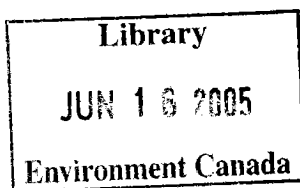


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ATLANTIC COASTAL ACTION PROGRAM

INTERIM AUDIT REPORT

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February 1, 1995
Atlantic Coastal Action Program

Interim Audit

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1.	Executive Summary	

At the request of management and in preparation for a planned Office of the Auditor General audit in 1996, an interim audit of the Atlantic Coastal Action Program was conducted during the second quarter of 1994-95. The Atlantic Coastal Action Program (ACAP) was designed as a demonstration project with an objective of planning for the restoration and conservation of 13 severely degraded coastal harbour and watershed areas. In practice, the ACAP sites have concentrated their efforts on the long-term planning for the sites, local action projects and overall education.

The objective of undertaking the audit at this time was to assess and develop concrete proposals for fostering improvements in ACAP's Management Framework, that is the systems in place to affect the delivery of the program. The approach followed was, through a series of interviews and review of documentation, including previous Auditor General reports of other Environment Canada eco-systems based programs, to establish the current situation, compare to what could be, and by that analysis, identify the opportunities for improvement.

Management issues were identified in three primary areas, these are:

- Leadership
- Accountability / Reporting Framework
- Effective Communication / Partnerships

Proposals have been developed to address these issues, they are outlined below.

Enhance departmental support for ACAP - To strengthen the leadership of the program and the reporting framework it is recommended that the strategic plan that was developed for the ACAP be reviewed and approved. This will contribute to the recognition of the ACAP as a departmental program and provide a clear demonstration of the commitment and support for ACAP. This recognition, as a key departmental program, is integral to the effective delivery of ACAP. ACAP relies heavily upon other parts of the department to provide it with the administrative and technical support it requires to deliver its program.

Strengthen accountability framework - To address the issues relating to the accountability framework for the program, it is recommended that the ACAP management use existing or enhanced management contract mechanisms to clearly identify ACAP deliverables. In addition, internal service agreements for the support services needed to effectively administer the ACAP as a departmental program should be developed. These would be in addition to the existing and planned service agreements for technical support. A clear articulation of both the administrative and technical support necessary to deliver the program is necessary. This, in combination with a training needs assessment to address the requirements of a multi-stakeholder approach, will enhance program delivery.

Effective communication of ACAP - To address the important area of communication, it can be discussed on three levels, site, departmental and external communication. On a site basis, Environment Canada can use more effectively the ACAP sites as a means to promote broader Environment Canada programs. On a departmental basis, the utility of the ACAP process, that is the multi-stakeholder eco-system based approach, as a means of delivery can be promoted among departmental personnel. Finally, externally, ACAP can support the sustainability objectives of the government in that it integrates both the environmental quality objectives of the communities involved, with the economic considerations of the community stakeholders.

Develop effective partnerships - To address the area of partnership with the provinces, it is recommended to either establish new provincially based advisory committees, composed of both Environment Canada and key provincial representatives, or make more effective use of existing committees to play the same role. This would establish a clear results based linkage with the Provinces. The function of these committees would be to assist in promoting ACAP as a process, and provide a mechanism to share valuable information.

The ACAP is on track with the achievement of many of the program's objectives. Evidence of this exists with the adoption of the same or similar processes by other government departments or the Provincial governments.

Given the nature of ACAP, as a demonstration project, there is the opportunity to make revisions to the program to more effectively produce the key deliverable, the Comprehensive Environmental Management Plans, as well as the educational and local action aspects of the program.

2.0 Summary of Recommendations and Management Response

1. Recommendation

The ACAP Strategic Plan be reviewed and updated so that it may be submitted to the Regional Management Committee (RMC) for approval.

Management Response

The ACAP strategic plan will be submitted to RMC for approval prior to September 30, 1995.

2. Recommendation

The Core Team members enter into an explicit management contract with the ACAP Program Manager which will articulate the various roles, responsibilities and commitments and roll up into the Management Contracts between the Directors and the Regional Director General.

Management Response

Immediately following the ACAP Community Conservation Workshop, program and site needs will be assessed by the core team and windows. The individual and collective commitments of team members to address program and site needs will be recorded.

3. Recommendation

The Program Manager for ACAP develop internal service agreements with the Core Team members and those critical to the success of the program, for example finance, communications, federal-provincial harmonization, etc., so as to be provided with the most up-to-date information and assistance for effective program management.

Management Response

The previous management response will address this recommendation. In addition to core team and window commitments, the commitments of other programs and services to assist in addressing site and program needs will be recorded.

4. Recommendation

The evaluation framework developed for the ACAP be used as a tool to gather and share lesson learned.

Management Response

The evaluation framework has been adopted as the basis of a management information system. All sites have adopted the framework for their information reporting. Site and project information holdings have all been entered into the system. The system can accommodate inquiries consistent with the result areas identified in the evaluation framework.

The information management base has been created. Information dissemination is accomplished through a wide variety of networks and communication tools.

ACAP sites share an electronic network that includes 13 sites in four provinces. Sites can quickly share information and results with one another. Similarly, other groups and communities can make on line enquiries. Work is presently underway on detailed ACAP node on the Green Lane. Organizations and /or interested individuals will be able to make specific inquiries by province, by site or by key result area.

5. Recommendation

The management of the Atlantic Region acknowledge and use the ACAP to promote the effective delivery of all of the Environment Canada programs and promote the objectives of the department.

Management Response

To date ACAP has been used as a vehicle for the delivery of many Environment Canada programs and in the promotion departmental objectives eg., sustainable ecosystems, pollution prevention, citizenship, sustainable economic development, water quality, bio-diversity, marine environmental quality, state of the environment reporting, environmental stewardship and community animation. The ACAP process has also proven to be an effective means to rationalize government programs and services on an ecosystem basis. For example, several large projects combine the resources of government departments with those of the private sector in order to address complex multi-jurisdictional issues.

Partnerships with ACAP organizations will continue to be utilized for program delivery and the attainment of departmental objectives.

6. Recommendation

Training be provided to Environment Canada personnel, as appropriate, to promote the development of the new management skills necessary to work effectively in a cooperative, multi-stakeholder approach.

Management Response

The executive directors of all ACAP sites have been provided with one week of intensive training in the facilitation of sustainable ecosystem initiatives. A comprehensive training needs assessment has been carried out amongst all Regional staff. Needs identified are being addressed in the training plans of branches, divisions and individuals. The strategic planning exercises carried out within ACAP organizations as well as the strategic planning sessions presently underway with EPB and ECB are providing valuable opportunities for personnel to gain experience in multi-stakeholder situations. ECB change team exercises are also providing opportunities for staff to experience multi-stakeholder situations.

7. Recommendation

The ACAP documentation be made available in both official languages.

Management Response

Demands for services and /or publications in both official languages will be met

and will continue to be met. ACAP newsletters and community guides will continue to be made available in both official languages. La Societe d'amenagement de La rivere Madawaska et du lac Temiscouata receives all services and publications in french. Similarly requests for ACAP guides and publications have been received from french organizations and french communities in Quebec and New Brunswick. These requests are promptly responded to in the language of choice.

8. Recommendation

ACAP Program Management continue their support for the development of an information base for the ACAP sites so that the information which is gathered for individual sites may be used on a broader basis and shared with the provinces.

Management Response

The management information base has been created. Information dissemination is accomplished through a wide variety of networks and communication tools. ACAP sites share an electronic network that includes 13 sites in four provinces. Sites can quickly share information and results with one another. Similarly, other groups and communities can make on line enquiries. Work is presently underway on detailed ACAP node on the Green Lane. Organizations and / or interested individuals will be able to make specific inquiries by province, by site or by key result area.

9. Recommendation

The ACAP Program Manager, in consultation with the departmental communications personnel, develop an internal marketing program to communicate the benefits of the multi-stakeholder, community based approach to departmental personnel as a means of program delivery.

Management Response

A marketing communications program has been developed and is being implemented. It recognizes ACAP as a full partner in Environment Canada's fleet of "flagship" ecosystem initiatives.

Communications and marketing of the community based, multi-stakeholder approaches has been greatly enhances by promoting ACAP initiatives as sustainable ecosystem initiatives. This approach enables other programs to participate as equals and to share ownership of results.

In addition to ACAP newsletters and the ACAP node on the Green Lane, ACAP accomplishments and benefits have been communicated in a wide variety of publications. These publications have included Gulf of Maine newsletters, National Round Table publications, site publications and videos as well as excellent press coverage by Atlantic Canada media. Similarly within Environment Canada ACAP has been communicated in Environment Canada's Guiding Principles for Ecosystem Initiatives, monitoring newsletters, CWS publications, pollution prevention publications and eco-action success stories.

ACAP has also been marketed and well received through such vehicles as the Rural and Small Towns program at Mount Alison University, Coastal Zone Canada '94, the Dalhousie School of Resource and Environmental Studies, the Institute for Research on Environment and Economy, the International Countryside Stewardship Exchange and the Agenda 21 follow up conference, recently held in Denmark. ACAP management philosophies and methodologies are reflected in the coastal zone management policy for Nova Scotia are being adopted by New Zealand Landcare. English Nature of Great Britain have requested ACAP assistance in training their resource managers and scientists in facilitating sustainable ecosystem initiatives.

10. Recommendation

A working level advisory committee be struck for each province that would include key provincial representatives as well as the operational managers / windows for each of the sites within that province. This would provide a forum for discussion and sharing of lessons learned.

Management Response

It is our belief that the intended role of an advisory committee is being met through existing Federal-Provincial forums, such as the Atlantic Accord. We share lessons and integrate efforts through the existing ACAP process complemented by CCME, Gulf of Maine and other bodies. There is no support for the creation of another body or another process.

Sites prefer to have government representatives empowered and engaged at the ecosystem level rather than sitting back in an advisory capacity. The ACAP process is based upon Government as part of the community initiative, rather than directing it or responding to it.

11. Recommendation

Environment Canada officials use inter-departmental meetings as a forum to be proactive in promoting the concept of eco-system community based initiatives as contributing to sustainable development for the Government of Canada.

Management Response

The needs and capacities of community based sustainable ecosystem initiatives are increasingly appearing as agenda items in interdepartmental meetings. Federal Councils, their environment sub-committees and other interdepartmental forums will continue to be used in promoting the concept of community based sustainable ecosystem initiatives.

3. Background

The original Treasury Board Submission identifies the Atlantic Coastal Action Program (ACAP) as a six year, \$10 million program designed to plan for the restoration and conservation of 13 severely degraded Atlantic Canada harbours and coastal areas. The program was designed as a demonstration project growing from the environmental initiatives outlined in the Green Plan. The original purpose of the

program was to restore, protect, and conserve the quality of the environment in specific areas. ACAP was intended to develop action programs to rejuvenate these high priority harbours and coastal areas by putting in place comprehensive environmental management plans and the institutional mechanisms to sustain ecosystems vital to continued economic growth in the region.

Environment Canada acts as a resource organization in terms of funding, scientific knowledge and administrative guidance to the 13 ACAP sites. It is jointly responsible for establishing at each site, with competent stakeholders, the Comprehensive Environmental Management Plan (CEMP) which will determine a doable level of environmental standards each community wanted to achieve. These standards will however, have to be as stringent as federal and/or provincial environmental requirements. The ACAP sites have concentrated their efforts on the long-term planning for the sites, but have included in their mandates both local action projects and overall education.

4. Purpose and Scope of the Audit

The Atlantic Coastal Action Program was identified as a program for audit in the 1994-95 Review Branch Plan. The objective of this interim audit was to assess and develop concrete proposals for fostering improvements in the Atlantic Coastal Action Program's management framework. The emphasis was on how the framework supports the ACAP program objectives and a review of the program to determine if the lessons learned as identified by the previous Auditor General reviews of the Environment Canada flagship programs, have been adopted. The scope of the audit was in the Atlantic Regional office.

5. Audit Model

The Review Branch has identified the following model as a template against which organizations may be reviewed. This model was used in the course of the audit of the ACAP :

- Sense of Direction
- Commitment
- Capacity
- Learning
- External support

A detailed review of the ACAP against each of these elements in the model is below.

6. Key Findings

Using a process like ACAP, a broadly-based multi-stakeholder approach, to address the issues which arise in dealing with plans to restore and remediate severely degraded harbour and coastal zones is a new concept. ACAP has proven to be a program which is based on two levels of partnership; the first is the partnership arrangement which exists between each of the stakeholder organizations in the ACAP

sites leading to the establishment of the ACAP organization whose purpose is the development of a site Comprehensive Environmental Management Plan. The adequacy and impacts of this partnership will be evaluated through the Program Evaluation planned for 1996, but, of necessity, will have an impact on the current audit.

The second area of partnership is the focus of this audit, that is the systems and partnerships which operate within Environment Canada to affect the delivery of the ACAP as a program. ACAP does not have the normal hierarchical structure of most government programs, this is a reflection of the circumstances as well as the unique community based nature of the program. Managing in the context of any partnership requires changes in the customary role and structures of an organization. In the course of the audit, this will be highlighted.

6.1 Sense of direction

The audit explored the adequacy of the management framework as it relates to sense of direction, that is the adequacy of the program's progress in developing a strategy and policies related to meeting the program's goals or targets.

The sense of direction of any program is indicated by the evidence of an approved and generally accepted strategic plan which clearly indicates how the program fits into the overall strategic plans of the department. In the case of the ACAP, the strategic plan, although developed early in the life of the program, has not been approved by the Regional Management Committee.

In practise, the ACAP management has been implementing the elements identified in the strategic plan, but without the acknowledged approval of senior management. This has contributed to a feeling among staff that they have not been provided with a clear sense of direction for the program. In addition, there have been a number of proposals for the development of new flagships to replace or subsume ACAP.

This is complicated by the activities of ACAP not being accurately or fully reflected in the workplans of individual areas of the department critical to the success of the program. It seems to be firmly believed that the ACAP process and resulting program are consistent with and supportive of the goals of the department. The absence of an approved plan to reflect this may impact on achieving the full potential of the ACAP process and program in the region and result in a lack of acknowledgment of ACAP achievements at headquarters.

It is recommended:

1. The ACAP Strategic Plan be reviewed and updated so that it may be submitted to the Regional Management Committee (RMC) for approval.

6.2 Commitment

The audit reviewed the level of commitment of the program as it relates to the organizational elements of the program: that is the accountability framework, the development of shared understanding and values throughout the department, the organization of staff and activities to achieve desired results, and the establishment of links with other components of the department.

Accountability Framework

The following aspects of the ACAP accountability framework have been explored:

- organizational arrangements
- accountability for results
- management support for the program

The original 1991-92 documentation relating to the ACAP identified three roles for Environment Canada. These were:

- a. Designation of an Environment Canada representative to sit as a stakeholder on every committee. This individual would provide input on several levels: to serve the interests of Environment Canada as a stakeholder; to provide advice and expertise where appropriate; and to provide the access point to the ACAP administrative group, and to other federal programs where required.
- b. Environment Canada was to administer the program through the Coastal Ecosystems Division, Water Resources Directorate, Conservation and Protection, Atlantic Region. There were to be five full-time staff assigned to the administration of the program to receive, review, and process funding applications and invoices, to ensure clear and open communication between the committees and senior management in Conservation and Protection, and generally, to provide support.
- c. ACAP was based on a team approach, and delivery of the program by Environment Canada also follows this philosophy. Additional Environment Canada personnel can also provide input and expertise to the program and may be asked to participate on individual committees where appropriate.

The program support discussed in item (a), is the basis for the concept of the ACAP "windows". In practice, many of those who act as windows have requested this as an additional duty since they see the ACAP as a means to more effectively support the delivery of their normal programs. Of the 13 windows, 1 is from Atmospheric Environmental Service, 6 are from the Environmental Conservation Service, 5 are from the Environmental Protection Service, and 1 is from Canadian Heritage. The concept is well established, for example, there has been a good deal of support for ACAP projects and groups from Environmental Protection Branch, who have come to see much of the work of the ACAP groups as being supportive of the goals of the Environmental Protection Service. There may be potential to further this philosophy in other parts of the department. This informal arrangement has worked well, with the windows acting as the external entry point into Environment Canada, and as members or observers of the Board of Directors of each site.

In relation to items (b) and (c), administrative support and teams, the ACAP Environment Canada team has as its focal point the ACAP Program Manager. This manager reports to the Manager, Environmental Conservation Strategies Division, who reports to the Regional Director Environmental Conservation Branch, who in turn reports to the Regional Director General. This current structure reflects the re-profiling and re-organization the program has experienced.

Over the life of the program, ACAP has had between 1 and 5 FTE dedicated to the program. The original Treasury Board submission outlined a resource requirement of 2 PYs in 1991-92 and 4 PYs in each of the subsequent five years. These resources were to be provided to Environment Canada's A-base, specifically to the Canada Water Act fund, which provided a legislative base to execute partnership programs. At the time of the audit, the full-time resources dedicated to the ACAP are the ACAP Program Manager supported by, as of the Fall of 1994, 1 additional person at a junior program management level. The budgetary pressures have meant that the ACAP program resources have been used to support the Environmental Conservation Branch O&M and salary budgets. The technical support necessary to the delivery of ACAP has come at a cost which impacted upon the project dollars available to ACAP sites. Although difficult to evaluate, the impact of the unavailability of project dollars in the early years of the ACAP sites, may not have been detrimental to the individual sites since the level of maturity of the sites in terms of being able to sponsor projects which would have contributed to the site objectives may have been limited.

In practice, the ACAP pays a portion of the salary of a number of staff within the Environmental Conservation Strategies Division, and these technical staff spend a percentage of their time on ACAP activities. The ACAP support provided by the Atmospheric Environmental Service, Canadian Heritage and the Environmental Protection Service, is not funded by the ACAP program. The ACAP Program Manager depends on the goodwill and relative priority given to ACAP projects by other parts of the department, as well as outside the department.

Recognizing some of the factors outlined above, and the nature of ACAP, the ACAP Program Manager has relied heavily on the team approach, and this has become an integral component of the ACAP process.

This organizational arrangement has had an impact on the broader issue of accountability. To deal with this challenge, the Program Manager has started a series of bi-weekly meetings with those who are considered part of the internal "Core Team". These are Environment Canada personnel who are instrumental in the delivery of ACAP, and include a representative in each of the following areas: Socio-Economic, Environmental Quality Assessment, Citizenship/Education, Communications, and Remedial Options. Each of these participants in the Core Team support the technical delivery of the ACAP in the 13 sites, in one way or another, and each, because of their participation and familiarity with the program, were found to be supportive of ACAP as a process for the department. There are some issues to be resolved with this arrangement since a call dated April 25, 1994 on the part of the ACAP Program Manager to have workplans developed from each of the Core Team members was not completely successful.

This was a first step toward articulating proposed responsibilities for each of the Core Team members. It made suggestions for the respective responsibilities of team members in a number of areas including internal management, information access, support systems and the individual issue areas. This call was a step toward providing a clear articulation of the responsibilities and reporting relationships required for effective implementation of the program. Completing this would be useful to articulating accountability and the support to be given the ACAP from the various team members.

It is recommended:

2. The Core Team members enter into an explicit management contract with the ACAP Program Manager which will articulate the various roles, responsibilities and commitments and roll up into the Management Contracts between the Directors and the Regional Director General.

To be successful, ACAP must be seen as a departmental program, not only a program within Environmental Conservation. The program must be able to draw upon internal corporate support systems that will address items of administrative support. This could include having a representative from the Finance Directorate as a member of the Core Team to provide accurate, timely project funding information or using the services of Legal Services Branch to assist in drawing up the agreements between Environment Canada and the various sites. More effective use of these central support services would allow ACAP staff to devote more time to the promotion of ACAP.

It is recommended:

3. The Program Manager for ACAP develop internal service agreements with the Core Team members and those critical to the success of the program, for example finance, communications, federal-provincial harmonization, etc., so as to be provided with the most up-to-date information and assistance for effective program management.

Organizational Arrangements

The organizational arrangements within the ACAP do impact upon the issue of accountability and have created the need for strong internal partnerships. The following outlines some of the key, critical success factors and the current status in ACAP.

- The need for a strong champion to promote the partnership vision of ACAP.

The Program Manager has been, and should be the main champion for the ACAP. This is dependent on establishing the required internal support and reconciling the line demands made on the team members. The Manager has found it important to adequately communicate the importance of ACAP as a means to effectively implement Environment Canada policies. At a more strategic level, the Regional Director General is the external champion of the program, responsible for promoting the concept and

the process to her provincial and OGD counterparts.

- The need for visible senior management support.

Senior management support has not been evident for the program; evidence of this is found in the lack of an approved Strategic Plan and Business Plan. The ACAP process or program is not a priority item for ongoing discussion at the Regional Management Committee. A review of the last year's minutes of the Regional Management Committee did not have any substantive references to ACAP nor any progress reports on its success.

- The need for adequate resources.

Line demands can seem to conflict with those of the ACAP. It is important to use the existing administrative systems to track the progress of the sites and the demands being made on the Core Team members by the sites. In this way, the ACAP program will have an accurate and complete picture of the resources dedicated to the program. This includes the development of strategic plans, answering information requests and requirements, contributing to the ACAP vision and goals and reviewing performance data. These requirements tend to fall to the ACAP Program Manager, impacting on the availability of time to undertake some of the other more strategic activities which could enhance the success of the program, for example inter-departmental marketing of ACAP and interaction with the provinces. (See Recommendation 3)

Monitoring and Evaluation

An evaluation framework has recently been completed and accepted for the ACAP, and the framework has been widely distributed to inform those who will be involved in the information gathering requirements. The internal feedback mechanisms at the time of the audit were informal. With the evaluation framework in place, there is the potential to ensure that the lessons learned from the ACAP experience will be gathered and communicated to the developers of any new proposal for a flagship program for the Atlantic Region. This would reflect the valuable contribution of the ACAP and be built on the successes of the program.

It is recommended that:

4. The evaluation framework developed for the ACAP be used as a tool to gather and share lesson learned.

Management Support

The ACAP does have support from its key internal partner, Environmental Protection Branch, in that the program is reflected in the workplan for the Branch and is seen as a good opportunity to advance the pollution prevention and control agendas in the communities affected by the program.

A number of steps have been taken internally to develop the necessary support within the department to build the partnerships necessary to deliver the ACAP. These have become more important because of the new paradigm encompassed by the ACAP;

that is where a program manager does not have the direct control over the resources required to deliver the program. To address this situation, the ACAP Program Manager has attempted to implement a team management process. The ACAP Program Manager has also developed informal communication channels with the 13 ACAP windows.

As previously noted in the Section on Senior Management Support, overall management support has not been readily apparent for the program. Evidence of this is found in the lack of an approved Strategic Plan. As well, the ACAP is usually identified in any discussions within the department around the issue of flagships as the Atlantic flagship program. The audit found that support for this as an idea is varied throughout the Regional office, with some of the senior management team acknowledging ACAP as a flagship, and some not. This lack of a clear identification of ACAP as a flagship program, or not, in combination with the attempts on the part of the Region to develop various scenarios which would create a new flagship in the Atlantic region, has resulted in some confusion as to the status of ACAP, both within the department, and possibility with our Provincial partners.

These factors have contributed to a sense within the ACAP of unclear management direction for the program.

It is recommended that:

5. The management of the Atlantic Region acknowledge and use the ACAP to promote the effective delivery of all of the Environment Canada programs and promote the objectives of the department.

6.3 Capacity

In the area of capacity, the audit assessed Financial Management and Control issues, namely: resourcing, budgetary management and control, reporting, the financial management information system and the role of regional finance in ACAP. The appropriateness of the Environment Canada personnel assigned to the program and the use of information technology was also explored.

Resourcing / Budgetary Management and Control

The level of financial resources allocated to the program was initially \$10 million over 5 years for 11 sites. The current level of funding is \$8.9 million over 6 years for 13 sites. Of that amount, approximately \$3.03 million is allocated to the sites via the hiring of the co-ordinator at a cost of \$50,000 / year / 13 sites for a maximum of 6 years. As well, \$1.7 million of this amount is allocated to salaries (the ACAP Program Manager, plus a portion of the time/salary of other Environmental Conservation Branch staff). This leaves approximately \$4.1 million for all other expenses over the 6 year time period; this includes the administration of ACAP and project funding to the sites.

The resources allocated to ACAP administration represents only a small portion, eg. for 1994/95, \$115,000 was allocated to administration and \$685,000 to site projects. In 1994-95, each site received an amount of \$20,000 in project funding and was able

to compete, on a project basis, for additional funding. This is the first year in which there has been substantial amounts of funding available for projects. The spending authority for this amount is delegated to the Environment Canada representative of each site. The remaining project funding is allocated to the projects selected by a multi-disciplinary team of Environment Canada personnel. This demonstrates a move toward the sharing of responsibility with the ACAP windows and helps to build the team concept in the program.

Financial Management / Regional Finance

The ACAP Program Manager, like all departmental program manager, must make decisions in light of timely, relevant, reliable financial information, analysis and advice, and must periodically report on financial accountability. Within this context, the audit looked at the financial side of ACAP financial management. Financial management is exercised by the program manager relating his general knowledge of activities to the cost element of expenditure reports. For a program in its initial stage, without substantial project funding dollars available, this may be adequate, but it is unlikely to be so as this program continues at its current level.

The expenditure reports prepared by Finance for the ACAP Program Manager were reviewed. The reports are basically a summary of the data extracted from AFMAS, without any financial analysis. The current financial reports cannot fulfil the needs of the ACAP manager. In addition, the expenditure reports contain inaccurate information. This is due mostly to incorrect coding of some transactions. Evidence shows, at the time of the audit, little involvement of the Regional Finance in supporting the program.

The Regional Finance is aware of the inadequacies of the financial reports. It has recently encountered difficulties with the financial management system, specifically with some missing salary data and incomplete AFMAS statements. The merging of AES and C&P accounting systems has increased the complexity of the situation. Nevertheless, efforts are being made to address the problems and improve the situation.

Training / Human Resource Management

Partnerships have as their essence the interdependence of goals and strategies and these result in changes in "normal" management tasks. In addition, they make special demands on the time of employees and may cause a re-definition of roles within organizations. To be effective in this atmosphere therefore, employees need to have certain tools, attitudes and capabilities encouraged or developed. Working in partnership requires that a broader outlook and innovative approaches be developed. Skills relating to facilitation, consultation, conflict management, negotiation and the ability to juggle conflicting demands needs to be developed and valued.

Given the horizontal nature of the ACAP, the right kind of training and building of capacity within the department is very important to ensure that those involved in the ACAP process are able to manage in an environment of shared responsibility. As a

department, Environment Canada is obliged to train its personnel to work within the new horizontal environment of shared responsibility established through the ACAP process.

The ACAP windows were provided with training in the area of conflict resolution and communication skills when the groups were first established. Since that time, however, two additional groups have been brought on-line as ACAP sites, and there have been Environment Canada staff changes. It is important to have the proper skills in place to facilitate the work undertaken with the sites. The various 13 sites have been supplied with training and professional facilitation guidance to support their process.

It is recommended that:

6. Training be provided to Environment Canada personnel, as appropriate, to promote the development of the new management skills necessary to work effectively in a cooperative, multi-stakeholder approach.

The ACAP windows and sites have been provided with a three manual set for the Atlantic Coastal Action Program :

- Volume I Sharing the Challenge, A Guide for Community-Based Environmental Funding
- Volume II Sharing the Challenge, Community Environmental Profile: A Workbook for use in ACAP Project Areas
- Volume III Sharing the Challenge, A Guide to Community Project Funding.

It was noted in the course of the audit, that only one of the three manual was available in French. While this has not proven to be a major issue to date, with any proposed expansion of either the ACAP process or the documents to other parts of the country, the documentation should be available in both official languages.

It is recommended that:

7. The ACAP documentation be made available in both official languages.

Information Technology

Each of the ACAP sites have been supplied with an INTERNET connection as a result of a request made at the 1993 Community Conference. This connection was supplied with an aim of facilitating the transfer of information between sites and the ACAP Program Manager. As noted in the Management Support Section, the usefulness of this connection remains to be seen since not all of the sites have been fully trained as to its functions.

8. ACAP Program Management continue their support for the development of an information base for the ACAP sites so that the information which is gathered for individual sites may be used on a broader basis and shared with the provinces.

6.4 Learning

In the area of learning, the audit assessed the communication mechanisms within the program, the direction received from Environment Canada headquarters, the means established to measure, monitor and report the progress of the Environment Canada portion of the program in contributing to the overall achievement of the program goals, and the mechanisms to share information among the action plan programs and ensure continuous improvement. As well, the audit reviewed if program management analyzed and assessed the continued need for, and designed, its programs for success.

A commitment to good communication and an effective communication strategy is essential to the operation of effective partnerships. Internally, this allows each of the 13 ACAP windows and the Core Team to support the ACAP process of partnership, and externally, it permits stakeholders and Environment Canada personnel involved in the ACAP sites the ability to develop a mutually shared understanding of the expected roles, responsibilities and accountability issues. Ideally, this results in trust being nurtured and the partnership supported.

The communication mechanisms between the ACAP Program manager and the sites were found to be strong and the information provided to sites assisted the 13 ACAP windows in ensuring the smooth operation of the program. This included the sharing of the annual reports produced by each of the individual sites, the organizing of an annual ACAP Community Conference to share advancements made in each of the sites, and periodic meetings of the ACAP windows to share information.

Mechanisms are also in place to share information between the Core Team and the ACAP Program Manager. Informal, internal communication among those directly involved in the program is quite strong. It is among those within the department, but outside of the ACAP Core Team or windows, where opportunities may lie for increased communication of the benefits of using the ACAP process in promoting the programs of the department in communities. The ACAP Program Manager acknowledges that the internal marketing of the program has been weak, and that this is an area ripe for some improvement.

It is recommended that:

9. The ACAP Program Manager, in consultation with the departmental communications personnel, develop an internal marketing program to communicate the benefits of the multi-stakeholder, community based approach to departmental personnel as a means of program delivery.

The information gathered by putting in place the mechanisms developed through the ACAP Evaluation Framework and the process of answering the issue oriented questions, will provide an ongoing mechanism for evaluating the adequacy of learning and continuous improvement in the program. It will also assist managers in undertaking a self-evaluation of their achievement of results and extent of learning within the ACAP process.

In the area of guidance from Headquarters, the ACAP Program Manager has been asked, as have all of the managers of the "flagship" programs, to assist in the development of draft guiding principles for future flagship initiatives. This included a review of the principles guiding existing flagships, and a sharing of the lessons learned in putting these principles into practice. Headquarters has played a facilitator role in the identification and evaluation of the national guiding principles.

6.5 External Support

In the area of external support, the effectiveness of the program's ability to build / contribute to the consensus necessary among partners and stakeholders toward achieving program goals was reviewed. As well, the role of partners in measuring or monitoring, that is the extent to which they are part of learning was explored.

The characteristics of a successful partnership are inclusiveness and representativeness, that is ensuring that all stakeholders whose interests are significantly affected and whose contribution is necessary to achieving the partnership's goals, are included. In the case of ACAP externally, this includes the provinces and the municipalities as well as the various citizen groups and individuals. Internally, the same criteria apply, the links within the other parts of the department must be clearly articulated and representative of all .

The key partners for a program like ACAP are the provinces and municipalities. Initially, provincial representation was considered an issue in the development of the ACAP since the provinces were not completely consulted in the choice of sites, nor was there a mechanism established to jointly manage the sites and the expectations created among the citizens involved. Indeed, the creation of undue expectations on the part of the citizens has been identified as one of the long-lasting issues with the provinces. Many of the action items which arise in the course of the development of the Comprehensive Environmental Management Plan, are issues which could have major monetary implications for the provinces since they are within their jurisdiction.

In practice, each site does have a provincial representative, either on their Boards of Directors or as an observer, and provinces are generally kept aware of the advancement of the sites toward their objectives through this means. Given that ACAP sites exist in each of the Atlantic provinces, and that there is varying degrees of information being communicated to the provinces, it is critical that open lines of communication be maintained with each province. Each must be an equal partner and participant in the development of the CEMP for the sites within their province, and a senior-level mechanism needs to be developed that will allow the provinces to maintain their awareness of the status and strategies being adopted by each of the sites. Some progress has been made in this area by the ACAP team in integrating ACAP site objectives into existing federal / provincial agreements.

It is recommended that:

10. A working level advisory committee be struck for each province that would

include key provincial representatives as well as the operational managers / windows for each of the sites within that province. This would provide a forum for discussion and sharing of lessons learned.

Given the community-based, eco-system approach embodied by the ACAP process, it is important for the ACAP and Environment Canada to build bridges between the department and other federal government departments. There exists an opportunity to further the sustainability agenda of the government in its broadest sense by working to close the gap between community needs and the services provided by other government departments.

Within the ACAP sites there exists a broad network of information on the communities which have been involved in the process. This can be seen as a valuable information resource on what it means to empower communities, and how to effectively share resources to achieve results. ACAP Program Management has been proactive in establishing some informal contacts, but there exists an opportunity to be more proactive with other government departments in communicating the benefits of ACAP.

It is recommended that:

11. Environment Canada officials use inter-departmental meetings as a forum to be proactive in promoting the concept of eco-system community based initiatives as contributing to sustainable development for the Government of Canada.

7. Conclusions

The key question to be answered at this point is: Has the Atlantic Coastal Action Program, as a demonstration project, been a success to date?

There are 2 years remaining in the program, and the final results are still to be established, but the program is on track toward developing the Comprehensive Environmental Management Plans that are to be its final output. In the course of the audit, we have reviewed the accountability framework which supports the development of these CEMPs.

The audit found that the level of support and enthusiasm for the program from the perspective of the people involved in the program, both Environment Canada employees and those citizen volunteer, is high. The audit results indicate that ACAP is on target in achieving its objectives. Nevertheless, there were a number of issues in the areas of the adequacy of the accountability framework and communication which did arise. Many of the elements that one would expect to find in a successful program, a clear sense of direction, demonstrated senior management commitment to the program and the dedicated capacity to deliver, have been missing from the ACAP process. To what then, can ACAP attribute its success? It seems apparent that success can be attributed to the enthusiasm and empowerment of the communities, within the Environment Canada sponsored process, to do more for themselves, to do it better, or more effectively, and thereby to meet both the community's and the

departmental objectives.

From the point of view of Environment Canada, this sharing of decision-making power has a number of results. These include increased service responsiveness which allows governments to better understand and respond to community needs; improved effectiveness, allowing better co-ordination of efforts and systems for improved information exchange; and a sharing of the risks, cost savings and leveraging of funds to maximize the efficient use of resources. This is a shift in culture and the traditional role of the government, but is consistent with the new role that the government wishes to adopt in terms of promoting sustainable development and long-term sustainability within communities.

8. Summary of Recommendations

1. The ACAP Strategic Plan be reviewed and updated so that it may be submitted to the Regional Management Committee (RMC) for approval.
2. The Core Team members enter into an explicit management contract with the ACAP Program Manager which will articulate the various roles, responsibilities and commitments and roll up into the Management Contracts between the Directors and the Regional Director General.
3. The Program Manager for ACAP develop internal service agreements with the Core Team members and those critical to the success of the program, for example finance, communications, federal-provincial harmonization, etc., so as to be provided with the most up-to-date information and assistance for effective program management.
4. The evaluation framework developed for the ACAP be used as a tool to gather and share lesson learned.
5. The management of the Atlantic Region acknowledge and use the ACAP to promote the effective delivery of all of the Environment Canada programs and promote the objectives of the department.
6. Training be provided to Environment Canada personnel, as appropriate, to promote the development of the new management skills necessary to work effectively in a cooperative, multi-stakeholder approach.
7. The ACAP documentation be made available in both official languages.
8. ACAP Program Management continue their support for the development of an information base for the ACAP sites so that the information which is gathered for individual sites may be used on a broader basis and shared with the provinces.
9. The ACAP Program Manager, in consultation with the departmental

communications personnel, develop an internal marketing program to communicate the benefits of the multi-stakeholder, community based approach to departmental personnel as a means of program delivery.

10. A working level advisory committee be struck for each province that would include key provincial representatives as well as the operational managers / windows for each of the sites within that province. This would provide a forum for discussion and sharing of lessons learned.
11. Environment Canada officials use inter-departmental meetings as a forum to be proactive in promoting the concept of eco-system community based initiatives as contributing to sustainable development for the Government of Canada.