



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

# Management Practices Review of Treaties and Aboriginal Government Sector

**January 2009**

A vertical decorative bar on the right side of the page. It consists of three stacked sections: a top red section with a faint map of Canada, a middle section with a close-up of the Canadian flag, and a bottom orange section containing the word 'Canada' in white.

Canada



# Review Objectives

The objectives of the management practices reviews are:

- To assist regional and sector management in assessing whether their management practices and controls are designed to achieve objectives in an efficient and effective manner;
- To inform senior management of areas of strength and weakness in respect of the department's management practices and controls; and
- To inform the AES risk-based audit planning exercise so that future audits can be directed at the areas and horizontal control systems that present the highest levels of risk.



# Review vs. Audit Assurance

In considering the findings and recommendations of this review, it is important to distinguish between a review and an audit engagement as this impacts the level of assurance obtained and the extent to which findings may or may not be extrapolated.

Review engagements such as this one are conducted to provide valuable high-level information to stakeholders and to serve as a risk assessment that can lead to further audit procedures.

Although the findings obtained from a review can be used to indicate specific strengths and areas for improvement, they cannot be reliably extrapolated without the high level of assurance that an audit can provide.





# Methodology

- Fieldwork was conducted during the period of July to September 2008.
- Interviews were conducted with staff and managers of TAG (24) including DGs, Associate DGs and Directors.
- A random sample selected of 23 human resource transactions (including staffing, classification, training expenditures relative to existing learning plans, overtime and leave) and 10 contracting transactions during the 2007/08 fiscal year were reviewed.
- A judgmental sample of 10 grant and contribution files were reviewed, targeting a variety of programs and several high dollar-value agreements.



# Context

- Program activities of TAG are administered through the following organizational units:
  - Finance Management and Strategic Services
  - Policy Development and Coordination Branch
  - Specific Claims Branch
  - Implementation Branch
  - Negotiations - East
  - Negotiations - Central
  - Negotiations - West
- TAG programs are contained predominantly within INAC's Government strategic outcome.
- TAG employee population at March 31/08 was 383; representing 8.5% of INAC population.



# Observations – General Management

## Strengths

- All individuals interviewed indicated that the recent reorganization of the sector was very well orchestrated and resulted in more effective and efficient operations.
- Significant efforts are made to ensure coordination and consistency of activities across branches, including:
  - Claims Advisory Committee - Canada-wide process to ensure consistency in acceptance/rejection of specific claims;
  - Federal Negotiators Conference - strengthened and consistent negotiation practices (for Federal Negotiators, Central Agencies and OGDs); and
  - Cooperation in establishing generic work descriptions.





# Observations – General Management (cont'd)

## Strengths

- Strong communication and coordination with other Government Departments:
  - Collaboration website for sharing documents provided to Federal Steering Committee and Caucus
  - Annual 3 day orientation on Claims and Self Government (INAC & OGDs invited).
- Success in meeting the Minister's 50 Claim Agreement Settlement challenge is reflective of strong morale, effective performance management and efficiency.
- Staff viewed as one of TAG's greatest strengths and clear efforts are made to accommodate staff development (e.g. rotation of files when possible)



# Observations – General Management (cont'd)

## Areas for Improvement

- Performance measures and targets with respect to negotiations require more clear articulation.
- Risk management practices are largely informal (exception being the determination of negotiation tables) and improved integration of risk information with sector and strategic outcome plans is required.
- Improved priority setting and planning processes required to integrate other INAC organizational units that contribute to the Government's strategic outcome plan.





# Background – Human Resources

- The sector reports that it includes 20.9% Aboriginal staff, lower than the overall INAC complement of 29.1%.
- 24.0% of staff are eligible for retirement within the next 5 years compared to the INAC ratio of 21.2%.
- High staff turnover experienced in some areas resulting from frequent and lengthy travel requirements.



# Observations – Human Resources

## Strengths

- Performance agreement accountabilities are aligned with government and departmental objectives; performance expectations and objectives are clearly identified.
- Overtime and leave transactions tested were in accordance with applicable policies and procedures.
- To the extent practicable, the Sector reports that TAG managers are encouraged to draw candidates from Aboriginal staffing inventories.



# Observations – Human Resources (cont'd)

## Areas for Improvement

- Testing of the 5 staffing actions showed a lack of documentation to demonstrate diligence in process, including:
  - one manager lacked staffing sub-delegation despite signing-off on an appointment;
  - for one staffing transaction, no information on written test results, screening and reference checks was on file;
  - one file lacked justification for how a pool of 7 candidates selected for interviews was reduced to 4 candidates; and
  - the TAG HR plan was not specific enough to confirm whether 2 of the 5 staffing appointments were planned.





# Observations – Human Resources (cont'd)

## Areas for Improvement

- Learning Plans were generally available, however, often approved well into the fiscal year (some as late as December), with one plan not signed or dated.
- There is little follow-up to ensure that staff pursue training strategies included in learning plans. Over half of the courses identified in the 5 training plans reviewed were not followed through on.
- Shortage of qualified staff in critical areas and lack of succession planning initiatives, including with respect to French language skills.



# Observations - Grants and Contributions

## Strengths

- All agreements and payments were properly authorized by an officer with requisite authority for the respective G&C program.
- A robust proposal review and selection process is in place for some G&C programs managed by the Financial Services directorate.
- TAG leverages on regional knowledge and capacity to deliver contribution programs, while maintaining appropriate control of agreement approval, payment authorization and potentially sensitive information.



# Observations - Grants and Contributions (cont'd)

## Areas for Improvement

- Although all contribution agreements reviewed were appropriately justified, TAG lacks structure and consistent documentation requirements for its contribution files, meaning that information is generally difficult to find.
- For implementation related contributions, files did not include information to explain the contractual basis of the payment (e.g. implementation plan or settlement agreement), making it difficult to ascertain that contributions are appropriately justified.
- A 10% holdback for one file was overridden and paid out before the reporting requirements were fulfilled.





# Observations - Contracting

## Strengths

- The 5 contracting transactions reviewed were authorized by appropriate signing authorities and included proposals that clearly met requirements of the respective statements of work. Payments made on these contracts were in accordance with contract terms.

## Area for Improvement

- A back log in the processing of contracts has led to a practice of allowing contractors to start work before contracts are signed, particularly at the beginning of the fiscal year.



# Observations - Acquisition Cards

## Strengths:

- The TAG finance staff reconciles monthly acquisition card statements in a timely manner and indicates their review prior to forwarding the statements to the budget holders for their approval.
- The 5 acquisition card statements reviewed were authorized by appropriate authorities prior to payment being issued and respected transaction limits.



# Observations - Financial Management

## Strengths

- A formal budget allocation process exists and financial status reports are prepared and distributed regularly to budget holders.
- Budgets and funding pressures are routinely reviewed and discussed at management meetings.





# Recommendations – General Management

- Develop more clear performance measures and targets, particularly for negotiations.
- Risk management practices within the sector should be formalized to ensure that key risks are explicitly identified and considered in priority setting, planning and resource allocation exercises.
- Place continued focus on implementing a more effective case management system for specific claims.
- Improve coordination with other sectors and regions for priority setting and planning exercises supporting the Government strategic outcome.



# Recommendations – Human Resources

- Ensure that adequate support for staffing actions is documented and retained on HR staffing files to demonstrate diligence.
- Ensure that all managers have completed required testing and received staffing sub-delegation prior to signing Letters of Offer.
- Strengthen learning plans and ensure that staff and managers are confronted when learning strategies are not followed through on – consider reporting to ADM if necessary.
- Identify opportunities for succession planning, particularly for staff requiring French language training to advance.



# Recommendations – Grants and Contributions

- Develop consistent process and documentation expectations across the sector for how implementation and proposal-based contribution files are to be administered and maintained.
- For implementation files, include sufficient information to demonstrate the source of obligations (i.e. excerpt from Settlement Agreement or Implementation Plan) and rationale for funding authority used, where applicable.
- Ensure that all managers are aware of the importance of not releasing holdbacks before contribution agreement conditions have been fulfilled and that breaches are addressed in a timely and measured fashion.





# Recommendation - Contracting

- Ensure that contractors do not begin work assignments before contracts are authorized and consider establishing competitively-bid procurement vehicles for services that are often required, yet difficult to forecast.