Audit of the Management of Grants and Contributions at Health Canada

Management Response and Action Plan

March 2018

Presented to HC Departmental Audit Committee on March 6, 2018

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
Recommendation 1	Management agrees with this recommendation.			
Recommendation 1 It is recommended that the Senior Assistant Deputy Minister, First Nations and Inuit Health Branch (FNIHB) and the Assistant Deputy Minister, Strategic Policy Branch (SPB), take steps to enhance, within their respective branches, the existing processes for monitoring and quality assurance of grants and contributions (G&Cs) programs to ensure all key elements of the departmental Management Control Framework (MCF) for G&Cs are adequately addressed. This would include consideration of a documented risk-based approach that better demonstrates the alignment of quality assurance and monitoring activities with identified risk areas related to the management of individual programs and the integration of applicable control criteria outlined in the departmental MCF for G&Cs.	FNIHB, in consultation with its regions, will develop a Monitoring Directive to ensure that G&Cs program management functions are strategically monitored for quality assurance, and results are reported to senior management and other key decision-makers.	1.1.1 Develop Directive to determine annual focus for quality assurance activities and assess 32 recipients for FY 2016-17.	April 30, 2018	Director – Capacity, Infrastructure and Accountability Directorate (CIAD)
		1.1.2 Key quality assurance focus areas for each fiscal year are shared with regions annually.	April 30, 2018	Director – CIAD
		1.1.3 Quality assurance activities are reported to ADM.	November 30, 2018	Director -- CIAD

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SPB	Management agrees with the recommendation.			
	SPB currently conducts quality assurance activities on new agreements, amendments, program terms and conditions, and performance measurement strategies. In addition, SPB will undertake an annual risk analysis of key management functions and control criteria outlined in the departmental MCF for G&Cs, in consultation with senior management, to identify annual focus areas for monitoring and quality assurance activities. The results of monitoring and quality assurance activities will be reported to SPB senior management annually, at minimum.	1.2.1 Monitoring and quality assurance results on current activities reported to Branch Executive Committee (BEC).	March 31, 2018	Health Programs and Strategic Initiatives (HPSI), SPB
		1.2.2 Monitoring and quality assurance focus areas for fiscal year are reflected in annual Branch Operational Plan. Ongoing	Q2 (July) 2018	HPSI, SPB

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Recommendation 2 It is recommended that the Senior Assistant Deputy Minister, First Nations and Inuit Health Branch (FNIHB) and the Assistant Deputy Minister, Strategic Policy Branch (SPB), in collaboration with the Chief Financial Officer, Chief Financial Officer Branch (CFOB), enhance the existing processes for G&Cs program monitoring and reporting. Enhancements to the processes should consider the identification of minimum information requirements and development of associated reporting mechanisms that facilitate regular, structured reporting to program managers and senior management committees.	Management agrees with this recommendation.			
	FNIHB will continue to update annually the reporting requirements for all program, ensuring data collection is both necessary and useful to measure performance and reporting on departmental results.	2.1.1 Consult with regions and senior management to determine reporting needs and frequency for G&Cs program management information.	August 31, 2018	Director General (DG) - Strategy Policy, Planning and Information Directorate (SPPI) in consultation with CIAD
		2.1.2 Update the reporting guide and Data Collection Instrument (DCI).	October 31, 2018	DG - SPPI in consultation with CIAD
		2.1.3 Release the new guides and DCIs to regions and post on the Intranet.	April 1, 2019	DG - SPPI in consultation with CIAD

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SPB	Management agrees with this recommendation.			
	SPB has recently revisited reporting requirements for all programs (performance information profiles for 14 programs delivered in the branch), ensuring data collection is both necessary and useful to measure performance and reporting on departmental results. In addition to existing G&Cs program management information [e.g. Management Variance Report (MVR), multi-year forecasting of funds, annual recipient risk profiles and audit plan], SPB will consult with senior management and CFOB to identify any further information, beyond Recommendation 1, which should be regularly reported to SPB senior management. SPB senior management will review information and reporting requirements and processes annually and adjust as necessary to ensure their relevance.	2.2.1 Minimum information requirements for regular reporting on G&Cs program management to senior program and branch management are documented. This will include the process by which information will be reported (e.g. dashboard reports, other), and associated responsibilities (e.g. program managers, the Office of Grants and Contributions).	June 30, 2018	HPSI, SPB

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Recommendation 3 It is recommended that the Chief Financial Officer, Chief Financial Officer Branch, in collaboration with the Assistant Deputy Minister, Strategic Policy Branch, and the Senior Assistant Deputy Minister, First Nations and Inuit Health Branch, ensure that controls over user access to the Grants and Contributions Information Management System (GCIMS) are strengthened. Actions that would further strengthen existing controls include: • 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 responsibilities; and, • more frequent reviews and updates of user access profiles and related privileges.	Management agrees with this recommendation. FNIHB will work with regions to ensure the Access Control Forms are reviewed and updated to reflect appropriate user access profiles.	3.1.1 Add reminder in monthly newsletter that user access forms need to be reviewed and updated.	Ongoing (will submit last evidence October 31, 2018)	Director -- CIAD
		3.1.2 Provide quarterly report to Directors of Operations to ensure they review and update their employees' access.	Quarterly (will submit last evidence October 31, 2018)	Regional Directors of Operations/Director of CIAD

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CFOB	Management agrees with this recommendation.			
	The departmental departure process has already been formalized for notification of changes to access requirements resulting from departures. CFOB will issue notices to reinforce managers' responsibilities. CFOB will work with the service provider to ensure that more frequent reviews of user access profiles and related privileges are carried out.	3.2.1 Minutes from national conference call.	September 8, 2017 Completed by CFOB.	Manager, Transfer Payment Management Services (TPMS)
		3.2.2 GCIMS Newsflash	October 5, 2017 Completed by CFOB.	Manager, TPMS
		3.2.3 Revised GCIMS Service Level Agreements (SLAs).	March 31, 2018	Executive Director, Policy, Internal Control and Corporate Accounting Division (ED, PICCAD),

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Recommendation 4 It is recommended that the Chief Financial Officer, Chief Financial Officer Branch, in collaboration with the Assistant Deputy Minister, Strategic Policy Branch and the Senior Assistant Deputy Minister, First Nations and Inuit Health Branch, and the service provider, ensures that changes to GCIMS affecting HC operations are supported by sufficient user testing within HC that includes adequate input from HC technical subject-matter experts and are accompanied by updates to system documentation in a timely manner.	Management agrees with the recommendation.			
	This recommendation has been addressed. Consultation with all parties is now an integral part of the design and development phase for any new functionality. GCIMS materials will be made available for review at the time of User Acceptance Testing. In addition, there is now more that needs to be reviewed or tested (i.e. materials), therefore, more time has been allocated for User Acceptance Testing in the project plan prepared by INAC, allowing for retesting where required. The deployment of any new functionality can be delayed until internal documentation is updated and trainers become proficient with the material prior to rolling out training.	4.1.1 Record of decisions (ROD) from the GCIMS Joint Executive Advisory Committee, Presentation to GCIMS Joint Executive Advisory Committee	Completed by CFOB.	CFOB

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CFOB	Management agrees with the recommendation.			
	This recommendation has been addressed. Starting with the December 2017 release of GCIMS, materials will be made available for review at the time of User Acceptance Testing. In addition, a greater amount of time has been allocated for User Acceptance Testing in the project plan prepared by INAC. The deployment of any new functionality can be delayed until internal documentation is updated and trainers become proficient with the material prior to rolling out training.	4.1.2 Record of decisions (ROD) from the GCIMS Joint Executive Advisory Committee, Presentation to GCIMS Joint Executive Advisory Committee.	March 27, 2018

Completed by CFOB. | ED, PICCAD |