

# At a Glance



## Audit of the administration of the Canada Nature Fund contribution program

Budget 2018 announced an historic investment over 5 years for A Nature Legacy for Canada to conserve 17% of its land and freshwater by 2020, transition the species at risk program from planning to recovery, contribute to reconciliation with Indigenous peoples, and deliver effective management and expansion of federal protected areas. Environment and Climate Change Canada (ECCC) received \$730 million, Parks Canada Agency \$199 million, the Department of Fisheries and Oceans \$159 million, and Natural Resources Canada \$4 million - for a total of \$1.09 billion.

CWS administers ECCC's CNF through the Protected Areas Directorate, the Strategic Priorities Directorate, the Wildlife Management Directorate, and the Regional Operations Directorate. This work is done in collaboration with the Science and Technology Branch. CWS established a Centre of Excellence for G&Cs in the Strategic Priorities Directorate to provide guidance and support for all G&C programs they administer.

### What the audit examined

---

The objective of the audit was to assess the governance, risk management and controls in place to administer CNF contributions.

The audit covered the period from February 27, 2018 to the end of October 2020 and focused on three elements:

- the program governance and risk management
- assessment of internal controls for the administration of contributions including project eligibility, selection and approval
- the funding agreement development, project monitoring, claims processing and project closure.



## What the audit found

---

### Contribution administration processes

Adequate internal control processes and tools were in place and operating as intended for several CNF contribution cycle elements. These include program initiation, proposal intake, project evaluation and approval, project monitoring and claims processing. The administration of individual contribution projects is generally consistent with the relevant legislation and policies.

Some gaps and opportunities for improvement were identified with respect to the length of time it takes to approve and negotiate funding agreements with recipients, documentation maintained on file to support decision making and controls related to funding advances and closing funding agreements

### Governance and roles and responsibilities

Formal governance structures and clear roles and responsibilities are in place to support program administration and the provision of direction and oversight. One area for improvement related to the fact that the CNF is imbedded in a complex program organization, which may affect sustainable communications and coordination across staff.

### Risk management

Some program-related risks and proposed mitigation action plans were identified at the program design stage. Formal processes have not been developed to continuously identify, document, analyze, monitor, mitigate and escalate risks that could impact program delivery and objectives. In the current operating environment, it was noted that risks associated with program administration during the pandemic were identified and mitigated in a timely manner

## Recommendations and management response

---

In response to these findings, the audit team has put forward four recommendations. Canadian Wildlife Service has accepted the recommendations and has developed a management action plans in response.

## Recommendation 1

**The Assistant Deputy Minister, Canadian Wildlife Service, should:**

**Review and adjust the Canada Nature Fund contributions processes and procedures to improve the timely issuance of future funding agreements to recipients. Determine, in collaboration with ECCC Real-property group, the key project deliverables, governance and monitoring provisions relevant to outsourced ECCC real-property projects in line with TBS policy suite for real-property projects and ECCC Project Management Framework requirements**

### Management response

CWS will work with Corporate Services and Finance Branch, as necessary, to review and adjust the Canada Nature Fund contributions processes and procedures to improve the timely issuance of future funding agreements to recipients.

## Recommendation 2

**The Assistant Deputy Minister, Canadian Wildlife Service, should establish standards to support informed decision making for future agreements, including:**

**2.1 Updating guidance and tools to assess future planning projects**

**2.2 Ensuring that project risk information is consistently documented in future proposals**

**2.3 Establishing a formal process to track and document proposal decisions**

**2.4 Ensuring timely availability of quality French materials**

**2.5 Ensuring consistent descriptions of expected results are included in funding agreements**

### Management response

2.1 CWS will ensure that guidance and tools to assess future planning projects are provided.

2.2 CWS will ensure risk information is documented consistently in future proposals.

2.3 CWS will establish a formal process to track and document proposal decisions.

2.4 CWS will ensure the timely availability of quality French materials.

2.5 CWS will ensure that consistent descriptions of expected results are included in funding agreements.

### **Recommendation 3**

**The Assistant Deputy Minister, Canadian Wildlife Service, should strengthen controls over:**

**3.1 Documentation in support of advances, to ensure payments are managed appropriately**

**3.2 The project closure, to ensure that disbursements, including the final holdback payment, are fully documented and comply with the requirements of the Policy on Transfer Payments**

#### **Management response**

3.1 CWS will ensure documentation in support of advances to ensure payments are managed appropriately.

3.2 CWS will ensure project closures are fully documented to comply with the requirements of the Policy on Transfer Payments.

### **Recommendation 4**

**The Assistant Deputy Minister, Canadian Wildlife Service, should develop and implement a formal process to identify, document and monitor emerging risks and mitigation strategies, to inform management of program-level risks that could adversely impact the achievement of program objectives.**

#### **Management response**

CWS will develop and implement within our current risk management framework a formal process to address program level risks in line with ECCC's Integrated Risk Management Framework (IRMF).