

**MANAGEMENT RESPONSE AND ACTION PLAN**  
***Audit of the Management of Grants and Contributions at PHAC***

Recommendations	Management Response and Planned Actions	Deliverable	Completion Date	Accountability/ Responsibility
<p><b>Recommendation 1</b></p> <p>The Chief Financial Officer should collaborate with the Vice Presidents of the Health Promotion and Chronic Disease Prevention (HPCDP) Branch, Health Security Infrastructure Branch (HSIB), and Infectious Disease Prevention and Control (IDPC) Branch, to review the overall governance structure for G&amp;Cs management, including the necessity of the Tier 3 committee, in order to ensure timely decision making in support of the coordinated and efficient delivery of G&amp;Cs across the Agency</p>	Management agrees with the recommendation			
	<p>The Office of the Chief Financial Officer will collaborate with the Vice Presidents of the HPCDP Branch, HSIB, and IDPC Branch to review governance requirements related to grants and contributions (G&amp;C) management taking into consideration the existing committees at Tier II level (Policy and Operations).</p>	<p>1.1 Governance review and requirements for each Branch identified recognizing diversity in G&amp;C program portfolios.</p>	<p>September 30, 2018</p>	<p>The Chief Financial Officer with Director Generals of Regional Operations, HPCDP, HSIB and IDPC.</p>
		<p>1.2 Options identified to address timeliness of decision making.</p>	<p>April 30, 2019</p>	
		<p>1.3 Implementation of recommended governance structure.</p>	<p>June 30, 2019</p>	
<p><b>Recommendation 2</b></p> <p>The Chief Financial Officer should collaborate with the Director General of Regional Operations, and the Vice Presidents of the Health Promotion and Chronic Disease Prevention (HPCDP) Branch, Health Security</p>	Management agrees with the recommendation			
	<p>The Business Management Model (BMM) developed in 2013 to support implementation of the centralized G&amp;C administration model will be reviewed to ensure regional operations is adequately reflected given their role in supporting program delivery.</p>	<p>2.1 Identify programmatic themes and gaps within the current Business Management Model (BMM)</p>	<p>Sept 30, 2018</p>	<p>The Chief Financial Officer with Director Generals of</p>

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<p>Infrastructure Branch (HSIB), and Infectious Disease Prevention and Control (IDPC) Branch, to clarify and define responsibility and accountability structures for all parties involved in the management and administration of G&amp;Cs.</p>	<p>Operations and the Vice Presidents of HPCDP, HSIB and IDPC to enhance dialogue to clarify roles and responsibilities for all parties involved in the management and administration of Gs&amp;Cs.</p>			<p>Regional Operations, HPCDP, HSIB and IDPC.</p>
		<p>2.2 Develop a BMM for community-based programming (theme-based) with responsibilities and accountabilities of all parties clearly defined.</p>	<p>March 31, 2019</p>	
<p><b>Recommendation 3</b></p> <p>The Chief Financial Officer, supported by the Office of Strategic Policy and Planning, should collaborate with the Vice Presidents of the HPCDP Branch, HSIB, and IDPC Branch to develop a formalized process for documenting, monitoring, updating, and reporting risks and risk management strategies at the G&amp;C program level, in accordance with the IRM, and to be implemented within the Vice-President's respective program area.</p>	<p>Management agrees with the recommendation</p> <p>OCFO, supported by the OSPP, will collaborate with the Vice-Presidents of the Health Promotion and Chronic Disease Prevention (HPCDP) Branch, Health Security Infrastructure Branch (HSIB), and Infectious Disease Prevention and Control (IDPC) Branch to develop a formalized process for documenting, monitoring, updating, and reporting risks and management strategies at the G&amp;C program (Agency) level in accordance with the IRM. VPs of HPCDPB, HSIB, and IDPCB will implement the agreed upon formalized approach within their respective program areas.</p>	<p>3.1 Establishment of an ad hoc working group led by CGC with members from each of the program Branches and OSPP to: a) develop formalized process for documenting, monitoring, updating and reporting risks and management strategies at the G&amp;C program level in accordance with the IRM; b) inform development of Agency-level G&amp;C risk profile; and c) provide guidance on conducting G&amp;C program risk assessments</p>	<p>September 30, 2019</p>	<p>Director of CGC</p>

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		3.2 a) Develop Agency-level G&C risk profile framework	March 31, 2019	Director of CGC in collaboration with OSPP and VPs of HPCDPB, HSIB and IDPCB
		3.2b) Executive Committee and Tier 2 (as needed) approval of Agency-level G&C risk profile	April 30, 2019	Director of CGC
		3.3a) Conduct annual G&Cs program risk assessments based on Agency-level G&C risk profile	June 30, 2019	VPs of HPCDPB, HSIB and IDPCB
		3.3b) Present annual G&Cs program risk assessments to Branch Executive Committee for review and input	July 31, 2019	DGs of Directorates within HPCDPB, HSIB, and IDPCB
		3.3c) Present annual G&C program risk assessments to Tier 2 Committee for review and input	August 31, 2019	OCFO and VPs of HPCDPB, HSIB and IDPCB
		3.4) Present annual G&C program risk assessment to Executive Committee	September 30, 2019	OCFO and VPs of HPCDPB, HSIB and IDPCB

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<p><b>Recommendation 4</b></p> <p>The Chief Financial Officer should collaborate with the Vice-Presidents of the Health Promotion and Chronic Disease Prevention (HPCDP) Branch, Health Security Infrastructure Branch (HSIB), and Infectious Disease Prevention and Control (IDPC) Branch, to develop a comprehensive training strategy to support a shared vision that balances accountability with recipient relationships and program outcomes.</p>	<p>Management agrees with the recommendation</p>			
	<p>The Office of the Chief Financial Officer will collaborate with the Vice Presidents of HPCDP, HSIB and IDPC to develop a comprehensive G&amp;C training strategy taking into consideration materials available with the Centre for Grants and Contributions and the Canada School of Public Service.</p>	<p>4.1 Conduct a review of available training and a GAP analysis including an assessment of need.</p>	<p>September 30, 2019</p>	
		<p>4.2 Develop a comprehensive training strategy for those responsible for program delivery</p>	<p>March 31, 2021</p>	
		<p>4.3 Launch of PHAC G&amp;C comprehensive suite of training</p>	<p>April 1, 2021</p>	
<p><b>Recommendation 5</b></p> <p>The Chief Financial Officer establish processes to document the rationale and approval for release or reduction of holdbacks and the reduction of recoverable amounts identified through recipient audits.</p>	<p>Management agrees with the recommendation</p> <p>Actions will be taken to ensure the policy on release of holdbacks, approved at Tier III governance in 2016, is communicated to all program areas and integrated into future G&amp;C training.</p>			
		<p>5.1 Review and amend process for reduction or release of holdbacks, as per existing policy.</p>	<p>March 31, 2018</p>	
	<p>The Office of the Chief Financial Officer will establish a process to document the rationale and approval for release or reduction of holdbacks. In addition, CGC will be offering training to Officers to ensure that this process is respected. For recipient</p>	<p>5.2 Review current practice related to reduction of recoverable amounts identified through recipient</p>	<p>December 31, 2018</p>	

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	audits, a process will be established for the reduction of recoverable amounts. Some initiatives have already been put in place including an update to the Standard Operating Procedures, which requires approval at the CFO and Program VP for all deviations from CGC recommended audit recoveries. A decision table was also implemented and issued to programs with the final compliance report. This table outlines the audit findings, the CGC recommended recoveries and program's decision on recoverable amounts.	audits. 5.3 Recommendation for clarified accountabilities related to adjustments to accounts receivables.	December 31, 2018	
<p><b>Recommendation 6</b></p> <p>The Chief Financial Officer ensures that controls over user access to GCIMS are strengthened. Actions that would further strengthen existing controls include:</p> <ul style="list-style-type: none"> <li>a formal process to ensure timely notification by business owners to the service provider of user access change requirements, reinforced by adequate communication of related manager</li> </ul>	<p>Management agrees with the recommendation</p> <p>In collaboration with our Health Portfolio partners, actions will be taken to improve controls and management of GCIMS access.</p> <p>The Office of the Chief Financial Officer will establish a formalized process to improve access controls in GCIMS.</p>	<p>6.1 Establish a GCIMS notification process for business users.</p> <p>6.2 Quarterly review of GCIMS user access profiles and privileges to ensure strengthened controls.</p>	<p>June 30, 2018</p> <p>March 31, 2018</p>	

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responsibilities; and, <ul style="list-style-type: none"> <li>• more frequent reviews and updates of user access profiles and related privileges.</li> </ul>				
<b>Recommendation 7</b>  The Chief Financial Officer and the service provider ensure that changes to GCIMS affecting PHAC operations are supported by sufficient user testing within PHAC that includes adequate input from PHAC technical subject-matter experts and are accompanied by updates to system documentation in a timely manner.	Management agrees with the recommendation  The Office of the Chief Financial Officer will work with INAC Services to strengthen processes and protocols for User Acceptance Testing to ensure PHAC operations are not adversely affected by any GCIMS future upgrades or system changes.	7.1 Updated GCIMS UAT procedures and documentation requirements.  7.2 Communication of any changes to all Health Portfolio partners via INAC	September 30, 2018  September 30, 2018	