

Grants & Contributions Audit Report



Performance Assurance Sector
Correctional Service Canada

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Introduction

Grants and contributions are part of the category of expenditures known as transfer payments. Transfer payments are transfers of money from federal government departments to various types of individuals and organizations, including businesses or other governments.

Grants are unconditional transfer payments approved by Treasury Board (TB) and eligibility and entitlement may be verified. If an individual or organization is eligible for a grant, the appropriate payment can be made without requiring the recipient to meet any future conditions. In contrast, the payment of a contribution is subject to performance conditions that are specified in a contribution agreement. The recipient must continue to show that these conditions are being met in order to be reimbursed for specific costs over the life of the agreement.

Departments, and in this case CSC, utilize contributions, and sometimes grants, as financial incentives to influence the recipient's behaviour in a way that contributes to achieving policy goals. The money prompts individuals and organizations to undertake activities that are in their interest and, as well as CSC's interest, to fulfill CSC's Mission. These are usually activities that would be too expensive or too risky for the recipient without direct financial assistance. Properly planned and managed, contribution programs give recipients a reasonable chance of success in the funded activities without contributing more public money than the recipient needs.

Executive Summary

In accordance with the Performance Assurance internal audit plan for 2003-04, the Audit of the Grants and Contributions within CSC was conducted in September-October 2003. This audit of the grants and contributions for 2002-03 was a follow-up to the audit previously conducted in 2000 for the agreements of the 1999-00 fiscal year.

The four objectives of the audit were as follows:

- 1) To review and assess if the system in place ensures due diligence is exercised in the selection and approval of recipients of transfer payments as well as in the management and administration of the programs.
- 2) To assess the content of contribution agreements to ensure that they meet the requirements of TB and CSC policy.
- 3) To determine the extent to which transfer payments are made in accordance with the terms of the agreement and also to meet the requirements of the policy on account verification relating to sections 33 and 34 of the Financial Administration Act (FAA) and the requirement of the Payment Requisitioning Regulations (PRR).
- 4) To verify that proper program and accounting records and other relevant documents are maintained to provide documentary evidence of decisions made and results achieved and to enable disclosure of the amounts paid to recipients of all payments.

Note: Policy for Grants and Contributions is contained in the TB Policy “*Policy on Transfer Payments*” dated June 1, 2000.

The scope of the audit included an examination of:

- the processes in place to review the requests for contributions
- the grants and a sample of the contribution agreements, including all provided supporting documentation, paid by CSC during the fiscal year 2002-03 in all five regions and National Headquarters (NHQ);
 - i. compliance against the TB Policy on Transfer Payments and the associated Terms and Conditions;
 - ii. the content of the approved agreements against the requirements of TB and CSC policy;
 - iii. the payment process to ensure that all payments met the terms of the agreements and were made according to the requirements of the FAA and the PRR;
- procedural documents supplemented by staff interviews to verify procedures and practices;
- the program, accounting records and other relevant documents providing documentary evidence of decisions made, results achieved and any documentation that enabled disclosure of the amounts paid to recipients of all payments.

NOTE: Specific contribution agreements made under Section 81 of the CCRA for Aboriginal offenders and capital contributions were not reviewed in this audit. This audit did not review “Value for Money” although there is now a process in place to examine this aspect prior to any contribution agreement being signed.

The team examined both of the grants, totaling \$131,600 that had been paid by CSC for the 2002-03 fiscal year. The sample of contribution agreements consisted of fifty-nine (59) or thirty-five percent (35%) of the total value (\$3,300,000) of contribution agreements paid in the 2002-03 fiscal year. Six of the agreements within the sample were multi-year agreements where the audit focused mainly on the payments made during the 2002-03 fiscal year. In most of the cases, multi-year agreements had been written and signed prior to the fiscal year under review and prior to the implementation of the current process for review and approval of requests. Under the National Contribution Program (NCP), CSC has the authority from TB to contribute up to \$5,000,000. Funding of \$716,000 annually is devoted to the National Contribution Envelope to support contributions. The Regions and individual Sectors usually will identify Operating and Maintenance (O & M) funds to support additional contributions. Treasury Board must approve all grants paid by government departments.

The following table illustrates the number of contributions reviewed by location:

Location	Number of Contribution Agreements Examined (signed during 2002-03 fiscal year)
National Headquarters	20
Pacific Region	7
Prairie Region	3
Ontario Region	10
Quebec Region	6
Atlantic Region	7
Sub-Total	53
National Headquarters	6 (multi-year signed prior to 2002/03 where only payments were reviewed)
TOTAL	59

This current audit indicated that CSC has made significant improvements with respect to adherence to standards for the selection and approval of recipients of contributions since the audit conducted in 2000.

The results of the audit are summarized below:

- The two Grants were found to be managed appropriately.
- The Community Engagement Sector has formalized a consistent department-wide administrative process for all contribution programs that has greatly improved the submission and approval process.
- Fiscal year 2002-03 was a transition year that implemented the extensive changes to the process followed by both the recipients and administrators of the contribution agreements.
- the Contributions are generally administered well. However, the audit identified some areas that require further attention.
 - i. requests were received in most cases; however, requests for contributions did not always clearly contain all of the required information, necessitating clearer guidelines to be followed by applicants;
 - ii. accounting of funds by recipients and verification of deliverables prior to payment was not applied consistently.
 - iii. the issues noted in this audit identified a need for clarification of the Terms and Conditions to ensure understanding and compliance;
 - iv. contents of the Agreements did not always contain all of the required clauses or clauses were loosely worded thereby allowing misinterpretation of intent;
- A more structured evaluation process is required to ensure the viability of continuation of the individual agreements and the Program as a whole.

It should be noted that a number of problems and deficiencies identified during this current audit were for the most part, isolated problems which are the result of administrative deficiencies such as lack or control of required documentation.

Implementation of administrative processes and records management procedures is required to control individual agreements and the associated documentation.

The audit team examined the overall management of the grants and contributions program and is of the opinion that the necessary management controls and systems are in place to ensure the integrity of the Grants and Contributions Program. The agreements reviewed were consistent with the intent and objectives of the program and the deficiencies identified do not impact on its viability. Implementation of the recommendations of the audit will contribute to greater compliance with the related administrative processes.

It is the opinion of the Performance Assurance Sector that sufficient audit work has been performed and the necessary evidence has been gathered to support the conclusions contained in this audit report. On-site debriefings were conducted by audit teams at which time audit findings were discussed. Specific areas requiring improvements have been, or are in the process of being, addressed regionally and nationally. Again, as 2002/03 was a transitional year for the development and implementation of more stringent and clear processes many of the issues noted were being addressed administratively and operationally in subsequent years.

The conclusions and recommendations being made in this internal audit report are based on the assessment of findings against pre-established objectives agreed upon by the Performance Assurance Sector (NHQ) and the Community Engagement Sector (NHQ) and reflect the audit work carried out during September-October 2003.

The details of the results of the audit are as follows:

Grants

Finding #1 - Grants were administered according to TB Policy.

CSC administered two Grants in 2002-03 that totaled \$131,600. One was with the University of Saskatchewan to fund a Chair in Forensic Psychology for \$118,000. The second was a grant to Human Resources Development Canada for \$13,600.

These were approved through submissions to TB, one administered in the Prairie Region and the other at NHQ. The audit found that the administration and payments relating to these two grants were in accordance with policies.

Contributions

Selection and Approval

Objective 1: To review and assess if the system in place to ensure due diligence is exercised in the selection and approval of recipients of transfer payments and is exercised in the management and administration of the programs.

In order to assess compliance, the audit team reviewed the sample of Contribution Agreements to determine, first of all, if there is a mechanism in place for organizations and individuals to submit an application for a contribution. Each request in the sample was reviewed to verify that it contained the information required by CSC's Terms and Conditions documents approved by TB and that the required evaluations were made against the established criteria (eligibility, relationship to the Mission of CSC, managerial ability and cost effectiveness). The team also verified whether or not the Regional (RCC) and National Contribution Committee (NCC) reviewed each request before signature and payment of the agreement.

CSC's Process

Finding #2: CSC has developed and implemented a clear process for administering the Contribution Programs including a mechanism for organizations and individuals to submit an application for a contribution.

There is a national contribution fund attached to the CSC Contribution Program of \$716,000 which is allocated across the 5 regions and NHQ. In addition to this \$716K, Regions and Sectors identify O&M funds to support more contributions.

The Commissioner of CSC is the delegated authority for approval of all agreements exceeding \$200,000. The Assistant Commissioner, CE, Assistant Commissioner, Correctional Operations and Programs, Assistant Commissioner, Policy, Planning and Coordination and all Deputy Commissioners are delegated authority for approval of Contribution Agreements and amendments up to \$200,000.

The Community Engagement (CE) Sector, as the overall manager of the Contribution Programs for CSC, provides guidance and direction to the Regions and NHQ Sectors with respect to the administration of the various aspects of the process. The NCC reviews all regional and NHQ contribution requests for the year and then makes recommendation for approval to the Commissioner.

Finding #3 – CSC, led by Community Engagement, has made significant improvements with respect to adherence to standards for the selection and approval of recipients of contributions since the previous audit (2000).

Potential recipients must submit a written request for contribution funding. These requests are submitted to regional and national sponsors who perform an evaluation against CSC's Terms and Conditions (T & C). As stated in the T&C, this evaluation mainly examines the organizations' requests against the following factors: eligibility

criteria, relation to the Mission of CSC, managerial ability of the organization and cost effectiveness of these proposals.

TB Policy on Transfers and CSC's T & C requires specific information to be included in each Request. This information includes the description and main objective of the proposed program/activities, the expected results, and the relationship with CSC's mandate/mission. The information must also identify a means for evaluating (results, reporting), the most appropriate means of procurement (contribution, grant or contract for service), the source of funding, and a recommendation regarding the request. In order to meet this requirement, CE developed a checklist covering these areas to be completed by sponsors (Sectors or Regions). Once completed, the full package including the checklist, information on the program, evaluation process, means of procurement, sources of funding and recommendation is forwarded to NHQ for final approval.

The process as set out by CE was, for the most part, followed by the Regions and NHQ and progress in compliance has been noted. Requests were found on 50 of 53 files reviewed cases which is a significant improvement from the audit of 2000.

Finding #4 – Regional Contribution Committees were in place in most regions for the 2002-03 fiscal year.

For the period of 2002-03, the audit team found that the Atlantic, Prairie, Quebec and Pacific Regions all had functioning RCCs. However, a RCC had not been established in the Ontario Region. Interviews indicated that contributions were being approved either by the RDC based on recommendations from the Community Council or by the Regional Contract Review Committee. However, the region could not provide the audit team with any documented evidence to determine the formal process or mechanism followed for the approval of these agreements. It should be noted that the Ontario Region has now established a RCC to rectify the deficiencies identified during the audit.

Finding #5: The national direction issued May 2002 regarding content of requests for contributions was not followed in many cases.

As stated above, the CSC's Terms and Conditions (Section 5) requires specific elements to be present in each request for contribution. All requests must be reviewed by the Regional and National Contribution Committees for recommendation for approval. Adherence to those requirements was strengthened in the procedures directed by CE on May 6, 2002.

Audit findings are divided with regard to those requests submitted prior to the May 6 direction and those submitted after directions were issued by the CE Sector.

National Headquarters

Pre-May 2002 - Of the 26 sampled files administered by NHQ Sectors, 6 were multi-year agreements that had been signed prior to the 2002-03 fiscal year. For these multi-year agreements, the audit team focused on the payment process to ensure that payments were made according to the requirements of the contribution agreements and relevant findings are addressed under Objective #3 in this report.

Further, 5 of the 20 NHQ Contribution Agreements were signed in 2002-03 fiscal year but prior to the guidelines released on May 6, 2002. In those cases, many of the requests did not contain all of the required information. One of these cases contained a very limited amount of the required information.

Post-May 2002 – The audit team noted major improvements in most of the cases signed after May 6, 2002. However, deficiencies were identified in 2 requests for contributions as one request contained very limited information and in the other case, the audit team was unable to locate any documentation to indicate that a request had been submitted. This lack of documentation may be the result of the file/document management problems that are addressed in more detail in a later section of this report.

Regions

Finding #6: Staff responsible for contribution agreements in the regions found the new process developed by CE Sector at NHQ, including the checklist for ensuring the elements of the requests are covered, very beneficial and ensures consistency and compliance by clearly outlining the process and the content expectations.

It is noted that the majority of the regional cases were signed prior to the May 2002 instruction. Since that date, processing of Contributions Agreements in three of the Regions has greatly improved and, as a result, only minor issues were noted in some of the requests for contributions in the Pacific, Atlantic and Quebec Regions. Requests from these regions generally contained the appropriate information.

In the Prairie Region, of the three requests submitted in the 2002-03 fiscal year, all three were deficient in some areas. In the case signed before May 6, a previous contract proposal was utilized as a request and as such, a significant amount of required information was missing. The remaining two were signed after May 6, 2002 and were missing some important information such as targeted results, names of principal personnel, goals and objectives of the program, and financial statement from the previous year. In one of those cases, a request for a previous agreement with the same organization was re-used to initiate the 2002-03 agreement.

In the Ontario Region, 10 cases were reviewed. The audit noted that this region had not established a RCC and the lack of Committee review at the Regional level appears to have had an impact on the contribution process. In two of these cases no requests existed and therefore, were non-compliant in all related areas of the audit. The majority of the other Ontario request cases lacked required information such as the names of the principal personnel, budget information, financial statements for the previous year, and a

statement that a report would be provided at the end of the contribution period. With respect to the requirement for evaluation of the requests, only two of the requests were submitted to the NCC for review. There was no evidence that any of the other requests were reviewed at the Regional level. Regional staff generally confirmed the findings of the audit team. It was noted that the audit team did not identify any significant improvements in this process during the 2002-03 fiscal year even after May 6, 2002. However, as previously indicated, since this audit took place, a RCC has been implemented and controls have been established to address this issue.

Efforts must therefore be continued by NHQ and all regions to ensure that requests being submitted for contribution funding adhere to all national standards.

CE Sector is currently in the process of reviewing and amending the Terms and Conditions and further refining the process for review of requests. They have developed and distributed templates to the regions and NHQ Sectors to ensure that agreements contain all of the required clauses and these clearly detail expectations for both the recipient organization and CSC.

Content of Contribution Agreements

Objective #2: To assess the content of contribution agreements to ensure that they meet the requirements of TB and CSC policy.

The audit team reviewed the content of each of the sampled Agreements entered into in the 2002-03 fiscal year to ensure that the contents were in accordance with TB Policy, including clearly defined payment terms and reporting requirements. The Agreements were also reviewed to ensure that they were signed by an authorized senior manager, witnessed and dated as required.

<i>Finding #7: Content of Contribution Agreements did meet the intent of TB Policy; however, were not always specific enough to clearly define expectations.</i>
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As was previously noted, following the audit of 2000, CSC improved the process and controls for the management of the contributions program. Since May 2002, CE Sector has developed a number of measures that have been implemented across the country to improve the process and reduce the possibility of errors and omissions in the content of the agreements.

Overall, the Quebec and Atlantic regions were found to be in full compliance with the requirements of the content and administration of the contribution agreements. In the Prairie Region, only minor deficiencies were noted in the content and administration of two agreements.

The main issues found in some of the agreements initiated by various sectors at NHQ included lack of detail and concise language in the content of the agreements to clearly

define the expectations of the Agreement. Specific clauses as specified in TB Policy on Transfer Payments, Appendix C were either omitted or weakly worded in a number of cases. Administrative weaknesses were also found in a number of the agreements. These included the start date of the agreement, illegible signatures and absence of witnessing signatures making it difficult, if not impossible, to verify whether the agreement had been signed by the appropriate authority. It was noted that there was no significant differences in the findings concerning Agreements signed either pre or post May 2002.

In most cases in the Pacific Region, the content of the Agreements followed the process and contained the correct information. There were administrative weaknesses identified in a number of agreements including signatures and start dates. The audit also identified some cases where documented evidence of an approval process was missing.

In the Ontario Region, except in a few minor instances, the Agreements contained all of the required information. However, the audit team identified certain deficiencies:

Approval:

- discrepancies were noted with the Agreement approval process as the RDC did not sign any of the agreements. Instead, Regional Contract staff signed all but two contribution agreements administered by the Region that is contrary to the Terms and Conditions Section 3 - Authority to Approve Contributions. The Assistant Deputy Commissioner Corporate Services (not signing as Acting RDC) signed those remaining two agreements. In two cases the contributions were neither reviewed nor approved in accordance with policy.

Agreements:

- In two cases, there was no accountability required with respect to reporting and accounting of the utilization of funds.
- In one case, the audit team questioned whether the recipient was providing a service which should have been more appropriately addressed through the contracting for services process.
- Further, there were two contributions paid for which there was no agreement (and no requests as stated previously in this report).

Recommendation #1: That CSC ensures that the checklist and approval process is adhered to at all sites to ensure that content requirements of all agreements are verified prior to signature.

Payment Process

Objective #3: To determine the extent to which contribution payments are made in accordance with the terms of the agreement and also to meet the requirements of the policy on account verification relating to sections 33 and 34 of the Financial Administration Act and the requirement of the Payment Requisitioning Regulations.

Through its review of individual Agreements, the audit assessed whether payments were made in accordance with TB policy. It also examined advance payments where these were required, and whether they were in accordance with TB policy and the terms of the signed agreement. The audit verified whether the conditions of payment were met before payment was issued and the required account verification was performed under Section 33 and 34 of the FAA. Further it reviewed whether payments were made within the effective dates of the agreement.

Finding #8: Due to the lack of proper document management, some activity reports and final reports could not be verified as having been received on time and according to the requirements of the individual agreements. Therefore, funds were not consistently being accounted for by recipient organizations prior to payment.

At NHQ and in some regions, in many cases the audit team did not find sufficient evidence to indicate that interim or quarterly financial statements, or other documentation required by Contribution Agreements were consistently being provided by the recipient organizations. The audit team noted that generally, no consistent controls were in place to ensure that, as part of the payment process, the required documentation has been received from the recipient organization to provide the necessary accountability for funds contributed by CSC.

In most of these cases, the audit team found that the contribution agreements were not prescriptive enough to ensure beneficiaries provided the appropriate information needed to verify deliverables prior to payment to verify deliverables. This deficiency is addressed in the new agreement format developed by the CE group.

Certain deficiencies were noted that may be caused or compounded by inadequate Records Management procedures as discussed further in this report.

The audit team identified a number of issues:

- In many cases, both before and after the May 6 procedures were issued, at NHQ and in some of the regions, project files did not contain the full financial and non-financial reports required by the agreements. Therefore, in a number of cases, the team was unable to verify that payments were made according to the stipulations of the specific Agreements. It is also noted that the identified deficiencies in the payment process were not part of the remedial action taken by CSC in the May 2002 procedure.
- In other cases, where available, the report did not clearly indicate whether it was a final report, an activity report, an evaluation, etc. As a result, it was difficult to determine if the submission met the terms of the agreement.
- Where reports were provided to Finance as part of the payment, the Finance Officer verified them against the terms of the agreements prior to signature under Section 33 FAA. However, this was not consistently done across the country and the audit team noted that the Finance Officers were not always requesting all of the supporting documentation as part of their certification under Section 33.

- There were other administrative issues surrounding payments.
 - Of note, in one case in the Pacific Region the payment was made to the organization prior to the Agreement being signed by the two parties.
 - In many cases at NHQ and in the Regions, documentation supporting or confirming deliverables did not contain a receipt date making it difficult to verify that the terms of the agreements were met or payments were made at the proper time and according to the agreement.

In some cases, part of the problem could have been caused by numerous fiscal year end dates. CSC's year-end is March 31, whereas in many cases, the Agreement recipient organizations' year-ends were at various other times of the year (June 30, August 1, etc). This appears to cause difficulties with respect to reporting requirements within the contribution. For example, where a final payment is conditional upon receipt of the recipient's annual report and where the recipient's fiscal year end is June 30, their annual report would not be produced until after that date. This means that the final payment would not be made until after June 30th putting the payment in CSC's next fiscal year and outside the normal Payables At Year-End (PAYE) timeframes. The file management issues including multiple files being held on each Agreement (OPI, Finance, and CE) compounded this problem. The audit team did not observe any major improvements with respect to this issue after the May 6, 2002 instructions.

Suggestion: That all documentation received in support of the agreement (i.e. activity and final reports) be clearly stamped with a receipt date to ensure that reporting requirements are met prior to payment as per the agreement schedule. Further, that reports be clearly identified as an activity report, final report, evaluation, etc. to facilitate the approval for payment process.

Recommendation #2: That Budget Managers and departmental financial officers continue to ensure that all funds are accounted for and required reports are received from recipient organizations before making payments stipulated in the Agreements.

Evaluation Process and Management of Documentation

Objective 4: To verify that proper program and accounting records and other relevant documents are maintained to provide documentary evidence of decisions made and results achieved and to enable disclosure of the amounts paid to recipients of all payments.

As part of the audit, the team also examined if the required information was on file to document that all Agreements are evaluated at the end of the contribution period. Files were examined to verify that, if required, periodic audits were effected and results properly documented and appropriately filed. The audit also verified that a reporting

process is in place to provide senior management with information and results on CSC's contribution program.

Finding #9 – There was little documented evidence that formal evaluations of contributions occur periodically upon expiration of the Agreement as specified in the Terms and Conditions, Section 8.

As indicated in the CSC's Terms and Conditions, Section 8 - Evaluation Procedure, departments are to ensure that programs/activities are conducted as stipulated in the contribution agreement. Periodic evaluations are to be conducted in order to evaluate the effectiveness and efficiency of the programs/activities. As well, since the contribution program is in support of, or complementary to, the Mission of the Correctional Service of Canada, an evaluation as to consistency with the Mission, should be part of the evaluation process.

With respect to evaluation of individual agreements, the audit team found little documented evidence at NHQ or in the Regions to indicate that there is a clear and consistent process to ensure that programs and activities are periodically evaluated. The brief summaries that were found on a small number files at NHQ and in the Regions did not assess that the need for specific services requesting contributions was matched by the result after the event or period covered by the Contribution Agreement. Interviews with RCC members and Project Managers responsible for administering the agreements and payments at NHQ and in most of the Regions confirmed those findings. It was noted that Pacific Region has implemented an evaluation checklist and the Contribution Committee minutes reflect the evaluation discussions that is seen as a good practice. The Assistant Commissioner Corporate Services has since reaffirmed to RDCs and NHQ Sector Heads that evaluations must be completed following the completion of all contributions.

In regard to the overall evaluation of the Contribution Program, the audit team reviewed a report completed by the Community Engagement Sector on Contributions for the 2002-03 fiscal year. This report provided a detailed summary of the activities of CSC's National Contribution Program for 2002-03. However, it did not provide an evaluation of actual effects of the Program against original objectives and their intended effects.

It is also noted that the identified deficiencies in evaluation process were not part of the remedial action taken by CSC in the May 2002 procedure. However, CE is implementing a detailed evaluation process to address the deficiencies in this area.

Recommendation #3: That actual results should be evaluated against original objectives and their intended effects. Quantitative information should be collected on the effects of the programs and projects. Further, the results of the evaluation should be available for planning and other management decisions.

The audit examined whether official files are maintained for each contribution which contain the requests, review processes, agreements, reports, audits, records of payments and evaluations.

Finding #10 - Corporate information surrounding the individual contributions is not always printed, organized and filed according to the federal government records management policies and procedures such as the Information Classification and Scheduling Plan.

The audit team noted that the Atlantic, Quebec and Prairie Regions all maintained centrally controlled project files which ensures proper records management of these contribution files. However, at NHQ as well as in the Ontario and Pacific Regions, documentation pertaining to the Contribution program, and in particular, pertaining to individual agreements, was often difficult to locate. Additionally, filing did not conform to federal government Records Management policies and procedures.

In these instances, no official administrative or project files were created, resulting in numerous files existing in various areas of operation (i.e. Finance, Community Engagement, Sponsor or Office of Primary Interest (OPI), etc.). In many cases these files were disorganized, resulting in difficulty obtaining the information required as part of the audit.

Generally, the audit team also found that corporate information concerning contributions is not routinely printed and filed. Rather, information is being held on hard drives on desktop computers, on individual and division-wide shared network drives and in electronic mail. This results in confusion and difficulty in locating supporting documentation and prohibits proper sharing, and retention and disposal of corporate information. In some cases, missing dates on internal memorandums and other documents further inhibited confirmation of compliance to required timeframes/deadlines.

Recommendation #4: That measures be taken to improve the current control and maintenance of corporate information on contributions.

Appendix A

Grants & Contributions Audit Action Plans

<p><i>Recommendation #1 - That CSC ensures that the checklist and approval process is adhered to at all sites to ensure that content requirements of all agreements are verified prior to signature.</i></p> <p><i>Action Plans required from NHQ (ACCCE), RDC Pacific, RDC Ontario</i></p>	
Action Plans:	
Pacific	Checklists have been developed and implemented to ensure all requests contain the required information. These checklists, regional review & approval process and templates are published on the Infonet site for the Regional Supply Depot. The RCC working committee meets to ensure that all checklists are complete and the proposals meet CSC's contributions terms and conditions. A record of decisions is maintained in published minutes of all meetings. The RCC, chaired by the ADCs Operations and Corporate Services review and recommend contribution proposals to the RDC.
Ontario	The Ontario Region has restructured the Regional Contribution Committee to include the ADC Operations, the ADC Corporate Services and the Regional Comptroller. The newly designated OPI has received the National Training. The RCC utilize the checklist and approval process to ensure content requirements prior to signature.
National Headquarters (ACCCE)	<p>Approved standardized contribution agreement and checklist are sent to Regions and Sector upon approval of Annual Plan. The NCPC reviews all contribution agreements and respective checklists prior to Sector Head sign-off.</p> <p>Each Region/Sector provides copies of signed contribution agreements to CECI Branch. Upon receipt of individual agreement, a review is done to ensure that approved correctional results, funding level, authority to sign and standardized content are reflected.</p>
<p><i>Recommendation #2 - That Budget Managers and departmental financial officers continue to ensure that all funds are accounted for and required reports are received from recipient organizations before making payments stipulated in the Agreements.</i></p> <p><i>Action Plans required from NHQ (ACCE and ACCS), RDCs all Regions</i></p>	

Action Plans	
Pacific	Budget Manager receives reports and monitor deliverables
Prairies	Budget Managers and regional financial officers have been reminded ensure that all funds are accounted for and that the required reports are received before making payment.
Ontario	The Regional Comptroller oversees the process and with the assistance of the Regional OPI, ensures that funds are accounted for and all required reports are received before payment approval is certified.
Quebec	The new standardized agreements process is in place to ensure the region meets this requirement.
Atlantic	The required mechanism is in place to ensure that all documents are received prior to payments.
National Headquarters (ACCE and ACCS)	<p>Contribution agreement contains more specific requirements regarding the financial requirements and includes a scheduled cash-flow.</p> <p>A contribution Agreement File Checklist (CSC 1282-03) includes request to record activities related to the payment vouchers and supportive documents</p> <p>Training on Management of Grants and Contribution (Public Service School) for a initial core of 20 RHQ and NHQ managers is to be offered (November 17-19, 2004)</p>
<p><i>Recommendation #3 - That actual results should be evaluated against original objectives and their intended effects. Quantitative information should be collected on the effects of the programs and projects. Further, the results of the evaluation should be available for planning and other management decisions.</i></p> <p><i>Action Plans required from NHQ (ACCCE), RDCs all Regions</i></p>	
Action Plans	
Pacific	<p>The Regional Supply Depot as Secretariat for the RCC developed a Contributions Evaluation Checklist required to be completed by the Budget Manager and kept on file at the Regional Supply Depot as the non-financial file site for contributions. This was noted in the final audit report as a good practice.</p> <p>Once the 2004/05 fiscal year is completed, Budget Managers will be invited to the RCC to present evaluations of their contribution agreements.</p>
Prairies	A report, similar to Form 996-Post Contract Evaluation, is prepared by the Budget Manager to appropriately evaluate results against original objectives. The Regional Contributions Coordinator works with the Regional Contract Review Board.
Ontario	The Regional OPI will oversee and ensure the integrity of this process of evaluation against the original objectives

	and intended effects. The Regional OPI will report on progress to the Regional Contribution Committee.
Quebec	Region has implemented a requirement for a semi-annual activities report for agreements involving two payments, quarterly activities report for agreements involving more than two payments and a final report and annual evaluation. Evaluation of agreements is completed by the Regional Contribution Committee.
Atlantic	The Reintegration Division will ensure that the following action plan is completed by January 31, 2005: - Meet with the District Directors who are responsible for monitoring and evaluating contribution funding projects ongoing in their District and review their responsibilities in this area as outlined in the recommendation. The next District Directors' meeting is scheduled for January 25, 2005 and this will be included as an agenda item.
National Headquarters	<p>Specific correctional results are identified and included in the Annual Contribution Plan for each approved contribution request. These correctional results must be incorporated in contribution agreement.</p> <p>Region/Sector to provide interim report on achievement of approved correctional results simultaneously to the submission for new fiscal year. – Final quarter 2004-2005</p> <p>Region/Sector to provide final report on achievement of approved correctional results – Summer 2005.</p> <p>A contribution Agreement File Checklist (CSC 1283-03) includes requirements on on-going and final evaluation.</p> <p>A Result-Based Management Framework and a Risks-Based Audit Framework for both Contribution Programs include requirement to collect individual information – RMAF and RBAF developed in Summer 2004. Implementation of the RMAF and RBAF over a five year cycle.</p> <p>A review of both Contribution Programs conducted. An Action plan will be developed to address findings and recommendations – implementation scheduled for the Final Quarter 2004-2005</p>
<p><i>Recommendation #4 - That measures be taken to improve the current control and maintenance of corporate information on contributions.</i></p> <p><i>Action Plans required from NHQ (ACCS), RDC Pacific, RDC Ontario</i></p>	

Action Plans	
Pacific	Since the 2002/03 audit, the Regional Supply Depot was designated as the central file site, with Regional Finance as the finance file site. Files are being reviewed and will be structured in the federal government Records Management format by December 21, 2004.
Ontario	The Regional Comptroller is responsible; along with the Regional OPI to ensure the integrity of the control and maintenance of corporate information.
National Headquarters (ACCS)	<p>In collaboration with the Community Engagement and Community Initiatives (CECI) Branch, Corporate Services developed Records Management guidelines for the creation, maintenance and disposition of the Contribution Agreement Files. The guidelines were implemented at Headquarters and in the regions in April 2004.</p> <p>The ACCCE has developed and implemented a structured management system for the contribution files CSC in 2004-2005;</p> <p>All checklists developed are available as CSC forms on Infonet – Automated Administrative Tools. A Contribution Agreement File Checklist (CSC 1283-03) has been developed, implemented and should be signed at the end of contribution agreement by the authorized manager attesting that the contribution agreement file contains all required documentation.</p>

A follow-up review was conducted in February 2005 to examine the action that had been taken to address Recommendation #4. The audit team found that improvements had been made and that all required documents were available and on file. Subsequent to this follow-up, further action has been taken by regions and NHQ (ACCCE) to implement the use of form CSC 1283-03 and ensure consistent file management for each agreement."