to the achievement of the government's and PCH's objectives related to the modernization, and is documented.	2	• Although a risk registry to track risks related to the implementation of the GCM:BPM was implemented at the early stages of the project, this was not updated on an ongoing basis in the first two years of the Initiative.
2.2	Expected results are monitored and communicated on a regular basis and support management decision making.	2	• Formal reporting on project progress was provided to senior management and oversight committees on a regular basis. However, monitoring and assessment of actual performance against pre-defined indicators did not occur throughout the implementation as noted under criteria 1.4.

Audit Objective 3: To assess the effectiveness of processes and procedures to manage the planning, development and implementation of the GCM:BPM Initiative, including the effectiveness of key mechanisms utilized to manage, coordinate, and monitor its implementation across the Department and engage users throughout the process.			
Criteria #	**Audit Criteria**	**Conclusion**	**Examples of Key Evidence / Observation**
3.1	PCH's revised program policies and guidelines are consistent with the *Policy on Transfer Payments* and other relevant central agency requirements and are monitored on a regular basis.	**1**	• PCH's Grants and Contributions Management Policy and related process changes are consistent with Treasury Board Secretariat's *Policy on Transfer Payments*.
3.2	Employees are provided with the tools and training they require to perform their duties effectively using the revised processes.	**1**	• Training sessions were offered to program officers. • Program workbooks were revised to reflect new processes. • Supporting tools and templates are maintained by the CoE.
3.3	The activities, schedules and resources required to successfully implement the GCM:BPM have been identified and integrated into business plans and budgets.	**3**	• A formal and well understood mechanism for information management, retention and sharing was not in place.
3.4	Mechanisms are in place to identify, develop and manage effective partnerships with other organizations with complementary objectives and goals to improve overall efficiency and effectiveness of GCM:BPM implementation.	**1**	• Project agreements between pilot projects and the CoE were completed prior to defining the scope of the work and resource commitments.

Audit Objective 3: To assess the effectiveness of processes and procedures to manage the planning, development and implementation of the GC:BPM Initiative, including the effectiveness of key mechanisms utilized to manage, coordinate and monitor its implementation across the Department and engage users throughout the process.			
Criteria #	**Audit Criteria**	**Conclusion**	**Examples of Key Evidence / Observation**
3.5	Post-implementation reviews are performed and include assessments of benefits realization and lessons learned.	**3**	• Although time motion studies and related analysis were performed for the pilot projects, a formal post-implementation review of all business processes has not yet been completed.
3.6	Effective mechanisms are in place to identify, respond to, and monitor stakeholder needs in the design and implementation of the Initiative.	**1**	• Stakeholders were represented in the various oversight committees. • Three pilot projects were conducted prior to the full implementation of the Initiative through which the views of stakeholders were considered to identify areas for improvement.

Appendix B – Management Action Plan

Grants and Contributions Modernization Audit: Post Implementation Review of the Grants and Contributions Business Process Modernization

5.1 Governance			
Recommendation	**Actions**	**Who**	**Target Date**
1. The Senior Director - GCMAP, in consultation with the Strategic Planning Directorate, should ensure that a robust performance measurement framework be developed and implemented to enable management to monitor and report on its progress and results against defined performance measures, including outcomes-based measures.	Agree The Senior Director GCMAP ensured that a performance measurement framework is in place for Gs&Cs modernization initiatives. In consultation with the Strategic Planning Directorate, the GCMAP team developed and implemented a Performance Management Framework, including a logic model and performance indicators in March 2015. Approved by the GCMAP Steering Committee, this framework forms the basis for monitoring and reporting on progress and results for the project. The approach taken is consistent with standards for performance measurement.	Senior Director, GCAMP	Completed
5.2 Risk Management			
Recommendation	**Actions**	**Who**	**Target Date**
2. The Senior Director - GCMAP should ensure that risk tracking and reporting activities are updated regularly, to ensure that emerging risks are identified and properly mitigated throughout the project life cycle.	Agree The Senior Director GCMAP ensured that risk reporting is in place for G&C modernization initiatives.	Senior Director, GCAMP	Completed

	To ensure that significant and emerging risks are identified, updated and properly mitigated throughout the project life cycle, since August 2012 the GCMAP team has been tracking risks and mitigation strategies weekly against Treasury Board Secretariat project complexity and risk assessment categories, using a project risk register. Risks are communicated and managed through appropriate governance.		

5.3 Implementation Processes and Procedures

Recommendation	Actions	Who	Target Date
3. The CIO should ensure that a formal information management framework be implemented, consistent with federal government and departmental protocols for information management.	Agree. The Record Keeping Modernization Initiative (RKMI) project provided a formal Information Management framework to PCH in March 2014 which was implemented for the project by October 2014. Following the RKMI framework, the GCMAP project is configuring its information management structure on a common drive accessible to project team members, in anticipation of moving to an enterprise document management system (GCDocs) according to the Government of Canada implementation schedule.	Director, Client Services Directorate, CIOB	Completed

Recommendation	Actions	Who	Target Date
4. The Senior Director – GCMAP should ensure that a post-implementation report is completed to assess the actual benefits delivered, confirm the achievement of stated project objectives, and to identify and share lessons learned.	In June 2014 GCMI lead presented the results of the first phase of Business Process Modernization, including information on efficiencies gained against project targets. During that phase there were a number of reporting products, such as presentations, developed that detailed best practices and lessons learned. Specifically, the Department worked with the Treasury Board Secretariat (TBS) and the Canada School of Public Service on a Case Study and an accompanying learning video. The information was made public in July 2014 through the new TBS Business Process Modernization Website. This reflection has informed the practices of the subsequent phases of the PCH Gs&Cs Modernization Action Plan, for example maintaining program engagement mechanisms to optimize opportunity for project success. GCMAP continues to report on the results of various initiatives as those are available, conducts annual lessons learned exercises, and, for key milestones, has completed independent reviews of specific products, including of Grants and Contribution Information Management System (GCIMS) solution architecture and the online solution feasibility assessment. Subsequent documents will form part of the GCMAP project records on an ongoing basis.	Senior Director, GCAMP	Completed