Treasury Board of Canada   Secrétariat du Conseil du Trésor   Canada
Secretariat   du Canada

MAF Assessment: Fisheries and Oceans - 2008

* An asterisk appears where sensitive information has been removed in accordance with the *Access to Information Act* and *Privacy Act*.

This document provides a Treasury Board Secretariat assessment of the department's performance against specific areas of management only. It does not present an assessment of management quality beyond these areas of management, nor does it reflect the level of effort a department may be making towards improving the quality of its management. The MAF assessments use standardized language to ensure consistent descriptions and characterizations. This assessment may not reflect the latest information available. Some departments and agencies have provided updated information in the form of a management response. Where management responses have been prepared, the link to the response is posted below the assessment.

Context

This year's observations by the Treasury Board Secretariat related to Fisheries and Oceans Canada (DFO) are mixed. In total, for the 21 areas of management against which the department was assessed, it received three "strong" ratings, 12 "acceptable" ratings, and six "opportunity for improvement" ratings and no "attention required" ratings. Two areas of management have improved ratings compared to last year's assessment and three ratings are lower. In addition, DFO received a "strong" rating for one new area of management (Accountability) assessed this year. While the department has made improvements in several areas, it continues to face management challenges in some others.

The department should be recognized for its work to improve management in a number of areas, in particular:

- Contribution to government-wide priorities and portfolio coordination: In addition to its participation in Public Service Renewal, the Web of Rules initiative and the Federal Science and Technology Strategy, DFO is participating in the Corporate Administrative Shared Services (CASS). As one of the five departments that have agreed to continue working with TBS to participate in the first component of CASS, namely the Human Resource Business Solution Project (HR BSP), the department will facilitate the use of common Human Resources processes horizontally across the five Early Adopter departments.
- Extent to which the Workplace is Fair, Enabling, Healthy and Safe: The department has made progress in this area of management moving from an "opportunity for improvement" to an "acceptable" rating. DFO has performed above expectations with respect to HR business processes and systems, classification and labour relations.

The department also made some progress in addressing the management priorities identified in last year's Management Accountability Framework (MAF) assessment, including:

- Effective Management of Security and Business Continuity: In 2008, the department was encouraged to complete the identification of critical systems and establish business continuity plans. DFO has made good progress related to its Business

Continuity Planning (BCP) program, including the establishment of BCP program governance and the partial completion of its Business Impact Analysis. However, continued attention and commitment will be required to finalize its business continuity plan.

- Effectiveness of Asset Management: The department has made a concerted effort to address real property management deficiencies through the implementation of some elements of a real property framework and the monitoring of real property performance that contains departmental real property operational policies. However, DFO still needs to integrate its real property information systems and develop a real property management framework. TBS recognizes that the department has a plan to put in place an integrated information system by 2012-2013. Given DFO's significant asset base, TBS encourages the department to continue efforts in this area.

The Treasury Board Portfolio has identified the following management priorities for the coming year:

- Utility of the Corporate Performance Framework: The rating for this area of management has decreased two years in a row, from a "strong" in MAF Round 4, to "opportunity for improvement" this year. This decrease in rating is largely due to deficiencies in the lower levels of its Program Activity Architecture (PAA). Given the importance of the Management Resource and Results Structure (MRRS) for enhanced management *, the department is encouraged to identify and include missing programs in the PAA by drilling down to lower level programs. Although unrated this year, DFO should also continue to refine the performance measurement framework (PMF) by clearly articulating strategic outcomes and ensuring that indicators in its PMF are being collected and analysed to gain insight into program performance.
- Information Management: Although DFO has a draft Information Management (IM) strategy and is making progress in IM governance, the department should finalize its IM strategy to ensure support for departmental business priorities and operations. In addition, the department has a significant collection of personal information that has not been appropriately identified or described in accordance with the Privacy Act. DFO is encouraged to integrate IM requirements into planning activities, approve and implement its IM strategy and work with TBS to revise and develop personal information banks as per the requirements of the Privacy Act.
- Security and Business Continuity: Although improvements have been made this year, the department is encouraged to continue activities currently underway related to complying with the Management of IT Security requirements and business continuity planning. Specifically, DFO is encouraged to complete its business impact analysis, finalize business continuity plans, and ensure arrangements are in place to implement those plans.

⇤ 1. Values-based Leadership and Organizational Culture

Strong

Highlights   **Opportunities**

1.1 Leadership: Strong

- Regarding Values and Ethics Leadership, the organization is maintaining its Round V (2007-08) assessment of Strong. It has submitted a Management Assertion to CPSA that no significant changes have occurred within the organization to affect this rating.

1.2 Infrastructure: Strong

- Regarding Values and Ethics Plans, the organization is maintaining its Round V (2007-08) assessment of Strong. It has submitted a Management Assertion to CPSA that no significant changes have occurred within the organization to affect this rating.

1.3 Culture: Strong

- Regarding the Current State of Organizational Values and Ethics, the organization is maintaining its Round V (2007-08) assessment of Strong. It has submitted a Management Assertion to CPSA that no significant changes have occurred within the organization to affect this rating.

Recommendations

2. Utility of the Corporate Performance Framework

Opportunity for Improvement

Highlights

2.1 PAA Consistency: Strong

- The Strategic Outcome(s) is/are (a) clear outcome statement(s) that can be understood within and outside the department as a benefit to Canadians.
- The Strategic Outcome(s) is/are measurable and clearly represent(s) an end-state the organization is trying to achieve.

2.2 Measurability: Opportunity for Improvement

- A partial inventory of programs has been developed but many listed programs do not meet the definition of a program.

2.3 Quality:

- The organization has developed a weak performance measurement framework.

Opportunities

- The organization is engaged and continues to work with TBS on improving its Management, Resources and Results Structure.
- There are some programs that have been identified as possibly missing from the organization's PAA; this could be resolved with the drilling down of some of the lower level programs in the PAA.
- The organization should continue to refine its Performance Measurement Framework (PMF) to bring it in line

with the standards set out in the MRRS Instructions. The organization should also ensure that actual data for the indicators in its PMF are being collected and analyzed to gain insights into program performance and to validate the indicators.

Recommendations

3. Effectiveness of the Corporate Management Structure

Acceptable

Highlights

3.1 Business Plan: Acceptable

- Corporate business plan generally aligns resources and accountabilities to priorities.
- Corporate business plan generally integrates human resources, IM/IT, communications or other key corporate plans.

3.2 Governance Structure: Acceptable

- Organization's corporate governance structure is generally aligned to the organization's PAA.
- Terms of reference are generally current and complete.
- Recordkeeping is generally complete and current (minutes of meetings and records of discussion, decision, and follow-up).
- Senior corporate management structure or subordinate governance structure (e.g., committees) meet regularly.

DFO is continuing to make progress in fully integrating departmental planning.

Recommendations

Opportunities

DFO is encouraged to integrate IM/IT planning into overall departmental planning more directly.

4. Effectiveness of Extra-organizational Contribution

Acceptable

Highlights

4.2 Participation in Priority Initiatives: Acceptable

- The organization's commitments are clear and are consistent with its role.

4.3 Portfolio Coordination: Acceptable

- Adequate attention is paid to the responsibility for portfolio affairs.
- The Department's portfolio coordination is effective.

TBS has assessed DFO with regards to its participation in Public Service Renewal – Acceptable, the Web of Rules Initiative – Acceptable, and the Federal Science and Technology Strategy – Acceptable, and with regard to its portfolio management responsibilities.

Opportunities

- Describe resources allocated to the achievement of Web of Rules commitments
- Clearly demonstrate how employee feedback is being used to further PS Renewal efforts in the organization.
- Set clear and measurable goals for each FSTS project and initiative ensuring that performance information is provided to the lead that adequately tracks progress towards these goals.
- For 4.3, there is an opportunity for the department to illustrate in its organizational and governance information that FFMC is a Crown Corporation within the Minister's portfolio.

Recommendations

5. Quality of Analysis in TB Submissions

Acceptable

Highlights

Opportunities

5.1 Supporting Information: Acceptable

- Organization has established a capacity to assemble usually accurate, reliable and complete supporting information in TB submissions.
- Minor inaccuracies in information relative to TBS financial data exists.
- Policy and budget authorities are usually identified.
- Submission contains an adequate level of detail.

5.2 Analysis: Acceptable

- Appropriate and complete links to MRRS, strategic objectives, etc., are used.
- Established capacity for appropriate performance measurement or evaluation analysis is evident.
- Established capacity for appropriate responses to TBS comments is acceptable.
- Established capacity for options analysis is demonstrated.
- Established capacity to analyze value for money, effectiveness and efficiency is evident.
- Generally, the correct policy authorities are used.

5.3 Consultations: Strong

- Consultations are always on time (6 weeks or earlier before TB meetings).
- Consultations with central agencies are planned and conducted in a timely manner with sufficient lead time.

5.4 Quality control: Acceptable

- Established capacity for consistency of information throughout documents is evident.
- Generally rigorous and effective quality control process is in place and is usually followed for TB submissions.
- Submissions usually have SFO or Head of Evaluation sign offs when appropriate.

TBS is generally satisfied with the quality and analysis of DFO's TB submissions. The department's strong ability to plan and conduct consultations with TBS on TB submissions in a timely manner with sufficient lead time is especially noted.

Recommendations

6. Quality and Use of Evaluation

Acceptable

Highlights   **Opportunities**

CAN002948_0006

6.1 Quality: Acceptable

- Evaluations submitted to TBS usually present findings, conclusions and recommendations that are supported by the evidence found in the evaluation report.
- The majority of evaluations submitted to TBS consistently address questions of program relevance, success and effectiveness.
- The majority of evaluations submitted to TBS consistently employ appropriate methodologies to gather data and inform the analysis.
- The majority of evaluations submitted to TBS include a management response and an action plan detailing timelines and management accountabilities.
- The majority of evaluations submitted to TBS use multiple lines of evidence. Evaluations reflect the diversity and perspectives of multiple program stakeholders.
- The majority of evaluations submitted to TBS include analysis of the limitations of the methodology and data sources used.

6.2 Neutrality: Acceptable

- Evaluation function resourcing is commensurate with the organizational evaluation plan.
- Head of Evaluation has explicit authority to submit evaluation reports directly to the deputy head. Head of Evaluation has access to the deputy head, as required.
- Senior management committee is in place to support, oversee and monitor the evaluation function and management accountabilities arising from evaluations and evaluation related products. The committee is chaired by the deputy head or senior level designate. The committee meets regularly during the year.
- The majority of resources dedicated to evaluations are directed by the Head of Evaluation.

6.3 Coverage: Acceptable

- The organization has shown evidence of moving towards full coverage of all ongoing programs of grants and contributions over a five year cycle as per 42.1 of the FAA. Year to year percent coverage indicates organization is on track to achieve 100% coverage.
- The organization has shared its risk-based evaluation plan with TBS. The evaluation plan has information on evaluations planned, completed and carried over. It also includes links to the organization's PAA.

6.4 Usage: Acceptable

- Active, systematic and regular tracking of management action plans arising from evaluation recommendations is in place.
- Evaluation commitments, plans and requirements are

delivered on time or extensions are due to circumstances beyond the department's control. Organization occasionally requests extension from TBS.

- Majority of evaluations submitted to TBS incorporate data from a performance measurement system to support the evaluation. Submitted evaluations sometimes cite data availability and/or quality as constraints.
- The results of evaluations are usually brought for consideration in TB submissions, Memorandum to Cabinet, RPPs, DPR and Strategic Reviews.

Recommendations

7. Quality Reporting to Parliament

<div align="center">Acceptable</div>

Highlights

7.1 MRRS Basis: Strong

- RPP and DPR present a clear PAA (with crosswalks as necessary).

7.2 Credible information: Acceptable

- DPR is based on the PAA, i.e. performance is usually reported by Program Activity (PA) at the PA level.
- The DPR is concise. It contains an adequate amount of information relevant to the estimates process.

Opportunities

The department could improve its DPR by providing evidence-based performance information that moves beyond reporting on activities and outputs to reporting on outcomes that draws linkages between resources and results. Increased use of program evaluations and internal audits would also be beneficial to substantiating the performance story.

The department has made continual progress towards quality public performance reporting. As a leader in this area, the department could also share its experiences in concise reporting with other federal organizations.

Recommendations

8. Managing Organizational Change

Acceptable

Highlights

8.1 Change plan: Acceptable

- The organization has the capacity to evaluate whether or not change is required.

8.2 Engagement: Acceptable

- Engagement of employees is only linked to general consultation processes.
- Individual and organization-wide change-related training programs are available.

8.3 Assessment: Acceptable

- Change plans and strategies are included in Performance Management Agreements of Senior Executives.
- Change plans and strategies are priorities across the organization.

Fisheries and Oceans Canada is not currently implementing an organization-wide change initiative. That said, the department has exhibited the capacity to identify and address specific areas in need of change within its organization.

Recommendations

Opportunities

With the growing number and increased sophistication of Web 2.0 tools available to departments, DFO is encouraged to consider how these tools might enhance employee engagement in change initiatives.

9. Effectiveness of Corporate Risk Management

Acceptable

Highlights

9.1 Engagement: Acceptable

- Senior management reviews the organization's Risk Management approach within the current three-year planning cycle.
- The organization has a common risk assessment approach that is adjusted and approved as required by senior management.
- Senior management ensures that the organization's Risk Management approach is tailored to the specific needs of the organization.
- Senior management has not reviewed/approved the Corporate Risk Profile for over a year.
- Senior management encourages effective Risk Management and a risk-smart culture.

Opportunities

DFO is encouraged to complete its documented approach to Risk Management and to regularly review its entire IRM Framework toolkit.

More explicit linkages between key risks and mitigation strategies to business planning could be provided in upcoming RPPs, and future DPRs could demonstrate progress made in addressing key risks.

- Senior management leads by example in this area.
- Accountability for key risks is assigned to senior management and performance is assessed.

9.2 Implementation: Acceptable

- The organization's Risk Management approach is inconsistently communicated to staff and stakeholders.
- The Corporate Risk Profile is systematically (horizontally and vertically) implemented into all operational levels across the organization.
- Risk Management guidance and tools that enable the organization's risk management approach are made available to staff.

9.3 Integration: Acceptable

- Risk information is adequately consulted for senior management decision-making.
- Risk information and Risk Management principles influence planning and resource allocation decisions.
- Operational level risks are prioritized into key risks.
- Risk information and Risk Management principles are adequately captured in senior management reporting.
- The organization makes inconsistent course corrections based on Risk Management performance and new information.

9.4 Continuous Improvement: Acceptable

- Many relevant external sources are consulted during the development of the organization's CRP.
- Key risk information was adequately gathered from internal sources of the organization for preparing the CRP.
- The CRP provides a reliable assessment of the quality of risk information used.
- The organization explicitly builds on past experience, better practice, and adjusts to fit any changes in management structures, priorities or strategic direction.
- The organization has implemented all recommendations provided during its last MAF assessment.

The department is continuing to make steady progress in its efforts to implement IRM in the organization. Senior management is actively engaged in participating in risk management and encouraging a risk-smart culture, and it has assigned accountability for its key risks. The CRP is clearly implemented into operational levels, and the organization has demonstrated progress in incorporating risk management into business planning.

Recommendations

Additionally, the organization could work towards more comprehensive CRPs, which would be informed by all departmental programs, regions, branches and sectors as much as is possible. This may help in developing more explicit alignment between key risks and strategic outcomes and/or program activities/sub-activities.

10. Extent to which the Workplace is Fair, Enabling, Healthy and Safe

Acceptable

Highlights

10.1 Fair: Strong

- Organization is undertaking action to improve the classification program in accordance with its level of risk.
- Evidence shows that labour relation matters are proactively and innovatively managed/addressed.
- Evidence shows that the organization exceeds standards of timeliness in payments to employees.
- Evidence shows that the organization is proactively seeking labour relations policy direction (terms and conditions of employment, collective agreements and/or applicable legislation).

10.2 Enabling: Opportunity for Improvement

- Organization demonstrates the necessary linguistic capacity to provide personal and central services and supervision in both official languages.
- Organization is under-representative in one or more of the four employment equity designated groups.
- Organization progress remains unchanged from the previous year in representation, recruitment, promotions and separations of the four employment equity groups.
- Promotions among employment equity groups are greater than or equal to previous year's performance.
- Separations among employment equity groups are equal or greater than previous year's performance.
- Work instruments, electronic systems and communication tools are generally available in both official languages.

10.3 Healthy and safe: Opportunity for Improvement

- A considerable number of employees do not feel recognized for positive performance.
- Evidence indicates that the organization has in place a well-managed program to protect employee's occupational health and safety.

Recommendations

Opportunities

- Take action to ensure that employees feel recognized for their contribution.

11. Extent to which the Workforce is Productive, Principled, Sustainable and Adaptable

**Opportunity for
Improvement**

Highlights

11.1 Productive: Opportunity for Improvement

- An insufficient number of employees indicate their organization supports their career development and learning needs.

11.2 Principled: Opportunity for Improvement

- Communications with and services to the public in both official languages are generally available.
- Employees consider that they generally can communicate in the official language of their choice within their organization and work instruments, electronic systems and communications in both official languages are generally available.
- Necessary linguistic capacity is in place as is shown by the vast majority of incumbents of bilingual positions who meet the language requirements of their position.
- Organization is under-represented in one or more of the four employment equity designated groups.
- Progress against the previous year's performance on recruitment, promotion and separation for employment equity groups equal the organization's average for all employees.
- Promotions among employment equity groups are greater than or equal to representation.

11.3 Sustainable: Acceptable

- Evidence indicates human resources planning integrated with business planning is generally in place and governance/organizational infrastructure generally exists to support it.

11.4 Adaptable: Opportunity for Improvement

- An insufficient number of employees indicate their organization encourages continuous learning, improvement and innovation.

Recommendations

- Promote a culture supportive of continuous learning, innovation and career development.

Opportunities

- Take action to ensure that employees feel the organization supports learning, innovation and career development.

12. Effectiveness of Information Management

**Opportunity for
Improvement**

Highlights

12.1 Governance: Acceptable

- IM requirements are integrated as a part of the approval, development, implementation, evaluation, and reporting of departmental policies, programs, services, or projects.
- IM is fully represented in the corporate-wide governance structure and in the corporate-wide governance or approval committee(s).
- Responsibilities are identified for IM policy development and implementation is wholly consistent with the GC IM Strategy and policy instruments.
- Extensive participation is evident in GC-wide approaches and initiatives related to developing, implementing, sharing, and leveraging IM policies and practices.

12.2 Strategy: Acceptable

- A current and active IM strategy identifies support to business priorities and operations, information needs and accountabilities, IM policy considerations and is partially integrated with other corporate strategies, plans and planning cycles.
- An IM strategy implementation plan, including some timelines and resources, is underway and some achievements to date are identified.
- IM awareness activities are underway in the department to help staff and executives understand their IM roles, responsibilities and accountabilities.

12.3 Privacy Act: Opportunity for Improvement

- Significant collections of personal information under the control of the organization have not been appropriately identified or described in accordance with the Privacy Act.

12.4 Access to Information Act: Opportunity for Improvement

- A significant number of institution-specific Classes of Records do not meet Treasury Board Secretariat requirements.
- Although the organization has made several improvements to its 2008 Chapter of Info Source: Sources of Federal Government Information, revisions are still necessary to meet all Treasury Board Secretariat requirements.

Recommendations

Continue to improve descriptions of DFO's functions, programs, activities and information holdings, including descriptions of its personal information collections.

Opportunities

More wholly integrate IM requirements into the planning, approval, management, operational and evaluation activities.

Finalize the IM strategy to ensure support to the business strategy.

Develop and register Personal Information Banks and/or Classes of Personal Information to ensure all personal information under the institution's control is described in accordance with the *Privacy Act.*

Consult TBS before revising and/or removing Registered Personal Information Banks from the *Info Source* publications.

Ensure all information relevant to the institution's programs, activities and related information holdings is described in *Info Source.*

Review institution-specific Classes of Records to ensure descriptions in *Info Source* are comprehensive, up-to-date, and comply with TBS requirements.

CAN002948_0013

13. Effectiveness of Information Technology Management

Strong

Highlights

13.1 Leadership: Strong

- The senior official has responsibility and accountability for the full scope of information technology responsibilities and ensures that information technology supports organizational outcomes.
- Organization actively participates and demonstrates leadership in setting government-wide directions for information technology.

13.2 Planning: Strong

- A comprehensive information technology plan is in place and it aligns with the government-wide directions for information technology and with departmental business needs.
- Information technology management position is held by a highly engaged senior official designated within the corporate governance structure and related planning processes.

13.3 Value: Strong

- Organization analyzes and plans for the appropriate use of information technology shared services to an optimal extent.
- Organization demonstrates management commitment to service costing, asset management, performance measurement and reporting to ensure value delivery.

Recommendations

Opportunities

- Commended on its progress and encouraged to share its integrated set of processes and practices for governance, planning and benefits realization in order to monitor and oversee the delivery of business value from IT investments.
- Commended for its progress and encouraged to share its qualitative and quantitative set of Key Performance Indicators and techniques to assess performance that provide metrics to guide better decision making, increase performance levels and enable continuous improvement.

14. Effectiveness of Asset Management

Opportunity for Improvement

Highlights

14.1 Investment Planning: Strong

Opportunities

- Develop, communicate and implement

CAN002948_0014

- An evergreen and fully integrated long-term investment plan has been approved by the proper authority and is in use operationally.
- The investment planning process identifies program needs across the organization and considers all investments in assets and acquired services.
- The investment planning process includes continuous improvement mechanisms based on performance information for investment planning.

- departmental real property policies.
- Provide complete and accurate information to the DFRP so that it can be certified by December 31, 2009.
- Develop an integrated real property information system.

14.2 Real Property Management:Opportunity for Improvement

- Some elements of a real property management framework have been implemented.
- Governance structures, approval processes and authority limits are documented and disseminated.
- Internal operating policies have not been implemented or internal policies are limited in scope.
- Information systems are in place but real property information is not reliable or integrated with other systems.
- Certification of information in the FCSI is not received and accepted.
- Indicators of real property performance are monitored and performance measurement is ongoing.
- Contaminated site management is consistent with policy and program guidelines.

14.3 Materiel Management: Acceptable

- All elements of a materiel management framework are evident.
- Governance structures, approval processes and authority limits are documented and disseminated.
- Comprehensive internal policies are documented and disseminated.
- Reliable and sufficiently integrated information systems are in place.
- Some indicators of materiel performance are monitored.
- Experience and best practices are shared internally and government-wide.

14.2 Real Property Management: Certification of information in DFRP has been conditionally accepted.

Recommendations

The department has made progress identifying gaps in its real property management framework but must improve and coordinate existing information systems that are not adequate to support program requirements.

15. Effective Project Management

Acceptable

Highlights　　　　　　　　　　　　　　　　　　　　　　**Opportunities**

15.1 Governance and Oversight: Acceptable

- Business cases support some project proposals, but are not required for all projects.
- There is evidence of formal project governance and oversight mechanisms and that approved projects are generally linked with the strategic plans and priorities of the organization through established organization-wide procedures. Approval and corrective action decisions are documented.
- There is no evidence that the organization has exceeded Treasury Board project approval limits, or failed to notify TB/TBS when it did.

15.2 Effective Management of Project Resources: Acceptable

- The organization's funding models, which do not generate cost estimates at the work package level or consider historical and/or industry benchmarks, are not complete and project funds are not fully committed.
- There is evidence of some processes and procedures which support resource management. However, these are largely informal and do not extend across the organization.
- There is no evidence that the organization has failed to meet TB conditions regarding projects.
- While project management related training is made available by the organization for employees, there are no processes to ensure that employees with project management responsibilities are encouraged to complete relevant training and the number of qualified project managers is unknown.
- While there is evidence that some managers prepare a staffing plan, it is not required prior to project execution.

15.3 Effective Management of Project Results: Strong

- All projects are subject to ongoing monitoring and reporting activities. There is evidence that this information is consistently used to support corrective action and decisions are documented.
- The organization requires that outcomes are clearly defined for projects in business case documentation and most projects are subject to a review.
- There is evidence of organization-wide procedures and processes which communicate project monitoring and performance information to project managers and project oversight mechanisms.

Recommendations

CAN002948_0016

16. Effective Procurement

Acceptable

Highlights   **Opportunities**

16.1 Governance and Oversight: Acceptable

- Clear links have been established between procurement activities and the organization-wide program plans, priorities and long-term investments.
- Effective and accountable procurement management processes and controls are in place (e.g., contract review mechanisms, documented decision making, guidance documents, appropriate delegation instruments or proper use of delegated authorities).
- Organization prepares an annual procurement plan.

16.2 Meeting Operational Requirements: Acceptable

- Clear links to human resources planning are established (e.g., succession planning and recruitment strategies for procurement staff).
- Consistent procurement training is evident.
- Efficient and integrated procurement information systems and processes are in place.
- Informed decision making and oversight exist.
- Mandatory training underway.
- Procurement processes that contribute to cost savings and value for money are in use.
- Qualified procurement human resources exist.
- Results and reviews are used to continuously adjust current procurement management activities and future procurement plans.
- Some staff enrolled in the Professional Development and Certification program.
- Timely and accurate procurement financial and non-financial reports have been submitted.

Recommendations

17. Effectiveness of Financial Management and Control

Acceptable

Highlights   **Opportunities**

17.1 Authorities and Policies: Acceptable

- Audit report results show evidence of deficiencies that are of some concern.
- Departmental procedures, tools, training and support for those individuals delegated with Section 34 authority show evidence of solid financial management practices.
- Departmental processes for classification of moneys, internal controls for receiving and recording money and depositing money show evidence of solid financial management practices.
- Departmental processes for informing those delegated with Section 33 authority of their responsibilities and dealing with requests for payments that are problematic show evidence of deficiencies that are of some concern.
- Departmental processes to provide individuals delegated Section 33 authority with the information necessary to assess and approve specific transactions and to assess the adequacy of Section 34 account verification show evidence of solid financial management practices.
- The reporting of external user fee information shows some omissions in relation to reporting guidelines.

17.2 Public Accounts Reporting: Opportunity for Improvement

- Eighty to 89% (grade B) of Public Accounts reporting plates submitted on time.
- Few Central Financial Management Reporting System (CFMRS) coding errors.
- No significant errors found during the course of the OAG Public Accounts audit.

17.3 Management Capacity: Opportunity for Improvement

- A low proportion of FIs or management team members in the financial management organization have current, approved learning plans.
- A relatively minor amount of training is provided for the financial management organization.
- Positions, the duties of which are being performed by an individual indeterminately appointed to that position, comprise a very low proportion of the FI segment of the financial management organization.
- Positions, the duties of which are being performed by an individual indeterminately appointed to that position, comprise all, or almost all, of the positions on the management team of the financial management organization.
- Some processes in support of a sound succession plan for key positions are in place.
- There is a strong functional relationship between the CFO/SFO and FI positions that exist outside the financial management organization. *This row is only applicable where the department or agency indicates there are FI positions outside the financial management organization.
- There is not a position established in the financial management organization that is dedicated to community management and development.

17.4 Financial Statements: Acceptable

- Most of the concerns identified in the audit readiness assessment are addressed in a detailed action plan.
- Several known financial internal control weaknesses remain unremedied.
- The Financial Statements are compliant with Treasury Board Accounting Standard 1.2 – Departmental and Agency Financial Statements and reporting deadlines were met.

17.5 Internal Reporting: Acceptable

- The internal financial reporting package is accompanied by a comprehensive discussion and analysis.
- The internal financial reporting package is presented to senior management less than one month after period end.
- The internal financial reporting package is presented to senior management six to seven times per year.
- The process for reviewing information before it is presented to senior management to ensure no material errors or omissions is well established.
- The scope of the internal financial reporting package is comprehensive.

17.6 Other Initiatives: Acceptable

- The organization has identified a number of significant financial management initiatives.

While the department maintained its overall rating of Acceptable, the quality, timeliness and accuracy of the trial balance and Public Accounts plates requires improvement and the FI component lacks stability and little attention is given to training.

Recommendations

18. Effectiveness of Internal Audit Function

Acceptable

Highlights

18.1 Internal Audit governance: Strong

- There is an approved Internal Audit Charter in line with the 2006 Policy on Internal Audit.
- The Implementation Plan covers all of the required

Opportunities

The Risk-Based Audit Plan should be improved by including comprehensive identification of resources, and the rationale and status of carry-over projects. The

policy elements.

- Ongoing monitoring of, and progress in implementing, key elements of the plan are on track with planned timelines.
- Chief Audit Executive reports solely and exclusively to the Deputy Head.
- An independent Departmental Audit Committee is in place.
- There is an approved Departmental Audit Committee Charter in line with the 2006 Policy on Internal Audit.
- There is an approved Departmental Audit Committee Annual Plan for fiscal year 2008-2009.
- The Departmental Audit Committee has met at least four times over the past twelve months.
- A Departmental Audit Committee (DAC) Annual Report addressing some or all of the eight areas of DAC responsibility has been prepared for fiscal year 2007-2008.

quality of internal audit reports should be improved. The department should focus on increasing the number of assurance engagements/reports produced.

18.2 Internal Audit Professional Practices: Acceptable

- The Risk-Based Audit Plan was approved by the Deputy Head and sent to the Office of the Comptroller General in a timely manner.
- Annual Risk-Based Audit Plan methodology is, for the most part, evident and applied.
- There is evidence of preparation to provide for holistic assurance.
- There is partial information on the planned use of all audit function resources.
- All post-engagement follow-up activities are clearly identified.
- Vast majority of planned work is on audit assurance versus other types of activities.
- Continuity of previous years work is identified with status or rationale.
- Approved assurance products are consistent with policy and internal audit standards requirements.
- Low completion rate of assurance products (number of assurance audit reports) against 2007-2008 Risk-Based Audit Plan.
- Internal Quality Assurance and Improvement Program is documented and is in the process of being implemented.
- Assurance products (reports) are produced in a reasonably timely manner.
- Approved assurance products are made accessible to the public in a somewhat timely manner.
- The department or agency is proactive in providing notification to the Treasury Board Secretariat on issues of importance.
- The department or agency provides limited notification to the Treasury Board Secretariat on the posting of reports.

18.3 Administration of the Internal Audit Function: Acceptable

- Some elements of a comprehensive Human Resources Plan have been documented, and evidence of recruitment and external resourcing activity exists.
- Investment in Certified Internal Auditor certification, learning and training does not meet the basic requirement of 4% of FTE salaries.
- Planned spending, * was given to the Office of the Comptroller General. When comparing current spending of 2008-2009 with planned financial resources of 2007-2008, resource levels identified exceeds the resource level identified in 2007.
- Planned FTEs dedicated to internal audit have grown comparatively to 2007-2008. They exceed the resource level identified in the planned internal audit function's budget for 2008-2009.

18.4 Internal Audit Performance: Acceptable

- A Chief Audit Executive Annual Report for 2007-2008 was presented to the Departmental Audit Committee and the Deputy Head and submitted to the Office of the Comptroller General.
- Regular periodic reporting on the follow-up of Management Action Plans is evident.

The department has made ongoing progress in the areas of Internal Audit (IA) Governance, Professional Practices and Reporting on IA Performance. The Departmental Audit Committee (DAC) is established and the documentation provided is of high quality.

Recommendations

19. Effective Management of Security and Business Continuity

Opportunity for Improvement

Highlights

19.1 Departmental Security Program: Acceptable

- Organization has in place a fully developed security program that comprises key policy elements and is administered by an appointed Departmental Security Officer (DSO) who is positioned to provide strategic advice and guidance to senior management.
- No significant deficiencies in meeting key policy requirements for the departmental security program.

19.2 Management of IT Security (MITS): Opportunity for Improvement

Opportunities

- Pursue ongoing initiatives to continue improving the departmental security program, including addressing deficiencies related to sharing agreements and recommendations from the departmental threat and risk

- Organization has achieved the three priority objectives that form the foundation for Management of Information Technology Security (MITS), but does not fully comply with MITS requirements.
- Several deficiencies in meeting key MITS requirements.

19.3 Business Continuity Planning (BCP): Opportunity for Improvement

- Organization has partially developed measures to provide for the continuity of critical business operations and services.
- Several deficiencies in meeting key BCP program requirements.
- Business Continuity Planning (BCP) program governance has been established.
- Business Impact Analysis (BIA) has been partially completed to identify and prioritize the organization's critical services and assets.
- Significant deficiencies in establishing business continuity plans and arrangements.
- Maintenance cycle has been partially put in place to review, test and audit business continuity plans.

assessment that is currently underway.
- Maintain efforts to achieve and sustain MITS compliance, including addressing deficiencies related to risk management, incident management, vulnerability management, continuity planning, and audit, monitoring and assessment.
- Continue activities currently underway related to business continuity planning, including completing business impact analysis, the development of plans and arrangements, and advancing activities in the area of BCP Readiness.

Recommendations

Deficiencies regarding the BCP Program and MITS should be addressed on a priority basis.

20. Citizen-focused Service

Opportunity for Improvement

Highlights

20.1 Management Engagement – Service and CLF: Opportunity for Improvement

- The institution may have committees or sub-committees which consider and/or make decisions about service. Such committees or sub-committees may not be composed of senior management accountable for services. The institution, however, does not have a

Opportunities

TBS encourages DFO to:

- Establish a governance structure to provide service oversight.
- Continue to conduct client

committee which is responsible for making decisions about and overseeing service at the institutional level.

- There are expectations set by senior management for an institutional focus on meeting the needs of clients, specifically with respect to service standards and client satisfaction measurement.
- There are priorities and goals for service, but not always at the institutional level; these limited priorities and goals are set by senior management based on the use of limited performance evidence.
- There is limited monitoring of progress by senior management towards the achievement of the goals for service, making course correction difficult.
- There is monitoring by senior management to ensure that the requirements of CLF 2.0 are being met institution-wide; this information is generally used to make timely and proactive decisions and course correction.

satisfaction measurement using the Common Measurements Tool.
- Make information on its major consultations available on the Canada site.
- Incorporate feedback received in the implementation of its policies, programs, services and initiatives.

20.2 Public/client views: Acceptable

- Few tools used to obtain views from clients.
- Little evidence of incorporating feedback in the implementation of its services, programs, policies and initiatives.
- Strong evidence of making consultation results available to the public.
- There are plans to obtain views from clients.
- There is a clearly identified target clientele for public consultations.

20.3 Official Languages: Opportunity for Improvement

- Analysis of the Annual Review on OL shows the institution is generally able to meet its obligations.
- Audits reveal numerous shortcomings in active offer and service delivery in both OL.
- In general, the institution has adequate resources to serve the public in both OL.
- Small number of complaints deemed founded by the Commissioner of Official Languages.
- The institution has initiated the necessary follow-ups to improve service delivery in both OL.

Recommendations

DFO should focus on setting institution-wide service improvement priorities and goals while ensuring senior management at the institutional level is informed of performance information and can enact timely course correction.

21. Alignment of Accountability Instruments

Strong

Highlights

Opportunities

All departments and agencies
should place a heightened
focus on clear
accountabilities, face to face,
mid-year review and
performance improvement
plans.

Recommendations

Date Modified: 2009-09-30