

**ACTION PLAN IMPLEMENTATION STATUS UPDATE
REPORT TO THE AUDIT COMMITTEE
AS OF SEPTEMBER 30, 2014**

Lands and Economic Development			
<i>Audit of Economic Development Programs</i>			
APPROVAL DATE: 02-06-2014			
PROJECT RECOMMENDATIONS	ACTION PLAN	EXPECTED COMPLETION DATE	PROGRAM RESPONSE
<p>1. The Assistant Deputy Minister of the Lands and Economic Development Sector should, as part of revising its Performance Measurement Strategy, design and implement key performance measures and indicators, which provide metrics to objectively evaluate and demonstrate the impact of community-based economic development programs as a key input into the ongoing assessment of the design and delivery of these programs. For the Aboriginal Business Development Program, LED should clarify how project performance data will be collected by third party Program Delivery Partners and communicated to AANDC.</p>	<p>To streamline program delivery and remove program overlaps, the Lands and Economic Development Sector recently completed a consolidation of program authorities. Performance measurement strategies for both the Community Opportunity Readiness Program and the Lands and Economic Development Services program are currently being developed to incorporate key performance indicators. Through the development of these strategies, AANDC will be better positioned to measure the impact of community based economic development programs.</p> <p>Beginning in 2014-15, LED Sector is planning to transition the coordination of Aboriginal Entrepreneurship Programming, which is currently the role of the Sector, to the National Aboriginal Capital Corporation Association (NACCA).</p> <p>LED continues to transition program management and program delivery responsibilities of renovated programming to Aboriginal Financial Institutions who agree to become Program Delivery Partners. NACCA has been asked to undertake a Quality Assurance Review and Compliance function in respect of the program delivery undertaken by Program Delivery</p>	<p>April 1, 2014</p>	<p>Status: <i>Request to Close</i></p> <p>Update/Rationale: As of 30/06/2014:</p> <p><i>The ADM of Lands and Economic Development presented its Performance Management Strategy to EPMRC on February 6, 2014</i></p> <p><i>The Strategy includes revised Performance Indicators and descriptions of the transition from Aboriginal Entrepreneurship programming to NACCA and its AFI membership, including development of program elements, (Aboriginal Development Loan Allocation and Skills and Training), data collection methodologies and the role of the Program Delivery Partners.</i></p> <p><i>Performance Measurement Strategies for the Lands & Economic Development Services Program and the Community Opportunity Readiness Program were developed as required and currently in place.</i></p>

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	<p>Partners, including data collection about program recipients and beneficiaries.</p> <p>This requirement has been discussed extensively with NACCA and representatives of the Aboriginal Financial Institutions. They understand the critical importance of collecting and remitting reliable data in a timely manner to be able to provide evidence of the beneficial effects of this program investment.</p> <p>The Quality Assurance Review function will be an integral component of the business plan that NACA will provide to LED, prior to assuming renovated program management responsibilities.</p> <p>As of April 1, 2014, program management responsibility for two new program elements will be transferred to NACCA.</p> <p>As of April 1, 2015, an additional program element will be transferred to NACCA, based on performance with program elements transferred in 2014-15.</p>	<p>April 1, 2014</p> <p>April 1, 2015</p>	<p><i>Status: Completed, Aboriginal Developmental Loan Allocation and Aboriginal Capacity Development Program transferred to NACCA.</i></p> <p><i>Transfer of other elements such as Capital Attraction Tool and Aboriginal Business Financing are on schedule.</i></p> <p>AES: Implementation complete. Recommendation to be closed</p>
2. The Assistant Deputy Minister of the Lands and Economic	LED has implemented appropriate strategies to mitigate key program risks, such as a national prioritization	April 1, 2014.	Status: Underway

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Development Sector should include, as part of its annual planning for these programs, identification and assessment of Economic Development risks and determine appropriate mitigation measures required to further support the achievement of program objectives. Where possible and appropriate the program risk work already being done in regions should be leveraged to support the efficiency and effectiveness of this assessment.	framework which ensures that project proposals from across the country are considered each year on a consistent basis. The national prioritization framework provides a fair and transparent platform for communicating decisions regarding departmental investments in large economic development projects. LED will also complete a formal risk assessment process to ensure a consistent approach to risk identification and analysis. A program risk assessment is being developed in collaboration with the Audit and Evaluation Branch and will be included as part of the performance measurement strategy for new consolidated programs in 2014/2015.		<p>Update/Rationale: As of 30/09/2014:</p> <p>A formal risk assessment process is underway for all the sub-program under 3.2 Community Economic Development. The completed risk assessment and mitigation strategy will be included in the performance measurement strategy, which was approved in March, 2014.</p> <p>AES: Ongoing.</p>
3. The Assistant Deputy Minister of the Lands and Economic Development Sector should develop a quality assurance review and compliance framework and practices to provide AANDC with assurance over the effectiveness of Program Delivery Partner program management processes and controls in the delivery of the Aboriginal Business Development Program. The compliance framework and	A Quality Assurance Review and Compliance framework has been developed for Program Delivery Partners. Also, a Quality Assurance checklist has been provided to Regions. Activities under this framework will be initiated for PDP activities during FYs 2013-14 and 2014-15.	April 1, 2014.	<p>Status: Request to close- Initiative is ongoing.</p> <p>Update/Rationale: As of 30/09/2014:</p> <p>First round of Quality Assurance Reviews have been completed by regions and reports are being completed for presentation to PDPs. No significant variances have been noted in final reports.</p> <p>A second round of Quality Assurance Reviews is scheduled for the 3rd quarter of FY 2014-15.</p>

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practices should be adjusted to ensure AANDC continues to receive assurance over program delivery once the National Aboriginal Capital Corporation Association takes on the Department's program coordination role.			AES: Recommend to Close. Closed.
4. The Assistant Deputy Minister of the Lands and Economic Development Sector should, as program realignment is rolled out and roles and responsibilities are clarified, emphasize the use of the Grants and Contributions Information Management System as the system of record, and clarify the need for complete documentation, to support the efficient and effective management of AANDC economic development programs.	<p>The Lands and Economic Development Sector agrees that GCIMS should be used to its full potential as a tool for financial management, project management and information management, to provide national accessibility to key information and accurate data. This includes project applications and proposals, due diligence project reviews, evidence of project approval, monitoring, compliance, and project deliverables.</p> <p>As the LED Sector implements the new consolidated program authorities, LED will require the proper use of GCIMS in the following:</p> <p>a) Management Control Frameworks, as a key program management role and responsibility; and</p> <p>b) Performance Measurement Strategies, as a data source and</p>	April 1, 2014	<p>Status: Request to close. Update/Rationale: As of 30/09/2014:</p> <p>Grants and Contributions Information Management System (GCIMS) is the new name of the former First Nation and Inuit Transfer Payment System and is being used by the Aboriginal Entrepreneurship Program. AEB will use the GCIMS as prescribed in the action plan to include data requirements and program oversight function as required for funding.</p> <p>Management Control Frameworks and Performance Measurement Strategies have been developed and approved for the Lands and Economic Development Services and the Community Opportunity Readiness Programs. The Management Control Frameworks include a requirement to conduct regular operational reviews. GCIMS is being used as required for managing contribution agreements.</p>

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	<p>methodology for performance measurement and data collection.</p> <p>In addition, as a requirement within LED program Management Control Frameworks, LEDS will conduct regular operational reviews. The objectives of the operational reviews are to: ensure compliance with established procedures; assure reliability of data and reports; and report the results of the operational inspections to senior management at the regional and headquarters level.</p> <p>As of April 1st, 2014 full use of GCIMS will be implemented for Community Opportunity Readiness Program and Aboriginal Entrepreneurship Program.</p>		<p>AES: Recommend to close. Closed.</p>