



## Canadian Forces Grievance Board Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2012, and all information contained in these statements rests with the management of the Canadian Forces Grievance Board. These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are based on Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Canadian Forces Grievance Board's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Canadian Forces Grievance Board's Departmental Performance Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of Internal Control over Financial Reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Canadian Forces Grievance Board and through conducting an annual assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The Canadian Forces Grievance Board will be subject to periodic Core Control Audits performed by the Office of the Comptroller General and will use the results of such audits to adhere to the Treasury Board Policy on Internal Control.

In the interim, the Canadian Forces Grievance Board has undertaken a risk-based assessment of the system of ICFR for the year ending March 31, 2013, in accordance with the Treasury Board Policy on Internal Control, the action plans are summarized in the annex.

The financial statements of Canadian Forces Grievance Board have not been audited.

  
\_\_\_\_\_  
Bruno Hamel, Chairperson  
Ottawa, Canada  
August 28, 2012

  
\_\_\_\_\_  
Anne Sinclair, Chief Financial Officer  
Ottawa, Canada  
August 28, 2012



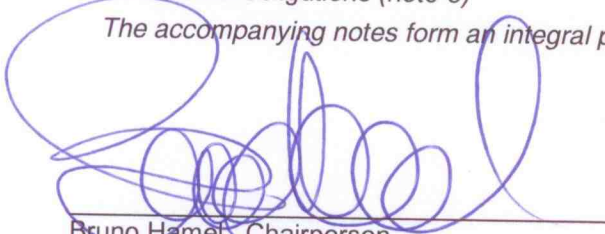
**Canadian Forces Grievance Board  
Statement of Financial Position (Unaudited)  
As at March 31**

(in thousands of dollars)

	<u>2012</u>	<u>2011</u> Restated (note 11)
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	\$ 403	\$ 334
Vacation pay and compensatory leave	119	118
Future Employee Benefits (note 5)	304	754
<b>Total net liabilities</b>	<b>826</b>	<b>1,206</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	318	304
Accounts receivable and advances (note 6)	107	20
<b>Total net financial assets</b>	<b>425</b>	<b>324</b>
<b>Departmental net debt</b>	<b>401</b>	<b>882</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	185	240
<b>Departmental net financial position</b>	<b>\$ (216)</b>	<b>\$ (642)</b>

*Contractual obligations (note 8)*

*The accompanying notes form an integral part of these financial statements.*

  
\_\_\_\_\_  
Bruno Hamel, Chairperson  
Ottawa, Canada  
August 28, 2012

  
\_\_\_\_\_  
Anne Sinclair, Chief Financial Officer  
Ottawa, Canada  
August 28, 2012



**Canadian Forces Grievance Board  
Statement of Operations and Departmental Net Financial Position (Unaudited)  
For the Year Ended March 31**

(in thousands of dollars)

	2012 Planned Results	2012	2011 Restated (note 11)
<b>Expenses</b>			
Review of Canadian Forces grievances	\$ 4,684	\$ 3,995	\$ 3,954
Internal Services	2,382	2,303	1,804
<b>Total expenses</b>	<b>7,066</b>	<b>6,298</b>	<b>5,758</b>
<b>Revenues</b>			
Miscellaneous Revenues	0	58	8
<b>Total revenues</b>	<b>0</b>	<b>58</b>	<b>8</b>
<b>Net cost of operations before government funding and transfers</b>	<b>7,066</b>	<b>6,240</b>	<b>5,750</b>
<b>Government funding and transfers</b>			
Net cash provided by government	6,708	6,357	5,654
Change in due from Consolidated revenue fund	(5)	14	(149)
Services provided without charge by other government departments (note 9)	303	295	289
<b>Total Government funding and transfers</b>	<b>7,006</b>	<b>6,666</b>	<b>5,794</b>
<b>Net cost (revenue) after government funding and transfers</b>	<b>60</b>	<b>(426)</b>	<b>(44)</b>
Departmental net financial position – Beginning of year	(621)	(642)	(686)
<b>Departmental net financial position – End of year</b>	<b>\$ (681)</b>	<b>\$ (216)</b>	<b>\$ (642)</b>

*Segmented Information (note 10)*

*The accompanying notes form an integral part of these financial statements.*



**Canadian Forces Grievance Board  
Statement of Change in Departmental Net Debt (Unaudited)  
For the Year Ended March 31**

(in thousands of dollars)

	2012 Planned Results	2012	2011
<b>Net cost of operations after government funding and transfers</b>	<b>\$ 60</b>	<b>\$ (426)</b>	<b>\$ (44)</b>
<b>Change due to tangible capital assets</b>			
Acquisition of tangible capital assets	27	36	63
Amortization of tangible capital assets	(88)	(91)	(80)
<b>Total changes due to tangible capital assets</b>	<b>(61)</b>	<b>(55)</b>	<b>(17)</b>
<b>Net increase (decrease) in departmental net debt</b>	<b>(1)</b>	<b>(481)</b>	<b>(61)</b>
Departmental net debt – Beginning of year	882	882	943
<b>Departmental net debt – End of year</b>	<b><u>\$ 881</u></b>	<b><u>\$ 401</u></b>	<b><u>\$ 882</u></b>

*The accompanying notes form an integral part of these financial statements.*





**Canadian Forces Grievance Board  
Statement of Cash Flow (Unaudited)  
For the Year Ended March 31**

(in thousands of dollars)

	<u>2012</u>	<u>2011</u>
<b>Operating Activities</b>		
Net Cost of Operations before government funding and transfers	\$ 6,240	\$ 5,750
<b>Non-cash items:</b>		
Amortization of tangible capital assets	(91)	(80)
Services provided without charge by other government departments (note 9)	(295)	(289)
<b>Variation in Statement of Financial Position:</b>		
Increase (decrease) in receivables and advances	87	6
Decrease (increase) in accounts payable and accrued liabilities	(69)	130
Decrease (increase) in vacation pay and compensatory leave	(1)	(13)
Decrease (increase) in future employee benefits	450	87
<b>Cash used in operating activities</b>	<b>6,321</b>	<b>5,591</b>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets	36	63
<b>Cash used in capital investing activities</b>	<b>36</b>	<b>63</b>
<b>Net cash provided by Government of Canada</b>	<b><u>\$ 6,357</u></b>	<b><u>\$ 5,654</u></b>

*The accompanying notes form an integral part of these financial statements.*



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

***1. Authority and Objectives***

The Canadian Forces Grievance Board (the Board) is an independent arms-length organization that was created through amendments to the National Defence Act (NDA) approved by Parliament on December 10, 1998. The amendments that were made to the NDA were aimed at modernizing and strengthening the military justice system, making the whole grievance review process simpler and shorter for members of the Canadian Forces. The Board's mandate is to review grievances in order to render fair and impartial findings and recommendations in a timely and informal manner to the Chief of Defence staff and the grievor.

The Board operates under the following program activities:

- Review of Canadian Forces grievances referred by the Chief of the Defence Staff: conduct fair, transparent and timely reviews of grievances referred to the Board.
- Internal services: support a common government-wide approach to planning, designing, budgeting, reporting and communicating.



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**2. Summary of Significant Accounting Policies**

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

- (a) Parliamentary authorities – The Board is financed by the Government of Canada through Parliamentary authorities. Financial reporting authorities provided to the Board do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Departmental Net Financial Position and in the Statement of Financial Position, are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the *2011-12 Report on Plans and Priorities*.
- (b) Net Cash Provided by Government - The Board operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Board is deposited to the CRF and all cash disbursements made by the Board are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal Government.
- (c) Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Board is entitled to draw from the CRF without further authorities to discharge its liabilities.
- (d) Revenues:

Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.

Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.
- (e) Expenses – Expenses are recorded on the accrual basis:

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for employer contributions to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.





(f) Future Employee Benefits

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government. The Board's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Board's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ii. Severance Benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts and loans receivables are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts and loans receivable where recovery is considered uncertain.

(h) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Tangible capital assets – All tangible assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The Board does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Computer Hardware	3 to 5 years
Computer Software	3 years
Other Equipment	10 years

(j) Measurement uncertainty - The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.





**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**3. Parliamentary Authorities**

The Board receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and the Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Board has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

**(a) Reconciliation of net cost of operations to current year authorities used**

	<b>2012</b>	<b>2011</b>
	<i>(in thousands of dollars)</i>	
Net cost of operations before government funding and transfers	\$ 6,240	\$ 5,750
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(91)	(80)
Services provided without charge by other government department	(295)	(289)
Increase in vacation pay and compensatory leave	(1)	(13)
Decrease in future employee benefits	450	87
Refunds of prior years' expenditures	58	8
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>121</b>	<b>(287)</b>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	36	63
<b>Total for items not affecting net cost of operations but affecting authorities:</b>	<b>36</b>	<b>63</b>
<b>Current year authorities used</b>	<b><u>\$ 6,397</u></b>	<b><u>\$ 5,526</u></b>



(b) Authorities provided and used

	<u>2012</u>	<u>2011</u>
	<i>(in thousands of dollars)</i>	
Authorities provided:		
Vote 15 - Operating expenditures	\$ 6,840	\$ 6,482
Statutory amounts	669	571
Less:		
Lapsed : Operating	(1,112)	(1,527)
<b>Current year authorities used</b>	<b><u>\$ 6,397</u></b>	<b><u>\$ 5,526</u></b>



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**4. Accounts payable and accrued liabilities**

The following table presents details of the Board's accounts payable and accrued liabilities:

	<b>2012</b>	<b>2011</b>
	<i>(in thousands of dollars)</i>	
Accounts payable - Other government departments and agencies	\$ 85	\$ 10
Accounts payable – external parties	150	119
<b>Total accounts payable</b>	<b>235</b>	<b>129</b>
Accrued liabilities	168	205
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 403</b>	<b>\$ 334</b>





**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**5. Employee Benefits**

**(a) Pension benefits**

The Board's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension plans benefits and they are indexed to inflation.

Both the employees and the Board contribute to the cost of the Plan. The 2011-12 expense amounts to \$438,000.00 (\$400,711.00 in 2010-11), which represents approximately 1.8 times (1.9 in 2010-11) the contributions by employees.

The Board's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

**(b) Severance benefits**

The Board provides severance benefits to its employees based on eligibility, years of service and at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. As of March 31, 2012, the severance benefits that were paid out to the employees totaled \$450 thousand dollars.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

	<u>2012</u>	<u>2011</u>
	<i>(in thousands of dollars)</i>	
<b>Accrued benefit obligation, Beginning of year</b>	<b>\$ 754</b>	<b>\$ 841</b>
Benefits paid during the year	450	87
<b>Accrued benefit obligation, End of year</b>	<b>\$ 304</b>	<b>\$ 754</b>



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**6. Accounts receivable and advances**

The following table presents details of the Board's accounts receivable and advances balances:

	<b>2012</b>	<b>2011</b>
	<i>(in thousands of dollars)</i>	
Receivables from other government departments and agencies	\$ 106.5	\$ 19.5
Employee advances	.5	.5
<b>Net accounts receivable</b>	<b>\$ 107.0</b>	<b>\$ 20.0</b>



**Canadian Forces Grievance Board**  
**Notes to the Financial Statements (Unaudited)**  
**For the Year Ended March 31**  
(in thousands of dollars)

**7. Tangible Capital Assets**

Capital Asset Class	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Acquisitions	Closing Balance	Opening balance	Amortization	Closing Balance	2012	2011
Informatics Hardware	\$541	\$36	\$577	\$365	\$72	\$437	\$140	\$176
Informatics Software	45	0	45	12	15	27	18	33
Other Equipment	39	0	39	8	4	12	27	31
<b>Total</b>	<b>\$625</b>	<b>\$36</b>	<b>\$661</b>	<b>\$385</b>	<b>\$91</b>	<b>\$476</b>	<b>\$185</b>	<b>\$240</b>





**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

*(in thousands of dollars)*

**8. Contractual obligations**

The nature of the Board's activities can result in some large multi-year contracts and obligations whereby the Board will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2013	2014	2015	2016	2017	Thereafter
Operating Lease*	\$593	\$599	\$606	\$612	\$618	\$624

\* The operating lease is due for renewal at the end of 2015.



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**9. Related party transactions**

The Board is related as a result of common ownership to all government departments, agencies, and Crown corporations. The Board enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Board received common services which were obtained without charge from other government departments as disclosed below.

**(a) Common services provided without charge by other government departments**

During the year the Board received services without charge from certain other common service organizations, related to legal services and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the Department's Statement of Operations and Departmental Net Financial Position as follows:

	<u>2012</u>	<u>2011</u>
	<i>(in thousands of dollars)</i>	
Employers contribution to the health and dental insurance plans	\$ 286	\$ 280
Legal fees	9	9
<b>Total</b>	<u>\$ 295</u>	<u>\$ 289</u>

The Government has centralized some of its administrative activities for efficiency and cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in the Department's Statement of Operations and Departmental Net Financial Position.

**(b) Other transaction with related parties**

	<u>2012</u>	<u>2011</u>
	<i>(in thousands of dollars)</i>	
Accounts receivable – Other government departments and agencies	\$ 106.5	\$ 19.5
Accounts payable – Other government departments and agencies	84.6	10.2
Expenses – Other government departments and agencies	961.9	991.8



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

(In thousands of dollars)

**10. Segmented information**

The presentation by segment is based on the Board's two program activities, which are Internal Services and the Review of Canadian Forces Grievances. The presentation by segment is based on the same accounting policies as described in the Summary of Significant Accounting Policies in note 2. The following table presents the expenses incurred and revenues generated for the main program activities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

Operating expenses	Internal Services	Review of CF Grievances	2012 Total	2011 Total
Salaries and Employee Benefits Plan	\$ 1,481	\$ 2,884	\$ 4,365	\$ 4,177
Transportation and Telecommunication Information	58	149	207	156
Professional and Special Services	24	4	28	20
Rentals Office Space & Equipment's	437	440	877	598
Purchased Repair Maintenance	186	413	599	623
Utilities, Materials and Supplies	17	17	34	12
Amortization of tangible capital assets	1	25	26	32
Acquisition of non-capital assets	28	63	91	80
Other	71		71	52
<b>Total Operating Expenses</b>	<b>\$ 2,303</b>	<b>\$ 3,995</b>	<b>\$ 6,298</b>	<b>\$ 5,758</b>
Miscellaneous revenues	32	26	58	8
<b>Net cost from operations before government funding and transfers</b>	<b>\$ 2,271</b>	<b>\$ 3,969</b>	<b>\$ 6,240</b>	<b>\$ 5,750</b>





**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**11. Accounting Changes**

During 2011, amendments were made to Treasury Board Accounting Standard 1.2 – Departmental and Agency Financial Statements to improve financial reporting by government departments and agencies. The amendments are effective for financial reporting of fiscal years ending March 31, 2012, and later. The significant changes to the Board’s financial statements are described below. These changes have been applied retroactively, and comparative information for 2010-11 has been restated.

Net debt (calculated as liabilities less financial assets) is now presented in the Statement of Financial Position. Accompanying this change, the Board now presents a Statement of Change in Net Debt and no longer presents a Statement of Equity.

Government funding and transfers, as well as the credit related to services provided without charge by other government departments are now recognized in the Statement of Operations and Departmental Net Financial Position below “Net Cost of operations before government funding and transfers”. In previous years, the department recognized these transactions directly in the Statement of Equity of Canada. The effect of this change was to decrease the net cost of operations after government funding and transfers.

	2011 As previously stated	Effect of change	2011 Restated
--	---------------------------------	---------------------	------------------

(in thousands of dollars)

**Government funding and transfers**

Net cash provided by Government	\$ 0	\$ 5,654	\$ 5,654
Change in Due from Consolidated Revenue Fund	0	(149)	(149)
Services provided without charge by other government departments	0	289	289



**Canadian Forces Grievance Board  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31**

**12. Comparative Information**

Comparative figures have been reclassified to conform to the current year's presentation.



## **Annex to the Statement of Management Responsibility including Internal Control over Financial Report of the Canadian Forces Grievance Board for fiscal year 2011-12 (unaudited)**

### **1. Introduction**

Under the Treasury Board *Policy on Internal Control*, departments are required to demonstrate the measures they are taking to maintain an effective system of internal control over financial reporting (ICFR). As such, departments are expected to conduct annual assessments of their system of ICFR, establish action plans to address any necessary adjustments, and to attach to their Statements of Management Responsibility a summary of their assessment results and action plan.

The *Canadian Forces Grievance Board (CFGB)* will use the results of the periodic Core Control Audit performed by the Office of the Comptroller General to adhere to the Treasury Board *Policy on Internal Control*. Until such audit takes place, the *CFGB* will proceed with a risk-based assessment of the system of ICFR. Below is a summary of the results of the assessment conducted as at March 31, 2012.

### **2. Assessment results as of March 31, 2012**

Design effectiveness aims to identify and document key controls, to ensure that they are in place and aligned with the risks they aim to mitigate, and that required remediation is addressed appropriately and in a timely manner.

The *CFGB* is at the early stage of design effectiveness and will continue this work in the next fiscal year.

Operating effectiveness aims to ensure that key controls are working as intended over a defined period, and that required remediation is addressed appropriately and in a timely manner. The testing of operating effectiveness has not started – therefore no assessment results are available at this time

### **3. Assessment Plan**

The *CFGB* plans to complete the design effectiveness of its entity and business process level controls in 2012-13. Operating effectiveness testing is expected to be completed in 2013-14. After completing effectiveness testing, *CFGB* will commence ongoing monitoring of the ICFR.