Audit of the Treasury Board of Canada Secretariat Governance Framework

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Assurance Statement

The Internal Audit and Evaluation Bureau has completed an audit of the governance framework of the Treasury Board of Canada Secretariat (the Secretariat). The objective of the audit was to assess the adequacy and effectiveness of the Secretariat's governance framework. Specifically, the audit assessed the extent to which the governance framework is aligned with the Secretariat's mandate and priorities and supports the development of the Secretariat's strategic direction, its decision-making processes, as well as accountability and continuous improvement.The audit approach and methodology followed the *Internal Auditing Standards for the Government of Canada* and the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing.*A comprehensive approach, encompassing a broad spectrum of governance aspects and best practices, was adopted to help provide value to the Secretariat*.*

The examination was conducted from January to October 2009 and covered the governance framework that was in place at the Secretariat between January 1, 2008, and June 30, 2009. Consideration was also given to changes made to the governance framework between July and October 2009.

The audit consisted of interviews, documentation review, and a survey of all Secretariat executives who are members of a governance committee. In addition, a special working session on governance was held with members of the Executive Committee (EXCO) on September 14, 2009, to supplement the audit team's understanding of the survey results. The observations made in this report are based on the results of the audit procedures conducted on the evidence gathered, which is sufficient to provide senior management with reasonable assurance of the audit's results.

We conclude with a reasonable level of assurance that the Secretariat's governance framework is well established and generally working as intended. The structures and processes in place adequately address the Secretariat's needs for effective governance. A number of areas to further enhance governance have been identified and are outlined in this report.

In the professional judgment of the Chief Audit Executive, sufficient and appropriate audit procedures have been conducted and evidence has been gathered to support the accuracy of the opinion provided in this report. The opinion is based on a comparison of the conditions, as they existed at the time of the audit, against pre-established audit criteria. The opinion is applicable only to the entities examined and for the time period specified.

Executive Summary

Background

Governance refers to how an organization makes and implements decisions. In the public sector, it is about senior managers having knowledge of the internal and external environment, using this knowledge to establish an overall strategic direction for the department based on its mandate and priorities, and putting systems and controls in place that will contribute to the achievement of priorities and objectives.

The Secretariat is a central agency of the Government of Canada and the administrative arm of Treasury Board. The Secretariat's mandate is to support Treasury Board with respect to its three main roles: management office role, budget office role and people management role.

The Secretariat has strived to take an approach to governance that is flexible and able to adapt to its internal and external environment. As such, the governance structure has been continuously assessed and modified to ensure that it remains aligned to the Secretariat's operational and management requirements.

Objective and scope

The objective of the audit was to assess the adequacy and effectiveness of the Secretariat's governance framework.

The audit's scope covered all significant aspects of the Secretariat's governance framework, including committees in place to deliver on its core mandate and priorities and to support its decision-making processes.

The audit did not include an assessment of the following:

- The Treasury Board Strategy Committee, which reviews Treasury Board submissions before they are submitted to the Treasury Board for approval;
- Treasury Board portfolio committees, such as the Public Service Management Advisory Committee; and
- Other Secretariat governance arrangements that are associated with the Secretariat's work, such as interdepartmental deputy minister-level committees.

Audit results

The governance structure supports the overall execution of the Secretariat's core mandate and priorities. Strengths include its flexibility to adapt to organizational changes and its strong support of Treasury Board's management office role. Opportunities for improvement include:

- Greater committee strategic planning and agenda management to ensure the Secretariat provides balanced and appropriate support to each of Treasury Board's main roles; and
- Continued integration of the Office of the Chief Human Resources Officer into the governance framework.

The governance framework supports and facilitates strategic direction setting. Strengths include the development and communication of the strategic direction as well as alignment with key implementation mechanisms. Opportunities for improvement include:

- Greater integration of sector business and human resources plans into the overall strategic direction; and
- Completion of the Integrated Business Plan.

The governance framework enables transparent, effective and efficient decision making in most respects. Strengths include effective communication and cohesiveness among Executive Committee members, which allows for a clear understanding of their roles and responsibilities. Opportunities for improvement include:

- More effective communication of decisions and decision-making processes to Secretariat staff below the executive management level;
- More effective and efficient use of the Directors Coordinating Committee; and
- Greater integration and discussion of risks across committees.

The governance framework supports accountability and continuous improvement. Opportunities for improvement include:

- More effective communication of the processes and accountabilities of key governance committees to Secretariat staff below the executive management level; and
- Incorporating self-assessments into the ongoing activities of all committees.

Overall Conclusion

Overall, the Secretariat's governance framework is well established and generally working as intended. The structures and processes in place adequately address the Secretariat's needs for effective governance. A number of recommendations to further enhance governance are outlined below.

Audit Recommendations

It is recommended that the Secretariat:

1. Implement mechanisms to further enhance governance committee planning, with emphasis on stakeholder engagement, forward agenda management and linkages among the various committees;
2. Improve overall communication of senior management decisions to Secretariat staff with emphasis on the following:
    - Improving Executive Committee (EXCO) members' communication to staff of EXCO discussions and debriefs; and
    - Maintaining up-to-date records of discussion for the committees that currently have information posted on InfoSite;
3. Revisit the role of the Directors Coordinating Committee (DCC) and its relationship to the senior-level governance committees with a view to enhancing the efficiency, effectiveness and communication of DCC outcomes; and
4. Continue the integration of risk management principles into the governance framework to ensure that risk is adequately considered in the decision-making process.

A management action plan has been developed by the Secretariat and is presented in Appendix 2.

1.Background

1.1 Governance defined and internal audit's role in governance

What is governance?

There is no single, comprehensive, universally accepted definition of organizational governance. The following definition of public sector governance from the Institute of Internal Auditors (IIA) served as the basis of the audit:

"Public sector governance encompasses the policies and procedures used to direct an organization's activities to provide reasonable assurance that objectives are met and that operations are carried out in an ethical and accountable manner."[1]

> *Governance refers to how an organization makes and implements decisions.*
>
> Source: Institute of Internal Auditors

While the IIA recognizes that no single governance model applies to public sector organizations, it set out certain common principles of governance that could reasonably be expected of public sector organizations. Specifically, these include setting direction, overseeing results, correcting course and reporting on accountability. In keeping with these principles, governance can be summarized as senior managers having knowledge of the internal and external environment, using this knowledge to establish an overall strategic direction for the department based on its mandate and priorities, and putting systems and controls in place that will contribute to the achievement of priorities and objectives.

What is internal audit's role in governance?

Internal audit can provide independent, objective assessments of the appropriateness of the organization's governance structure and the operational effectiveness of specific governance activities. As such, internal audits act as catalysts for change, helping to identify areas needing improvement to enhance the organization's governance structures and practices.

1.2 Treasury Board of Canada Secretariat governance structure

The Secretariat is a central agency of the Government of Canada and has a broad mandate with a wide spectrum of roles and responsibilities. While the Secretariat is defined as a government department under the *Financial Administration Act*, its primary function is to improve whole-of-government operations. As such, the Secretariat's mandate is to support Treasury Board with respect to its three main roles: management office role, budget office role and people management role.

> The foundation of the current governance structure was put in place in May 2005. The governance structure has evolved over the past four years and now reflects current-day operational and management requirements.

The Secretariat has strived to take an approach to governance that is flexible and able to adapt to its internal and external environment. The governance structure has been continuously modified to ensure that it remains aligned to the Secretariat's operational and management needs. The following diagram illustrates the current structure as of October 31, 2009.

Diagram 1: The Secretariat's Governance Structure
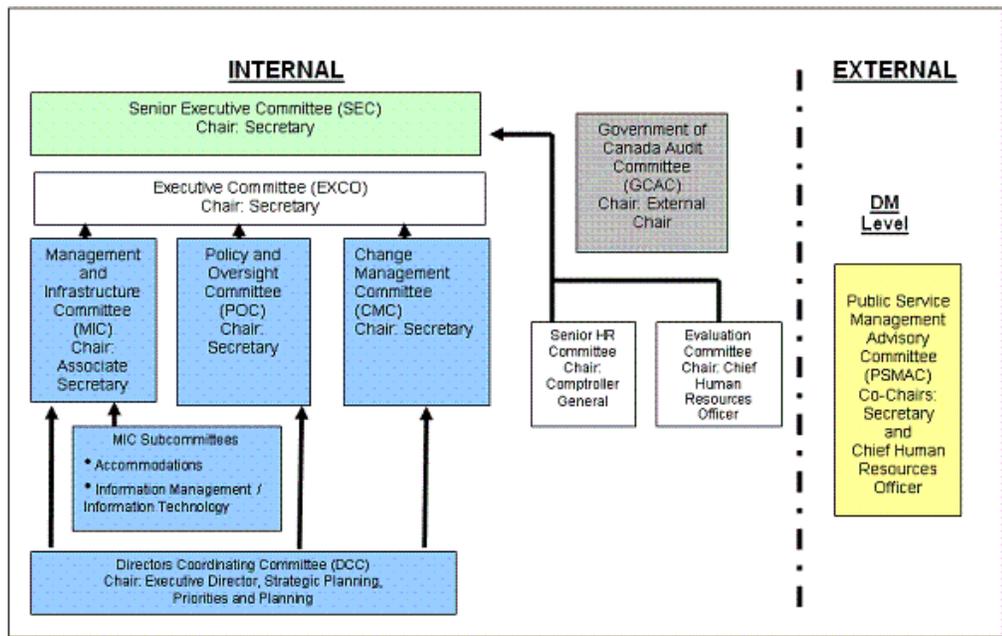
Diagram 1: Text version

Diagram 1: Display full size graphic

(Source: Priorities and Planning)

Two main committees, the Senior Executive Committee (SEC) and the Executive Committee (EXCO), are found at the top of the current governance structure, with the following three assistant secretary–level committees directly feeding into the decision-making process: the Management Infrastructure Committee (MIC), the Policy and Oversight Committee (POC) and the Change Management Committee (CMC).

The Committee Secretariat, which is housed within the Priorities and Planning sector (P&P), manages all aspects of the Secretariat's governance committees.

Senior Executive Committee (SEC). This committee is composed of the senior executive: the Secretary, Associate Secretary, Chief Human Resources Officer and Comptroller General. SEC serves as the point of integration for the work of the governance committees. It makes final decisions on policy recommendations from the assistant secretary–level committees and other committees as required. (4 members)

Executive Committee (EXCO). This committee, consisting of all senior executives and assistant secretary–level executives, serves as a forum for updates on deputy minister–level committees and for the exchange of information between executives. (27 members)

Committees directly supporting SEC and EXCO

Management Infrastructure Committee (MIC).This assistant secretary–level committee supports the Secretariat's internal services program activity. MIC currently has two subcommittees, composed of members from the assistant secretary and director general levels, which focus on specific areas of internal services such as information management/information technology (IM/IT) and accommodations. During the period of the audit, MIC also had a human resources (HR) subcommittee; however, its function was rolled into the Directors Coordinating Committee in October 2009. (15 members)

Policy and Oversight Committee (POC). This assistant secretary–level committee supports the Secretariat's core mandate and priorities as they relate to Treasury Board's management office role, budget office role and people management role. (13 members)

Change Management Committee (CMC). This assistant secretary–level committee provides overall leadership, strategic direction and advice on the implementation of the Secretariat's Change Agenda. (16 members)

Senior HR Committee (SHRC). This committee, composed of members from the assistant secretary and director general levels, is responsible for recommendations and decisions on high-risk HR transactions or on transactions having horizontal impacts on the Secretariat as a whole. (7 members)

Evaluation Committee. This committee, composed of members from the assistant secretary and director general levels, oversees the Secretariat's evaluation matters. The committee started out as a subcommittee of POC and has since become a committee that reports to SEC. (8 members)

Committee supporting assistant secretary–level committees

Directors Coordinating Committee (DCC). This director general–level committee provides direction and advice on items destined for the assistant secretary–level committees. (27 members)

External committees

Government of Canada Audit Committee (GCAC). The audit committee consists of two streams: Stream 1, which functions as a departmental audit committee similar to other audit committees in government, and Stream 2, which functions as an advisory body to the Comptroller General. The committee is composed of three[2] external members (including the chair), and the Secretary of the Treasury Board is an ex-officio member. (5 members)

Public Service Management Advisory Committee (PSMAC). This is an external deputy minister–level committee that provides advice on the advancement of the Government of Canada's management agenda. (35 members)

Sector-specific committees

Because the committees described below are sector-specific and the Committee Secretariat does not deem them to be part of the Secretariat's governance structure, they were not included in the governance structure diagram. Nevertheless, they were considered in the audit because their role and importance in dealing with organization-wide issues was highlighted during the audit planning phase.

Program Sector Assistant Secretaries (PSAS). This committee, consisting of the assistant secretaries from the program sectors, coordinates program sector input to the assistant secretary–level governance committees. (9 members)

Program Sector Director Generals (PDG). This director general–level committee, a subcommittee of PSAS, facilitates consultation and information sharing. (21 members)

2.Audit Details

2.1 Authority for the audit

The audit of the Secretariat's governance framework is part of the approved *Treasury Board of Canada Secretariat Three-Year Risk-Based Audit Plan 2009–12*.

2.2 Reasons for the audit

The Treasury Board *Policy on Internal Audit* emphasizes the important role that the internal audit function has within the federal government in terms of providing assurance on risk management, internal controls and governance processes.

Organizational governance is an important element in several key Secretariat-wide initiatives, such as the Policy Suite Renewal initiative and the Management Accountability Framework. As well, governance bodies and senior management oversight are essential components in the overall management and mitigation of the key risks identified in the Secretariat's *2009–10 Corporate Risk Profile*. Given the requirements of the *Policy on Internal Audit* and the significance of organizational governance to the Secretariat in fulfilling its mandate, the conduct of an audit of the governance framework was identified in the Risk-Based Audit Plan 2009–12.

2.3 Audit objective

The objective of the audit was to assess the adequacy and effectiveness of the Secretariat's governance framework. Specifically, the audit assessed the extent to which the governance framework is aligned with the Secretariat's mandate and priorities and supports the development of the Secretariat's strategic direction, its decision-making processes, as well as accountability and continuous improvement.

The audit focussed on the following areas:

1. Does the governance framework support the execution of the Secretariat's core mandate and priorities?
2. Does the governance framework support and facilitate strategic direction setting?
3. Does the governance framework facilitate transparent, effective and efficient decision making?
4. Does the governance framework support accountability and continuous improvement?

2.4 Audit scope

The audit's scope covered all significant aspects of the Secretariat's governance framework, including committees in place to deliver on its core mandate and priorities and to support the decision-making process.

The following committees were fully included in the audit's scope: SEC, EXCO, MIC (and related subcommittees), POC, CMC, DCC and SHRC. Certain committees – GCAC, the Evaluation Committee, PSAS and PDG – were partially included in the audit's scope and their examination was limited to analyzing linkages with the other governance committees.

The audit also examined the role of champions who lead specific Secretariat-wide initiatives and the linkages between performance management agreements and the integrated planning framework.

The examination was conducted from January to October 2009 and covered the governance framework in place between January 1, 2008, and June 30, 2009. Consideration was also given to the following changes made to the governance framework between July and October 2009:

- The introduction of EXCO week-ahead meetings to provide a forum for discussing short-term priorities, issues and operational risks;
- Integration of OCHRO business into the Secretariat's governance structure;
- Modifications to the chair and membership of the various committees;
- The performance of the POC Moving Forward self-assessment exercise;
- Integration of MIC Human Resources committee functions into the DCC terms of reference; and
- The introduction of the Committee Secretariat's integrated committee planner to track agenda items.

The Management Action Plan presented in Appendix 2 outlines further changes that have been made to the governance framework since the beginning of the audit.

The audit did not include an assessment of:

- The Treasury Board Strategy Committee, which reviews Treasury Board submissions before they are submitted to the Treasury Board for approval;
- Treasury Board portfolio committees, such as PSMAC; and
- Other Secretariat governance arrangements that are associated with the Secretariat's work, such as interdepartmental deputy minister-level committees.

2.5 Audit criteria

The risks identified during the planning phase of the audit helped determine the audit criteria, which were also based on the following sources:

- Office of the Comptroller General's Core Management Controls
- Management Accountability Framework (MAF) elements
- IIA's *Organizational Governance: Guidance for Internal Auditors*
- IIA's *The Role of Auditing in Public Sector Governance*
- Open Compliance and Ethics Group (OCEG) Corporate Governance Maturity Model

The audit's objectives and criteria, as well as an overall rating for each criterion, are presented in Appendix 1.

2.6 Approach and methodology

The audit approach and methodology follows the *Internal Auditing Standards for the Government of Canada* and the IIA's *International Standards for the Professional Practice of Internal Auditing.* These standards require that the audit be planned and performed in such a way as to obtain reasonable assurance that audit objectives are achieved.

Limited examples of public sector governance audits were found during the planning phase of this audit. Consequently, much of the methodology was adapted from various sources, including IIA guidance on audits of governance, audits of governance conducted by other government departments and the Office of the Auditor General of Canada (where available), and governance-related documents from international sources (e.g. Australian National Audit Office guidance on public sector governance, UK governance principles). A comprehensive approach, encompassing a broad spectrum of governance aspects and best practices, was adopted to help provide value to the Secretariat.

The approach used to carry out the audit included the following:

- Documentation review (including committee terms of reference, agendas and records of discussion; the Secretariat's Program Activity Architecture and Corporate Risk Profile; and various accountability reports and monitoring instruments);
- Interviews with 18 of 23 EXCO members and with other key stakeholders;
- Survey of governance committee members at the senior management level and EXCO working session on governance; and
- Audit procedures based on the audit objectives and criteria outlined in Appendix 1.

3. Audit Results

Each area of focus was assessed against audit objectives and related audit criteria. The audit results are presented by area of focus (an overall rating for each audit objective and criterion is presented in Appendix 1).

3.1 Area of Focus No. 1: Does the governance framework support the execution of the Secretariat's core mandate and priorities?

Conclusion

The governance structure supports the overall execution of the Secretariat's core mandate and priorities. Strengths include its flexibility to adapt to organizational changes and its strong support of Treasury Board's management office role. Opportunities for improvement include:

- Greater committee strategic planning and agenda management to ensure the Secretariat provides balanced and appropriate support to each of Treasury Board's main roles; and
- Continued integration of the Office of the Chief Human Resources Officer into the governance framework.

Detailed audit results in support of this conclusion are presented by audit objective.

3.1.1 It was expected that the governance structure would support the Secretariat's mandate and priorities as they relate to Treasury Board's management office role, budget office role and people management role.

Management office role

To deliver on the Government of Canada's management agenda, the Secretariat promotes improved management performance as well as develops policies and sets priorities to support prudent and effective

management across government.

We found that the governance structure strongly supports the Secretariat's mandate and priorities relating to the management office role.

In our review of governance committee agendas, we found evidence of the management office role reflected in POC agendas. It represented 65 per cent (59 out of 91) of all items brought before the committee.

POC was successful in progressing key priorities such as policy suite renewal, the lessening of the web of rules and reporting burden, MAF improvements and public service renewal. Each of these priority areas has a direct impact on the strategic and day-to-day management priorities across all departments and agencies in the public sector. In addition, 75 per cent of the governance committee executives surveyed agreed that the governance structure supported the Secretariat's mandate and priorities relating to the management office role.

Budget office role

One of the Secretariat's main functions is to manage and oversee government expenditures and recommend Treasury Board approval of government departments' spending plans. The budget office role promotes good financial management practices across government to ensure that financial activities are carried out effectively and efficiently.

We found that the current governance structure supports, in most aspects, the Secretariat's mandate relating to Treasury Board's budget office role. POC was instrumental in progressing key policies and guidance in this area. For example, during the period under audit, POC reviewed and recommended for approval a number of initiatives, including renewal of the Office of the Comptroller General's Financial Management Policy Suite.

In our review of governance committee agendas, we found that 30 per cent (27 out of 91) of all items brought before POC were related to Secretariat activities that support Treasury Board's budget office role. In our survey of the governance committee executives, 70 per cent of respondents agreed that the priorities related to this area were supported by the governance framework. Executives who disagreed, however, indicated that the focus on the management office agenda crowded out budget office issues, which had an impact on strategic discussion in this area. EXCO members also shared this view. During our working session on governance, they identified a need for the Secretariat to take a more strategic approach to the management of priorities through improved overall committee strategic planning and individual committee management of agendas and forward agendas.

People management role

The Secretariat is responsible for supporting efforts across the federal public service to achieve strong leadership and a well-managed workforce and workplace.

The responsibilities for this function were split between the Secretariat and the Canada Public Service Agency (CPSA) prior to its integration into the Secretariat through the creation of the Office of the Chief Human Resources Officer (OCHRO) on March 2, 2009. OCHRO's responsibilities include the business and policy functions of the former CPSA and the functions within the Secretariat dealing with pensions and benefits, labour relations and compensation. Given these responsibilities and its current engagement with renewal of the HR policy suite, integrating OCHRO into the Secretariat's governance structure has been an important focus in recent months.

In assessing the extent to which the governance structure supports the people management role, the audit team reviewed the work of POC because of the formal support it provides to the people management role. For the period under audit, the governance structure was mostly effective in supporting the Secretariat's mandate and priorities relating to the people management role. People management issues made up only 5 per cent (5 out of 91) of the items on POC's agenda, which was partially due to the fact that for much of the period under audit, the former CPSA was responsible for key aspects of the government's people management priorities. According to our survey of governance committee executives, which was concluded 4 months after the creation of OCHRO was announced, 42 per cent of respondents indicated that the Secretariat's governance structure supported the people management role. The executives who disagreed felt that there was a greater degree of emphasis placed on issues related to the management office role than on those involving people management.

Results of the working session on governance confirmed that, while POC is the appropriate committee to deal with people management issues, there is a need for more strategic management of people management priorities through enhanced committee strategic planning and management of committee agendas and forward agendas.

Program Activity Architecture (PAA)

In early 2009, Secretariat senior officials reviewed the current PAA and its alignment with the governance structure. All sectors were involved in the endeavour, helping to shape and develop the revised PAA. Drafts of

the revised PAA were presented to the various committees for comment. The revised PAA was approved by SEC and was subsequently presented to EXCO to ensure that all sectors were informed of the changes and final approval of the new PAA. The committee structure is aligned with the new PAA as follows:

- POC's mandate supports the program activities of the Secretariat's PAA related to the Treasury Board's management office role, budget office role and people management role; and
- MIC's mandate supports the internal services program activity and the MIC subcommittees support the PAA's internal services subactivities.

Based on analysis of the current committee structure against the new PAA, it was determined that the governance framework remains aligned with the PAA.

3.2 Area of Focus No. 2: Does the governance framework support and facilitate strategic direction setting?

Conclusion

The governance framework supports and facilitates strategic direction setting. Strengths include the development and communication of the strategic direction as well as alignment with key implementation mechanisms. Opportunities for improvement include:

- Greater integration of sector business and HR plans into the overall strategic direction; and
- Completion of the Integrated Business Plan (IBP).

Detailed audit results in support of this conclusion are presented by audit objective.

3.2.1 It was expected that the Secretariat's overall strategic direction would be developed and articulated and would be well understood throughout the Secretariat.

Strategic direction

The Secretariat's strategic direction is established and clearly articulated in its Report on Plans and Priorities (RPP) and supported by the following key documents:

- *Treasury Board of Canada Secretariat Human Resources Strategy 2008–11*
- *Government of Canada Management Agenda*
- *Towards Management Excellence – Treasury Board Secretariat Strategic Direction*[3]

The Secretariat's strategic direction is well understood throughout the Secretariat:

- 83 per cent of the governance committee executives surveyed indicated that they were clear about the Secretariat's strategic direction; and
- 72 per cent of employees indicated that they could clearly explain the Secretariat's direction to others, according to the results of the 2008 Public Service Employee Survey.

3.2.2 It was expected that key management implementation mechanisms such as business plans, HR plans, executive Performance Management Agreements (PMA) and the use of champions would be aligned with the Secretariat's strategic direction.

Overall, the mechanisms used for putting the strategic direction into practice are effective. Further integration of business and HR planning, through implementation of the IBP, would enhance strategic alignment.

Integrated planning process

The Secretariat's IBP, a tool meant to complement the RPP[4] and consolidate all sectors' objectives into one planning document, was still under development during the audit period. The implementation of an IBP is in line with best practices recommended by the Privy Council Office in its December 2008 *Report of the Expert Panel on Integrated Business and Human*

Integrated planning goes hand in hand with building effective and cohesive organizations.

Source: *Report of the Expert Panel on Integrated Business and Human Resources Planning in the Federal Public Service*, December 2008, Privy Council Office

Resources Planning in the Federal Public Service. The integrated planning cycle (illustrated in Appendix 3) demonstrates how the various components of business planning work in tandem.

Examination of the various components of the integrated planning cycle revealed the following: HR planning was integrated into the sectors' business planning process; PMAs had clear linkages to the operational strategic goals articulated in the RPP, the Change Agenda, the EXCO Charter and the Management Agenda; and the sectors' plans demonstrated linkages with the strategic direction.

In our review of HR planning, linkages between the sectors' HR plans and the Secretariat's HR priorities were found; however, these linkages could be strengthened with greater integration of the sectors' business and HR plans into the overall strategic direction.

Champions

Champions are a key mechanism for promoting Secretariat-wide initiatives that are not necessarily part of the integrated planning process.

- 75 per cent of survey respondents recognized their benefit.
- Champions provide leadership on a number of initiatives, including the official languages action plan, the values and ethics initiative and the Economics and Social Sciences Classification Conversion Project.
- The effectiveness of champions was demonstrated by the following:
  - Of the 17 champions, 10 presented at either SEC or EXCO;
  - 12 have an InfoSite presence (with varying degrees of information); and
  - All 17 used InfoSite to disseminate information to Secretariat employees.

Based on analysis of the key implementation mechanisms, it was determined that these mechanisms are aligned with the strategic direction.

3.2.3 It was expected that the Secretariat would demonstrate proactive management of key strategic decisions.

Overall, the processes used to ensure the proactive management of key strategic decisions are determined to be fully effective. Specifically, feedback from stakeholders, the use of accurate, timely and relevant information, and the ability to adapt to changes were considered in making this determination. Each is discussed below.

Feedback from stakeholders

The following demonstrated senior management's consideration of feedback from internal and external stakeholders:

- The Secretariat's priorities were discussed at EXCO and EX staff retreats and at meetings of the main governance committees (SEC, MIC, POC and DCC).
- An external environmental scan, which studied local and global factors that could affect the Secretariat, was conducted as part of the integrated planning cycle.
- A Corporate Risk Profile, which provides key input for the planning cycle, was developed in collaboration with all sectors through the use of the Risk Coordinators' Group.[5]
- Risk mitigation strategies were tracked using the Quarterly Tracker and progress on mitigation measures was collected and reported on a quarterly basis.
- Planning Net, a working group with representation from all sectors, was used to ensure the continuous communication of planning-related activities.

Use of accurate, timely and relevant information

According to the results of the governance survey, 73 per cent of EXCO members and 57 per cent of non-EXCO members agreed that the information they received prior to committee meetings was accurate, timely and relevant to their decision-making needs. Analysis of survey comments and follow-up discussions with senior management indicate that communication, not the quality of the information received, is a concern. Communication is further discussed in section 3.3.1 of this report.

Ability to adapt to changes

A measure of adaptability is the extent to which issues are managed proactively. In this regard, 58 per cent of the governance committee executives surveyed agreed that key strategic issues, such as those articulated in the RPP and HR Strategy, were managed in a proactive manner. Further, to better support the Secretariat's role in

implementing Canada's Economic Action Plan, a temporary committee of senior executives, chaired by the Associate Secretary, was formed to meet regularly and discuss emerging issues and priorities.

3.3 Area of Focus No. 3: Does the governance framework facilitate transparent, effective and efficient decision making?

Conclusion

The governance framework enables transparent, effective and efficient decision making in most respects. Strengths include effective communication and cohesiveness among EXCO members, which allows for a clear understanding of their roles and responsibilities. Opportunities for improvement include:

- More effective communication of decisions and decision-making processes to Secretariat staff below the executive management level;
- More effective and efficient use of the Directors Coordinating Committee; and
- Greater integration and discussion of risks across committees.

Detailed audit results in support of this conclusion are presented by audit objective.

3.3.1 It was expected that decision making would be transparent and decisions would be well understood by senior management and Secretariat employees.

Overall communication of decisions and decision-making processes is strong at the EXCO level, though could be improved below the EXCO level.

Communication – EXCO

The governance framework supports effective communication of decisions and decision-making processes among EXCO members.

- 73 per cent of EXCO members surveyed felt that decisions were effectively communicated.
- EXCO members receive weekly debriefs of deputy minister–level committee deliberations and Secretariat governance committee decisions and issues.

Communication – below the EXCO level

In contrast, communication of decisions below the EXCO level is not as effective.

- According to the results of the 2008 Public Service Employee Survey, 45 per cent of Secretariat employees agreed that communication effectively flowed from senior management.
- 52 per cent of non-EXCO respondents to the governance survey felt that decisions were effectively communicated.

The key methods used for informing Secretariat employees of senior management decisions are:

- EXCO debriefs – Assistant secretaries disseminate information received at EXCO meetings to their direct reports at their respective management meetings, and the information is then filtered downward to staff; and
- Corporate communications – The Corporate Communications branch of the Strategic Communications and Ministerial Affairs Sector disseminates information through TBS In-Brief email announcements and postings on InfoSite, the Secretariat's intranet site.

Dissemination of the information received through EXCO varies from sector to sector and is dependent on the individual EXCO member's efforts to communicate the information to his or her respective staff. In addition, the terms of reference for EXCO includes a no substitute clause, which affects the dissemination of information when an EXCO member is unable to attend meetings.

Key decisions with Secretariat-wide impacts are usually communicated to employees through TBS In-Brief emails and postings on InfoSite. Several key governance committees, such as POC, MIC, CMC and MIC IM/IT, post their terms of reference, membership lists, agendas and records of discussion on InfoSite. The posting of records of discussion, however, is not always done in a timely manner.

> 3.3.2 It was expected that there would be clear roles, responsibilities and procedures for making decisions and for exercising authorities.

Clarity of roles and responsibilities

Overall, clear roles, responsibilities and procedures are established for the individual governance committees. Terms of reference exist for all committees; some of the committees post theirs on InfoSite. Authority for decision making is generally described in the terms of reference and is consistent with practices described in the records of discussion. The EXCO Charter clearly describes the committee's principles and the behaviours expected of its members. EXCO members revalidated and re-signed their Charter in October 2009.

The work performed by P&P's Committee Secretariat has contributed to the overall clarity of roles, responsibilities and procedures. The Committee Secretariat produced *Executive Committees – Summary of Protocols and Procedures*, which contains clear and comprehensive administrative procedures, standard templates for agendas and presentation decks, and committees' terms of reference.

Attention to the following could serve to further clarify roles, responsibilities and procedures:

- SEC's function is not described on InfoSite, even though it is considered to be a key governance committee.
- The information found on InfoSite about POC's and MIC's responsibilities is inconsistent with documentation stored in the Records/Document/Information Management System (RDIMS).
- POC's level of authority is unclear among some stakeholders.
- The process for reporting MIC subcommittee outcomes to MIC is not clear.

> 3.3.3 It was expected that the Secretariat's decision-making process would demonstrate due regard for efficiency.

Overall, the decision-making process demonstrates due regard for efficiency, and the general perception among senior managers is that their time is used efficiently. More effective use of DCC and MIC subcommittees would enhance overall efficiency.

Use of senior management's time

According to the governance survey, EXCO members allocated on average 20 hours per month to committees and non-EXCO members allocated 12 hours per month.

- 55 per cent of survey respondents felt that their time was used efficiently for committee work.
- 65 per cent of respondents agreed that they took the right amount of time to review and approve strategic decisions, while 20 per cent disagreed. The respondents who disagreed indicated that committees are challenged with time constraints, leaving insufficient time for discussion and review of certain agenda items.

Efficiency of interrelationships between committees

In both survey responses and discussions with senior management, there was a general sense that DCC is not adequately leveraged. Senior management recognized the value that an effective and efficient DCC could bring to the governance framework, pointing out that DCC consultation generally resulted in more refined and better developed products. However, DCC advice is inconsistently incorporated into presentations that were subsequently tabled before assistant secretary–level committees. Moreover, issues raised at DCC meetings were inconsistently communicated to senior management. As a result, discussions did not leverage previous consultations, contributing to the inefficient use of executive management and directors' time.

Assistant secretaries also indicated that the quantity of information received by POC could be reduced if the work performed by DCC were better leveraged, which would contribute to a more efficient use of POC members' time.

In terms of other committees feeding into the senior-level governance structure, there was a general sense that the survey's respondents are not fully aware of the mandate or role of these committees. For example, MIC subcommittees are seen to be relevant and to add value, although only 41 per cent of the governance survey respondents felt that they led to more effective and efficient MIC deliberations while 38 per cent did not know. While these results do not provide assurance regarding the efficient use of these committees, they indicate that further consideration in this area may be needed.

3.3.4 It was expected that risk would be appropriately considered in the strategic-level decision-making process.

Overall, the extent to which risk is appropriately considered in the strategic-level decision-making process is deemed somewhat effective. Opportunities for improvement exist, specifically regarding the integration and discussion of risk across the committees.

During our audit examination, we observed that the Secretariat was considering risk from three different perspectives: at the organization-wide level, at the sector-wide level and at the committee decision-making level. Consideration of risk at the transactional or operational level was not examined, as this was outside the audit's scope.

Risk at the organization-wide and sector-wide levels

From an organization-wide perspective, the Secretariat has made progress with the development of the Corporate Risk Profile, which has evolved since its inception three years ago. Development of the Corporate Risk Profile involved input from all sectors through the Risk Coordinators' Group and discussion at several governance committee meetings, including GCAC. The Quarterly Tracker has been used to track the progress of mitigation strategies against the risks identified in the Corporate Risk Profile. At the sector-wide level, risks and mitigation strategies were identified in the sectors' business plans.

Risk at the committee level

From a committee-level perspective, the integration of risk into decision making is not consistently practiced across committees. POC is the only committee for which there is consistent evidence of risk's integration into discussions. Some members of senior management singled out POC's approach as a best practice, given the high calibre of presentations submitted for discussion. This view was supported by our review of POC presentation material, in which we observed risks and mitigation strategies outlined. The most recent POC template clearly requires that risk be identified for any policy renewal issue to be presented before POC.

Generally, no evidence of the integration of risk into decision making was found in our review of the records of discussion of the other committees. Our interviews with senior managers revealed that they perceive risk considerations to be implicit rather than explicit. The results of the governance survey support this perception: 33 per cent of respondents agreed that risk considerations were either formally or informally presented and/or discussed in the decision-making process (among the EXCO members surveyed, 33 per cent disagreed with this statement) and 22 per cent of respondents agreed that the Corporate Risk Profile was specifically considered when senior management made key strategic and operational decisions.

3.4 Area of Focus No. 4: Does the governance framework support accountability and continuous improvement?

Conclusion

The governance framework supports accountability and continuous improvement. Opportunities for improvement include:

- More effective communication of the processes and accountabilities of key governance committees to Secretariat staff below the executive management level; and
- Incorporating self-assessments into the ongoing activities of all committees.

Detailed audit results in support of this conclusion are presented by audit objective.

3.4.1 It was expected that a governance structure would be established and support accountability.

Effective oversight bodies are established (see Section 1.2 of this report) and accountability for decision making is communicated. However, more work is required to ensure that the processes and accountabilities of key governance committees such as SEC, EXCO and POC are clearly understood.

Establishment of oversight bodies

Our review of committee agendas and records of discussion showed evidence of regular meetings on topics both relevant to the Secretariat's mandate and priorities and consistent with the committees' respective mandates

and terms of reference.

The senior committees, SEC and EXCO, were very much involved in the review and approval of day-to-day internal management issues related to the operation and management of the Secretariat as well as in areas that support the Secretariat's mandate.

The following table shows the number[6] of agenda items for the period under audit, which was between January 1, 2008 and June 30, 2009, categorized by each of the Treasury Board's mandate areas and by the Secretariat's internal management topics.

Agenda Items of the Secretariat's Committees

Committee	Number of agenda items by mandate area			Number of internal management agenda items[7]
	Management office role	Budget office role	People management role	
SEC	17	12	3	102
EXCO	4	1	3	95
MIC	0	1	0	53
MIC HR	1	0	0	49
MIC Accommodations	0	0	0	8
MIC IM/IT	0	0	0	33
POC	59	27	5	17
CMC	0	0	0	44
SHRC	0	0	0	26
DCC	34	12	7	29
Total	**115**	**53**	**18**	**456**

Because PSAS and PDG were partially included in the audit's scope, the agenda items of these program sector–specific committees were examined to find evidence of linkages with the main governance committees. Analysis of their agenda items demonstrated that linkages exist. Specifically, PSAS's agenda contained 18 management office role items and 18 budget office role items, and PDG's agenda contained 22 management office role items and 19 budget office role items. Thus, PSAS and PDG are active in providing input on topics that are relevant to the main governance committees.

As GCAC–Stream 1 and the Evaluation Committee were also partially included in the audit's scope, their agenda items were examined to determine whether linkages to the other governance committees exist. The results of this analysis are as follows:

GCAC–Stream 1 handled 34 agenda items during the audit period, not including agenda items related to the committee's administration. Of the 34 agenda items, 5 had linkages to other governance committees. Specifically, 3 agenda items concerned the Secretariat's Corporate Risk Profile, 1 dealt with Corporate Services transition, and 1 involved Canada's Economic Action Plan.

The Evaluation Committee handled 21 agenda items, not including agenda items related to the committee's administration. Of the 21 agenda items, there was 1 linkage to the other governance committees. Specifically, it involved the Secretariat's Program Activity Architecture.

Effectiveness of oversight bodies

Overall, the results of our survey were positive with respect to senior management's view of the governance structure and its effectiveness: 78 per cent of respondents felt that the Secretariat's governance structure was effective, and 83 per cent thought that the committees added value to the overall governance process.

Communication of accountabilities

Information on the governance structure and the committees' accountabilities is available to all Secretariat employees through InfoSite. The governance section of InfoSite contains comprehensive information on POC, MIC and CMC and provides varying degrees of information on EXCO and the MIC subcommittees. The fact that information on the governance structure is available was reflected in our survey results. All of the EXCO members and 76 per cent of the non-EXCO members surveyed indicated that they understood their accountabilities and responsibilities within the governance structure.

3.4.2 It was expected that decisions would be tracked and monitored.

We found that most governance committees track and monitor decisions by maintaining committee records of discussion and forward agendas.

Committee records of discussion

All governance committees maintain records of discussion with the exception of SEC and EXCO, the two main decision-making bodies.

We found that while SEC's discussions are not formally documented, its key decisions are verbally communicated at EXCO meetings. We also found that EXCO does not maintain records of discussion. While EXCO is mainly an information-sharing committee, it did, on occasion, make final decisions on issues referred to it by main governance committees such as POC, MIC and CMC.

DCC did not maintain records of discussion during the period under audit. However, as a result of the POC Moving Forward self-assessment exercise, DCC now maintains records of discussion, which are expected to be posted on InfoSite.

Committee agendas and forward agendas

We found that committees use forward agendas to track and monitor items for future meetings; however, discussions with senior management revealed that forward agendas could be improved as useful tools for strategic planning and consultation.

3.4.3 It was expected that the decision-making process would be periodically assessed and improved.

Management's assessment of committee decision-making processes

The Committee Secretariat's ongoing analysis and assessment of committee processes, procedures and membership have contributed to the overall effectiveness of the governance structure. For example, in the fall of 2009, the Committee Secretariat developed the integrated committee planner, a tool to track agenda items as they progress through the various committees toward approval.

In addition, POC and MIC undertook self-assessment exercises in the past year, which focussed on improving decision-making processes and committee effectiveness. Incorporating self-assessments into the ongoing activities of all committees would enable continuous improvement of the governance framework.

Overall Conclusion

Overall, the Secretariat's governance framework is well established and generally working as intended. The structures and processes in place adequately address the Secretariat's needs for effective governance. A number of recommendations to further enhance governance are outlined in the section below.

The Assurance Statement presented at the outset of this report provides details regarding the audit methodology and the level of assurance for this conclusion.

Audit Recommendations

It is recommended that the Secretariat:

1. Implement mechanisms to further enhance governance committee planning, with emphasis on stakeholder engagement, forward agenda management and linkages among the various committees;

2. Improve overall communication of senior management decisions to Secretariat staff with emphasis on the following:
   - Improving Executive Committee (EXCO) members' communication to staff of EXCO discussions and debriefs; and
   - Maintaining up-to-date records of discussion for the committees that currently have information posted on InfoSite;

3. Revisit the role of the Directors Coordinating Committee (DCC) and its relationship to the senior-level governance committees with a view to enhancing the efficiency, effectiveness and communication DCC outcomes; and

4. Continue the integration of risk management principles into the governance framework to ensure that risk is adequately considered in the decision-making process.

A management action plan has been developed by the Secretariat and is presented in Appendix 2.

Appendix 1: Audit Criteria

This appendix presents the objectives and associated criteria applied in the audit of the Secretariat's governance framework.

The following 4-scale rating system was developed to communicate the audit team's opinion of the relative significance of each finding and to facilitate the prioritization of potential corrective actions.

4-scale rating system

Rating	Description
1 – Fully effective	No action was required; all elements were working as intended.
2 – Mostly effective	Mostly working as intended; more work was required in some areas.
3 – Somewhat effective	Some elements were in place; however, key deficiencies existed.
4 – Not effective	Significant management attention was needed to improve practices.

Area of Focus No. 1: Does the governance framework support the execution of the Secretariat's core mandate and priorities?

Audit Objective	Audit Criteria	Rating
1.1 To assess the extent to which the governance framework supports the Secretariat's mandate and priorities as they relate to Treasury Board's management office role, budget office role and people management role.	The governance structure supports the Secretariat's mandate relating to the management office role.	1 – Fully effective
	The governance structure supports the Secretariat's mandate relating to the budget office role.	2 – Mostly effective
	The governance structure supports the Secretariat's mandate relating to the people management role.	2 – Mostly effective
	The governance framework is aligned	1 – Fully

	with the PAA.	effective

Area of Focus No. 2: Does the governance framework support and facilitate strategic direction setting?

Audit Objective	Audit Criteria	Rating
2.1 To assess the extent to which the overall strategic direction is developed and articulated and is well understood throughout the Secretariat.	Strategic direction and objectives are established.	1 – Fully effective
	All key functions are involved in the establishment of strategic objectives.	1 – Fully effective
	Strategic direction is effectively communicated.	1 – Fully effective
	Governance processes have a strategic focus.	2 – Mostly effective
2.2 To assess the extent to which key implementation mechanisms such as business plans, HR plans, executive PMAs and the use of champions are aligned with the Secretariat's strategic direction.	The organization has in place operational plans and objectives aimed at achieving its strategic direction.	2 – Mostly effective
	HR planning is aligned with strategic and business planning.	2 – Mostly effective
	PMAs formally define responsibilities and performance expectations and link to operational and strategic goals.	1 – Fully effective
	Champions promote their respective programs, consult employees on implementation issues and report periodically to EXCO.	1 – Fully effective
2.3 To assess the extent to which strategic decisions are proactively managed.	Feedback from stakeholders drives strategic planning.	1 – Fully effective
	Strategic planning gives due consideration to factors such as the external environment, risks, stakeholders, available resources, organizational strengths and weaknesses, and potential impacts.	1 – Fully effective
	Strategic decisions are based on accurate, timely and relevant information.	1 – Fully effective

Area of Focus No. 3: Does the governance framework facilitate transparent, effective and efficient decision making?

Audit Objective	Audit Criteria	Rating
3.1 To assess the extent to which decisions are made in a transparent manner and are well understood by senior management and Secretariat employees.	Decisions are effectively communicated to staff.	3 – Somewhat effective

Audit Objective	Audit Criteria	Rating
3.2 To assess the extent to which there are clear roles, responsibilities and procedures for making decisions and exercising authorities?	There are clear roles, responsibilities and procedures for making decisions and exercising authorities.	2 – Mostly effective
3.3 To assess the extent to which the decision-making process demonstrates due regard for efficiency.	The decision-making process demonstrates due regard for efficiency.	2 – Mostly effective
3.4 To assess the extent to which risk is appropriately considered in the strategic-level decision-making process.	Risk considerations serve to support business decisions.	3 – Somewhat effective

Area of Focus No. 4: Does the governance framework support accountability and continuous improvement?

Audit Objective	Audit Criteria	Rating
4.1 To assess the extent to which a governance structure is established and supports accountability.[8]	Effective oversight bodies are established.	1 – Fully effective
	Authority, responsibility and accountability are clearly communicated.	2 – Mostly effective
4.2 To assess the extent to which decisions are tracked and monitored.[9]	Decisions are tracked and monitored.	2 – Mostly effective
4.3 To assess the extent to which the process for decision making is periodically assessed and improved.[10]	The process for decision making is periodically assessed and improved.	1 – Fully effective
	Committees should assess their performance and the adequacy and appropriateness of their governance processes (charter, forward agenda/ calendar, governance structure/activities).	2 – Mostly effective
	External and internal environments are monitored to determine whether there is a need to re-evaluate the organization's objectives, policies and control environment.	1 – Fully effective

Appendix 2: Management Action Plan

Recommendation 1:

Implement mechanisms to further enhance governance committee planning, with emphasis on stakeholder engagement, forward agenda management and linkages among the various committees.

Priority Ranking: High

Agree. Management recognizes the importance of a proactive and strategic approach to committee agenda management, meaningful involvement of key stakeholders, and effective horizontal/vertical linkages among committees.

As part of ongoing management and continuous improvement, the following actions have already been **completed**:

- Strengthen the approach to forward agenda development and tracking by:

- Creating a new tracker organized by Secretariat roles and showing the linkages between the governance committees and Strategic Forward Agenda items; and

- Ensuring that items destined for POC/MIC/CMC[*] are reviewed by DCC or relevant MIC subcommittee.

- Circulate forward agenda at every meeting and schedule periodic (2–3 times per year) discussions of the POC/MIC/CMC forward agendas.

Management Action	Completion Date	Office of Primary Interest (OPI)
The following actions will be completed in response to the audit findings: - Revise committee terms of reference to clearly articulate roles and responsibilities, strengthen the linkages among the various committees (e.g. DCC and POC), and incorporate annual self-assessments. Committee terms of reference will be posted on InfoSite.	March 2010	P&P
- Engage Planning Net in bimonthly updates/review of forward agenda items.	December 2009	P&P

* Acronyms are defined in Appendix 4: List of Acronyms.

Recommendation 2:

Improve overall communication of senior management decisions to Secretariat staff with emphasis on the following:

- **Improving Executive Committee (EXCO) members' communication to staff of EXCO discussions and debriefs; and**

- **Maintaining up-to-date records of discussion for the committees that currently have information posted on InfoSite.**

Priority Ranking: High

Agree. The decision-making process and integration of information are enhanced through improved communication and timely dissemination of outcomes throughout the organization.

As part of ongoing management and continuous improvement, the following action has already been **completed**:

- Ensure that committee members understand the importance of their responsibility to debrief their respective organizations, consistent with the values and practices in the EXCO charter.

Management Action	Completion Date	Office of Primary Interest (OPI)
The following action will be completed in response to the audit findings: - Ensure timely posting of records of discussion on InfoSite.	March 2010	P&P/SCMA

Recommendation 3:

Revisit the role of the Directors Coordinating Committee (DCC) and its relationship to the senior-level governance committees with a view to enhancing efficiency, effectiveness and communication of DCC outcomes.

Priority Ranking: Medium

Agree. An enhanced role and mandate for DCC will strengthen governance and decision making at the Secretariat.

As part of ongoing management and continuous improvement, the following actions have already been **completed**:

- Produce an "Outcomes of Discussion" document following each DCC meeting, include it in briefing material for MIC, POC and CMC, and make it available on InfoSite.

- Ensure that items tabled for POC/MIC/CMC discussion reflect DCC advice and direction.

Management Action	Completion Date	Office of Primary Interest (OPI)
The following actions will be completed in response to the audit findings: - Revise DCC's terms of reference to clarify its role in performing a challenge function, and revisit DCC membership with assistant secretaries.	March 2010	P&P

Recommendation 4:

Continue the integration of risk management principles into the governance framework to ensure that risk is adequately considered in the decision-making process.

Priority Ranking: Medium

Agree. The Secretary has identified the need to increase the use of risk-based approaches in all Secretariat work as one of two of the Secretariat's priorities for 2009–10 and 2010–11.

As part of ongoing management and continuous improvement, the following actions have already been **completed**:

- Continue to promote early consideration of risk in governance and integrated business planning through the annual Corporate Risk Profile process.

- Introduce EXCO week-ahead meetings to provide a forum to discuss short-term priorities, issues and operational risks.

- Integrate risk mitigation strategies into the Quarterly Tracker.

Management Action	Completion Date	Office of Primary Interest (OPI)
The following actions will be completed in response to the audit findings: - Develop a summary sheet template for all DCC presentations to systematically consider risks, identify links to Secretariat priorities and clarify desired outcomes of presentations. This will promote consideration of risk throughout the governance structure.	March 2010	P&P
- Bring forward discussions to MIC on areas of risk identified in the Corporate Risk Profile.	March 2010	P&P

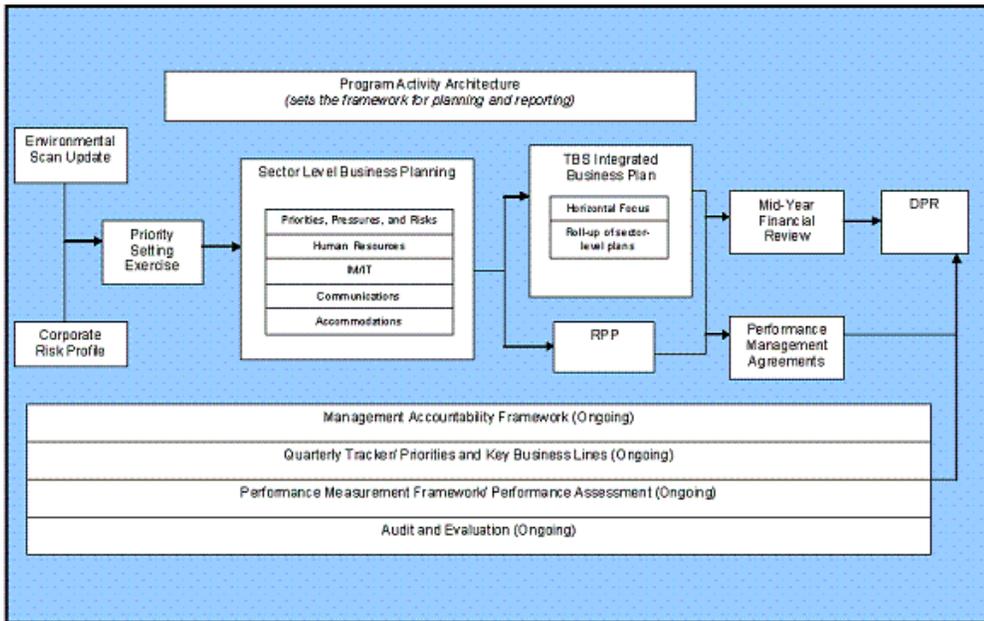## Appendix 3: The Secretariat's Integrated Planning Cycle

Diagram 2: Text version

Diagram 2: Display full size graphic

Source: Priorities and Planning, Presentation to MIC, October 2009

Appendix 4: List of Acronyms

CMC	– Change Management Committee
CPSA	– Canada Public Service Agency
CSS	– Corporate Services Sector
DCC	– Directors Coordinating Committee
DPR	– Departmental Performance Report
EXCO	– Executive Committee
GCAC	– Government of Canada Audit Committee
HR	– Human Resources
IBP	– Integrated Business Plan
IIA	– Institute of Internal Auditors
MAF	– Management Accountability Framework
MIC	– Management Infrastructure Committee
MIC IM/IT	– Management Infrastructure Committee Information Management and Information Technology
OCEG	– Open Compliance and Ethics Group
OCHRO	– Office of the Chief Human Resources Officer
P&P	– Priorities and Planning Sector
PAA	– Program Activity Architecture
PDG	– Program Sector Director Generals
PMA	– Performance Management Agreement
POC	– Policy and Oversight Committee
PSAS	– Program Sector Assistant Secretaries

RDIMS	– Records/Document/Information Management System
RPP	– Report on Plans and Priorities
SCMA	– Strategic Communications and Ministerial Affairs
SEC	– Senior Executive Committee
Secretariat	– Treasury Board of Canada Secretariat
SHRC	– Senior Human Resources Committee

1. IIA, *The Role of Auditing in Public Sector Governance*, 2006, p.3

2. As of December 14, 2009, another member external to the Secretariat joined the Government of Canada Audit Committee.

3. This document describes the Secretariat's Change Agenda, which sets out the principles for achieving the Secretariat's strategic direction.

4.While the RPP articulates the Secretariat's strategic outcome and associated objectives and plans, it is not meant to be a direct roll-up of all sectors' plans. The RPP's intent is to highlight the Secretariat's priorities and focus on the plans that support these priorities.

5. The Risk Coordinators' Group is a forum for engaging sectors in the integrated risk management process, specifically in the Corporate Risk Profile development process and for communicating information to management.

6. Agenda items were counted by the number of times they were presented at a committee. For example, an agenda topic presented at a committee three times would be shown as three agenda items in the table.

7. Examples of agenda items that relate to the management of internal issues include the Report on Plans and Priorities, the Departmental Performance Report, MAF, internal HR management, talent management, IM/IT management and ongoing day-to-day operations.

8. The Preliminary Survey Memorandum stated, "The governance structure enables the Secretariat to identify the cause of problems, determine corrective actions as needed, and follow up to determine whether those actions were implemented effectively." The audit objective was subsequently modified to clarify the objective's focus on structure and accountability and to remove the reference to continuous improvement, which is already addressed in the third objective.

9. The Preliminary Survey Memorandum stated, "Processes for decision making are monitored, feedback is obtained, and processes are assessed for improvement." The audit objective was modified to better distinguish the second objective from the third.

10. The Preliminary Survey Memorandum stated, "Committees reflect on their performance in relation to established objectives and set a course for the future." The audit objective was modified to clarify the focus on continuous improvement, and the audit objective has been reclassified as an audit criterion under the revised audit objective.