KPMG

Indian and Northern Affairs Canada

Modern Management Practices Assessment

Final Report
February 18, 2000

Contents

Background

Study Background

❑ **The assessment of modern management practices at the Department of Indian and Northern Affairs (DIAND) is one of six being conducted concurrently with federal government departments.** These departments are "pilot" departments for "modern comptrollership".

❑ **It is increasingly recognized that "modern comptrollership" is good management practices. Hence, at DIAND, the assessment looked at "modern management practices" more broadly.**

❑ **The DIAND comptrollership capacity check includes the input of some 30 DIAND managers across Headquarters and the Regions, with the primary focus being at HQ.** Only a limited number of interviews were carried out at the regional level. This was to limit the workload on DIAND managers. A number of the HQ managers interviewed also have regional experience.

❑ **The assessment was conducted in two phases.** A preliminary report was prepared after Phase I based on the input of 20 managers. The report was then updated to reflect the input of the remaining 10 managers. The results of the assessment were then reviewed at a national senior management meeting.

❑ **The next step will be for DIAND management to prioritize the areas that it wishes to pursue, and to develop an action plan.**

❑ **Project team members included Michael Kelly (KPMG), Konrad Saulis (Whiteduck Resources Inc.), and Peter Falconer (DIAND).**

Overview

Objectives of the modern management practices Capacity Check...

❐ **Assess state of modern management practices within each Department against a common standard.** Assess current management practices against recognized best practices and principles as outlined in the Report of the Independent Review Panel.

❐ **Bring together all the elements of the management framework.** The capacity check is intended to integrate the full range of capabilities necessary to implement "modern comptrollership", including leadership, business planning, risk management, performance management, control systems, and accountability management.

❐ **Compare against best practices.** The capacity check is based on best practices of other leading organizations, and therefore provides an opportunity for organizations to assess where they stand relative to these best practices.

❐ **Provide assurance to external clients/stakeholders of the soundness of modern management practices within the Department.** The capacity check should help to clarify for external clients and stakeholders (e.g., central agencies, Parliamentarians) the management approach that is currently in place, and to provide some assurance that the overall management framework is in sound order.

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Key characteristics...

❏ **Future oriented--focuses on what capabilities must be in place in the future to respond to emerging client demands/changing environment.**

❏ **Focuses on expanding/improving capability rather than downsizing.**

❏ **Recognizes that an organization can only focus on selected improvement areas at any one time, and cannot be "best" at everything.**

❏ **Intended as a diagnostic tool for senior management of the organization.**

❏ **Departmental focus--not intended to compare management practices between Branches/Regions.**

❏ **Directed assessment tool--not a review or audit. Information is collected through interviews, and then validated by the managers collectively.**

❏ **Builds upon changes already underway to existing management processes.**

Modern Management Practices

❒ Modern management practices leadership and commitment

❒ Business planning and risk management

❒ Modern management practices capabilities

❒ Control systems

❒ Performance management

❒ Accountability management

Modern Management Practices

Leadership and Commitment

- **Leadership commitment**
  Commitment of deputy head & senior management to establishing modern management practices environment

- **Senior Financial Officer's role**
  Extent to which SFO's office is used for objective commentary and independent advice

- **Managerial commitment**
  Awareness of managers of their modern management practices responsibilities, and commitment to implementing these responsibilities

- **Ethics and values**
  Existence of policies and activities that visibly support the ethical stewardship of public resources and give priority to "modern management practices"

Control Systems

- **Transaction tracking systems**
  Assessment of systems used for tracking financial transactions and operating results

- **Internal controls**
  Systems and processes to protect against fraud, financial negligence, violation of rules and principles and loss of assets

- **Accounting practices**
  Extent to which records of financial transactions are kept on consistent and useful basis for purposes of audit and reporting, and consistency with generally accepted accounting practices

- **Internal audit and review**
  Process for ensuring adequate attention to results and recommendations of internal review, audit, and program evaluation

- **External Audit and review**
  Process for ensuring adequate attention to of external audits and reviews of department operations

- **Consistency of information**
  Extent to which financial and operating information is collected and reported consistently across units

Business Planning and Risk Management

- **Business planning**
  Business and operational planning systems and processes.

- **Linkage to strategic planning**
  Linkage of business planning and resource allocation to the strategic planning process

- **Risk management**
  Processes and systems for identifying and assessing risk, and determining acceptable level of risk

- **Resource allocation**
  Mechanisms for ranking program options, identifying resources required, and allotting limited funds

- **Budgeting and forecasting**
  Systems, procedures and processes for identifying funding requirements and allocating resources

Performance Management

- **Corporate performance information**
  Extent to which key measures exist to monitor overall organization-wide performance

- **Operating information**
  Measures and systems to monitor service quality and efficiency of program delivery

- **Client satisfaction**
  Utilization of client survey information on satisfaction levels, and importance of services

- **Evaluative information**
  Utilization of non-financial information related to program effectiveness and outcomes

- **Service standards**
  Monitoring against client service standards and maintaining and updating standards

- **Employee satisfaction**
  Mechanisms in place to monitor employee morale and staff relations

- **Financial information**
  Extent to which financial information is available in a timely and useful fashion

- **Cost management information**
  Mechanisms for capturing activity/product costs

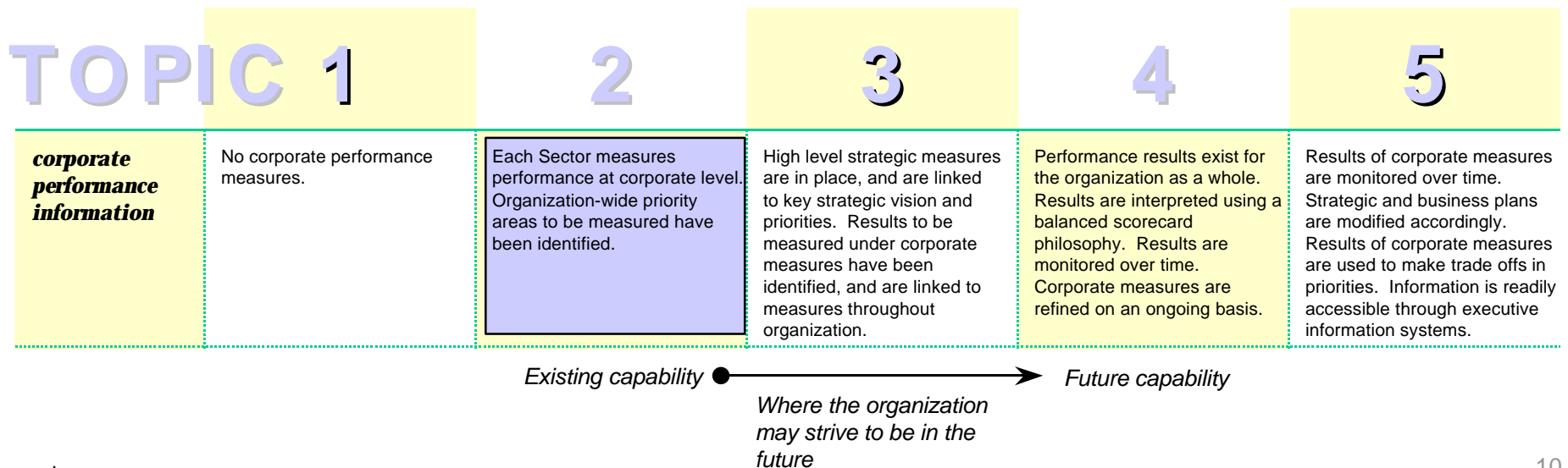## Modern Management Practices

Capabilities

- **Modern management practices competencies**
  Extent to which modern management practices competencies are defined and managers have access to training

- **Business process improvement**
  Extent to which processes are clearly understood, are conducted in a uniform fashion, and are continuously improved in line with best practices

- **Specialist support**
  Availability of top-flight counsel to help managers make judgment calls on modern management practices issues

- **Modern management practices tools & techniques**
  Range of analytical techniques (e.g., cost-benefit, sensitivity, life cycle, benchmarking) available

- **Knowledge enabling technology**
  Performance information is readily accessible to internal and external users via technology

Accountability Management

- **Clarity of senior management responsibilities and organization**
  Clarity of assignment of modern management practices responsibilities throughout the organization

- **Performance agreements and evaluation**
  Extent to which the achievement of financial and operating results is embedded in agreements

- **Authority levels**
  Appropriateness of manager's authorities and resource controls to fulfill accountabilities

- **Incentives**
  Existence of incentives for good modern management practices

- **Valuing peoples' contribution**
  Extent to which corporate culture fosters staff participation, team building, sharing of ideas, risk taking, innovation, and continuous learning

- **External reporting**
  Extent to which Parliamentary & central agency information reporting requirements are met

The mechanics of the Capacity Check checklist—How it Works

❑ Current capabilities are assessed based on key elements of the Comptrollership Capacity Check, and criteria provided for each key element.

❑ The capabilities depicted within each criteria represent different states or plateaus that the organization may strive to achieve. The descriptions are incremental.

❑ The capability descriptions are based on generally recognized best practices, but have been customized to reflect the Independent Review Panel report and TBS assessment framework.

❑ A rating system of "1" to "5" is used. A high rating does not necessarily mean "goodness", but rather, formality or maturity of capability. The ideal rating for any area is dependent on the needs and goals of the organization. Level "3" is considered the norm.

	1	**2**	**3**	**4**	**5**
corporate performance information	No corporate performance measures.	Each Sector measures performance at corporate level. Organization-wide priority areas to be measured have been identified.	High level strategic measures are in place, and are linked to key strategic vision and priorities. Results to be measured under corporate measures have been identified, and are linked to measures throughout organization.	Performance results exist for the organization as a whole. Results are interpreted using a balanced scorecard philosophy. Results are monitored over time. Corporate measures are refined on an ongoing basis.	Results of corporate measures are monitored over time. Strategic and business plans are modified accordingly. Results of corporate measures are used to make trade offs in priorities. Information is readily accessible through executive information systems.

TOPIC

Existing capability ●————————➔ *Future capability*

Where the organization may strive to be in the future

Executive Summary

Highlights of strengths and opportunities for further development

Areas That Are Perceived To Be Strong

- ❑ Strong leadership and managerial commitment to improving management practices.

- ❑ SFO and organization are viewed as an integral part of management team, and business partners in making program decisions.

- ❑ Strong focus on ethics and values.

- ❑ Mature strategy and business planning processes are in place, and strong linkage to strategic planning.

- ❑ Strong capability in litigation risk management.

- ❑ Strong budgeting and forecasting capability.

- ❑ Effective resource allocation process and mechanisms such as the FMC.

- ❑ Excellent profile of leadership competencies.

- ❑ Strong partnership arrangement between specialists and line managers.

- ❑ Wide range of tools and techniques are available to managers.

- ❑ Strong internal audit and review, and program evaluation capabilities.

- ❑ Strong focus on corporate measures.

- ❑ Strong rewards and recognition programs.

Opportunities Identified For Further Development

- ❑ Consider implementing approach to measure the level of awareness and consistent application of values and ethics

- ❑ Continue to implement risk management concepts across the organization, and assessment of enterprise-wide risks.

- ❑ Continue to improve outcome measurements as part of business planning and performance management.

- ❑ Continue initial efforts to involve service delivery partners in business planning.

- ❑ Continue to develop process for reporting results achieved under Gathering Strength.

- ❑ Continue efforts to improve management skills through further training (e.g., manager training on the machinery of government)

- ❑ Review HQ functional specialist-regional line manager working relationship

- ❑ Improve documentation and ongoing assessment of service delivery and business processes.

- ❑ Pursue greater integration of financial and operating systems.

- ❑ Explore need for more post-monitoring on a selective basis.

- ❑ Review operational performance measures and systems.

- ❑ Consider options to improve monitoring of client satisfaction.

- ❑ Improve application of service standards.

KEY THEMES

Highlights and key results from the capacity check assessment are presented on the following pages. We note below some common recurring themes:

❒ *Evolving relationship with external partners*

Gathering Strength has had a major impact on the way services are delivered by or with external partners. The mandate of the Department is continuing to evolve and become more inclusive in terms of involving other departments, other levels of government, the private sector, and a range of external stakeholders. Management capabilities must be developed both internally within DIAND and externally within the service partner organizations. This relationship has an impact on a range of management practices and implies greater involvement of external service delivery partners in business planning, performance management, learning and training, and ongoing service delivery and business process improvement. DIAND and its service partners are still going through this transition.

❒ *Collecting data from the First Nations*

There is some reluctance by external service partners to provide or share data with the Department. This affects what performance information can be collected, the choice of indicators that are used to measure success, and may have important long term consequences in terms of the accountability relationships between the Department and partners*,* and vis-a-vis departmental clients and stakeholders.

❒ *HQ-program interface*

Accountability issues exist regarding the respective roles and responsibilities at Headquarters and the Regions, and the development of a close partnership relationship between HQ program experts and regional managers. This is all the more important as the role of regional managers is evolving to one of "change agent" as opposed to "service delivery", and the traditional demarcation between headquarters and regional functions no longer applies.

❒ *Operating information and systems*

The reliability and usefulness of existing departmental operating systems and information was noted as a concern.

❒ *Integration and consolidation of performance information*

There are opportunities for greater consolidation and integration of performance information related to program/policy evaluative and outcome information, client satisfaction, service standards, employee satisfaction, capabilities and costs. The feasibility and desirability of doing so would need to be assessed further.

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Highlights of findings

Leadership and Commitment

❑ Strong commitment exists by management to implementing modern management practices. Values have been communicated extensively throughout the organization. Key characteristics include: an "open-door" management style, a collegial management team, strong management committee structures, good communications with staff, and a common focus under Gathering Strength.

❑ The Senior Financial Officer is an integral part of the management team. The SFO and staff play a strong leadership role in the organization and participate in all major business decisions.

❑ There is extensive communication and discussion of values and ethics. No systematic process exists to monitor the implementation of values and ethics.

Business Planning and Risk Management

❑ Corporate strategic direction and priorities are well defined. The planning process provides for strong cascading of business plans across the organization. A strong linkage exists between business planning and management accountability agreements.

❑ Opportunities include: more outcome measurements, involving clients in the business planning (already initiated at the regional level), and strengthening the process for reporting results achieved under Gathering Strength.

❑ A sophisticated litigation risk management program is in place. The Department has developed a risk management framework, guidelines and tools, but is still at a development stage in terms of applying these tools and assessing risks on an enterprise-wide basis. Managers need a common understanding of what is meant by risk management.

❑ Formula-based allocation models are used to determine resource levels for specific programs. A well defined and highly transparent process is in place for budgeting and forecasting, managing resource surpluses and deficits, and transferring resources to the high priorities. The Financial Management Committee is seen as a key enabler in facilitating this process.

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Highlights of findings (continued)

Modern Management Practices Capabilities

❑ The Leadership Profile outlines the competencies required of managers, and provides the basis for learning plans and training programs.   Management skills could be enhanced with further training, particularly in the basic machinery of government. Management capabilities must be developed both within DIAND and externally within First Nations communities.

❑ The Department could take a more rigorous approach to defining and improving its business processes. This would need to be done in close cooperation with external partners.

❑ Specialist support is viewed positively, both at Headquarters and in the Regions. The working relationship between line managers and specialists does not appear to be as strong in the program areas.

❑ A range of tools are available to managers, but concerns exist about the reliability of the data used when applying these tools.

Control Systems

❑ Financial information is generally considered to be satisfactory. The department is taking steps to ensure FIS compliance.

❑ Concerns were expressed regarding the user-friendliness and reliability of information in the various operational/tracking systems of the Department. This would need to be assessed further.

❑ Internal controls are considered sufficient, though managers identified the need to carry out more monitoring in some areas on a selected basis.

❑ Greater integration of financial and operational information is a long term goal, though some system interfaces do exist at this time. Greater integration of departmental and external partner systems is also a priority.

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Highlights of findings (continued)

Performance Management

❑ At the corporate level, some socio-economic indicators have been in place for a number of years, but overall performance is reported to a large extent on a qualitative basis. The Department reports progress in meeting broad departmental objectives. Senior management is extensively engaged in external performance reporting. Corporate performance indicators will need to evolve with the changing role of regional managers from "service delivery" to "change agent".

❑ Concerns exist about the ability of the Department to obtain the data from the First Nations needed to support the corporate performance indicators.

❑ Operational information exists to varying degrees, and tends to be Sector focused. Feelings are mixed regarding the usefulness of the operational measures. There are also concerns about the reliability of the data. These questions would need to be examined more closely, involving external partners.

❑ Client satisfaction information is collected informally, is mostly anecdotal, and tends to be driven by specific policy issues. Ideally, this information should be consolidated and analyzed in a more integrated fashion, with a view to eventually tracking client satisfaction levels over time.

❑ Program/policy evaluations and reviews provide useful information that is distributed widely. Some feel these reviews could be more strategic and focused.

❑ Service standards are at various stages of development in the Department. A more consistent approach could be taken to establishing and monitoring service standards, in collaboration with external partners.

❑ Information is collected on employee satisfaction through a variety of means. Management has shown a strong commitment to taking follow-up action. Again, this feedback should be consolidated and monitored over time to the extent possible.

❑ Activity-based costing information is limited and is generally not seen as a high priority.

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Highlights of findings (continued)

Accountability Management

❑ Roles and responsibilities of management are clear and understood. There is also more accountability and openness in the relationships between the Department and the First Nations. If there is an issue, it is in the program areas--the HQ role of functional authority is not always clear nor accepted at the regional level. The accountability of the external service partners to provide data for performance reporting also needs to be reinforced.

❑ Management agreements are shared openly with staff, are closely aligned with business plans, and are seen as a key mechanism to holding managers accountable. The linkage between management agreements and departmental performance indicators and results should be strengthened with time as the department becomes better at measuring program outcomes. A question is whether the management agreements should be established at all levels of the organization.

❑ Strong reward and recognition programs are in place with visible support from senior management. These programs are highly respected and are seen as placing a high value on team work.

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Summary of ratings

	Non-existent / Undeveloped 1	Early Stages of Development 2	Good Management Practice 3	Advanced Practice 4	Industry Best Practice 5
Leadership					
Leadership commitment				■	
Senior Financial Officer's role				■	
Managerial commitment				■	
Ethics and values			■		
Business Planning & Risk Mgmt.					
Business planning			■		
Linkage to strategic plan			■		
Risk management		■			
Resource allocation				■	
Budgeting and forecasting			■		
Comptrollership Capabilities					
Modern management practices competencies			■		
Business process improvement			■		
Specialist support			■		
Modern management practices tools & techniques			■		
Knowledge enabling technology				■	
Control Systems					
Transaction tracking system			■		
Internal controls			■		
Accounting practices			■		
Internal audit and review				■	
External audit and review				■	
Consistency of information			■		
Performance Management					
Corporate performance information			■		
Operating information		■			
Client satisfaction		■			
Evaluative information			■		
Service standards		■			
Employee satisfaction				■	
Financial information			■		
Cost management information		■			
Accountability Management					
Clarity of senior management responsibilities and organization			■		
Performance agreements and evaluation			■		
Authority levels			■		
Incentives		■			
Valuing people's contribution				■	
External reporting				■	

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PROJECTS

The following are potential projects, work packages or initiatives that the Department could pursue to improve its management practices. Senior management would need to prioritize the projects and select the most appropriate ones to be performed within current resource capabilities. They are not presented in any order of priority at this time.

Clarify HQ-regional roles and responsibilities in program areas:

Review roles and responsibilities of HQ functional specialists and regional line managers in program areas, and mechanisms to make this working relationship more effective.

Provide training in modern management practices:

Identify and provide appropriate training mechanisms that would help managers to continue to improve their management competencies, in order to develop current, superior and consistent management capabilities across the organization that will increase effective leadership and provide for strong decision making. Assess requirements and strategy vis-a-vis external partners.

Involve partners in the planning process:

Assess how service partners could be engaged in departmental planning and performance measurement in a more structured way. Survey partners on the feasibility and their willingness to become more active participants. Pursue initiatives already underway in this regard.

Assess need for an enterprise-wide risk management tool:

Building on existing risk management framework and guidelines, and expertise in litigation risk assessment, assess the need for an enterprise-wide risk assessment tool, and implement if appropriate.

Review approach to service delivery improvement:

Continue current efforts to develop more streamlined, effective and integrated service delivery processes with service partners. Review whether service delivery processes are adequately documented. Assess strategies for service delivery improvement. Review how service delivery is structured at the regional level. Establish linkages with process measures and service standards.

Conduct periodic survey of staff values and ethics:

Periodically survey the extent of common understanding and awareness of departmental values and ethical practices, the effectiveness of communications, and the appropriateness, effectiveness and consistent application of existing practices across the organization.

Review corporate performance measurements:

Review corporate performance measures in light of changing relationship with service partners. Review appropriateness of outcome measurements. Review current ways of collecting and consolidating the information.   Assess linkages with other types of performance information, and the need for establishing a balanced scorecard approach.

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Potential projects (continued)

Continue to refine process for reporting results achieved against strategic priorities (e.g., Gathering Strength):

Clarify process and mechanisms for reporting results achieved under Gathering Strength, and including these in business plans. Establish linkages with program/policy evaluative outcome information and corporate performance measures.

Consolidate and track employee satisfaction information:

Review mechanisms in place to consolidate information on employee satisfaction and track results over time. Review linkages with overall departmental reporting.

Review departmental operating systems:

Jointly review with service partners relevance of existing departmental operational performance systems, linkages with performance measures, linkages with financial and other systems, and system improvements required. Assess opportunities for integrated systems with service partners.

Review mechanisms for monitoring client satisfaction:

Ensure an appropriate framework exists to gather and monitor information on client satisfaction, to make certain client needs and requirements are being met appropriately and to monitor client satisfaction over time.

Integrate service standards:

Review with service partners whether adequate service level arrangements and standards have been established and are applied on a consistent basis in line with client requirements.

Review with service partners mechanisms for collecting performance information:

Jointly review with service partners performance measures, what performance data to collect, how to collect it, the feasibility of sharing the data, infrastructure requirements, and the cost implications. Assess linkages with accountabilities.

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Leadership and Commitment

Leadership commitment

Findings
❏ Very strong commitment by senior management to implementing modern management practices. Examples include: Leadership and Learning, Leadership Profile, training and development. The Department has invested significant resources to improve its management practices.
❏ "Open-door" management style. Management is open to receiving feedback and criticism from employees. Extensive use is made of work-out sessions with staff to receive feedback. Minutes of senior management meetings are circulated openly.
❏ Deputy Minister and Assistant Deputy-Ministers work closely together in a collegial fashion. Strong and effective senior management committee structure is in place.
❏ Strong level of communications with staff. Values have been communicated extensively across the organization. Leadership profile is a key element. E-mail is used extensively to communicate with staff. Results of initiatives (e.g., "Resourcing our Priorities") are shared openly. Accountability agreements of senior managers are shared openly with staff in a fully transparent manner. Staff are given the opportunity to provide their input on the accountability agreements.
❏ Strong sense of responsibility in implementing the Gathering Strength mandate of the department, in developing partnerships with the First Nations/Inuit, developing capacity in the communities, listening to concerns of First Nations, and working in harmony with partners. Clear mandate and direction from the ministerial level.
❏ The Department has established a Modernization Roadmap. The Department has played a leadership role at the government-wide level as a pilot department in Modern Comptrollership. Comptrollership is commonly understood by management as "modern management practices", and has been promoted as such.

Issues/Opportunities

❏ Ensure transition under new senior management.

Examples of Documents

❏ Leadership Profile.

❏ Framework for Action

TOPIC	1	2	3	4	5
Leadership commitment	Deputy-head and senior management have only limited knowledge of the comptrollership focus.	Deputy head has a broad understanding of the concept of comptrollership, and recognizes the need for change. Deputy head has initiated steps to report performance on an integrated and consolidated basis, including financial and non-financial. Deputy head has developed a short and longer-term plan for comptrollership, and has put in place an organization for effective comptrollership. Performance information, accountability and stewardship are high on senior management's agenda.	Deputy head and senior management are highly committed and supportive of comptrollership mindset, and commit resources to implementing comptrollership best practices. Senior management has established mechanisms to report performance on an integrated and consolidated basis. Deputy head is able to report on extent to which government-wide standard for comptrollership has been met in the organization, and makes periodic representations to the Minister and central agencies.	A comptrollership ethos permeates the organization and its decision-making process. Deputy head and senior management have created a climate wherein creativity and managed risk taking are encouraged, barriers are broken down between functions, and business decisions are challenged. Risks are discussed openly by senior management. Senior management is actively sponsoring the adoption of new service delivery mechanisms. Deputy head is able to report to the Minister and Parliament with confidence on performance results achieved.	Organization is recognized amongst peers for leadership in implementing modern comptrollership practices. Deputy head has earned a high level of trust from central agencies and Parliamentarians, who have high level of confidence in the effectiveness and integrity of the systems used to administer programs, and in the accuracy and completeness of the information about that administration. Deputy Head and senior management have established a forward-looking approach to comptrollership to assess organization's capacity to sustain desired performance levels in the future.

Rationale

❏ *There is a lot of evidence of management promoting modern management practices across the organization in a pro-active manner through such initiatives as Leadership and Learning, Leadership Profile.*

❏ *Strong communications, and positive and open transparent environment are pervasive across the organization. Risk taking is strongly supported. Creativity and new approaches to service delivery are encouraged.*

Senior Financial Officer's role

Findings	Issues/Opportunities
❑ Senior Financial Officer(SFO) is seen as an integral part of the management team. The SFO is an active advisor to senior management, and plays an active role in senior level decision-making management committees. The Financial Management Committee (FMC) is a visible and influential committee in making program business decisions. ❑ Strong linkages exist between corporate mandate and individual sector directions. ❑ Financial staff are extensively involved in working with other departmental groups on new program development. They are seen as an integrator of information, and as the lead on performance reporting and reporting documents. They provide sign-off on Performance Reporting and Plans and Priorities reports. ❑ SFO organization plays a key role with respect to administration of transfer payments and fiscal arrangements. ❑ SFO and staff are viewed as team players and very supportive in providing advice on financial and non-financial matters. Relationships between SFO staff and managers are strong. SFO and staff are seen as a business partner (not an adversary). ❑ Financial staff at the Branch and Regional level also appear to be integral members of the management team. *(Note: based on limited number of interviews at the regional level).*	❑ None identified.

TOPIC	1	2	3	4	5
Senior Financial Officer's role	No official comptrollership role within the organization. Financial management role is seen primarily as that of maintaining accounting records and controls.	Senior financial officer and staff assists the executive team in assessing financial implications of major decisions.	Senior financial officer and staff are a senior member of the executive team, and are often called upon to provide strategic advice and support in initiating new program initiatives. Scope includes not only financial management, but effectiveness & efficiency of service delivery and organization-wide controls required.	Senior financial officer and staff assume a leadership role within the organization in integrating processes and systems to ensure the organization is making sound business decisions, maintaining appropriate controls, managing long term risks, and achieving high standards of performance.	Comptrollership organization is recognized as a leader amongst peers, and is perceived within organization as having strong technical and expert advisory capabilities.

Rationale

❑ *SFO and staff are an integral part of the management team.*

❑ *SFO and staff play a strong leadership role in the organization in all major business decisions, and developing frameworks for risk and performance management.*

Managerial commitment

Findings

- Managers are generally aware of the various initiatives underway to improve management practices (e.g., Leadership and Learning Guide, Leadership Profile), and are supportive of these initiatives.

- "Service to the Front Line" initiative is underway.

- Managers are held accountable for achieving results and managing resources effectively. Delegation of authority is assigned as low as possible. All managerial levels are required to sign management contracts. Managerial contracts include HR and financial goals.

- Strong partnership relationship exists between managers and specialists.

- Managers include staff in decisions, and work of senior management is transparent to all employees. A team approach is strongly supported and rewarded.

- Branches are pro-active in promoting better management practices.

Issues/Opportunities

- Promote the role of managers in integrating financial and non-financial information (not only the role of the SFO).

TOPIC	1	2	3	4	5
Managerial commitment	Control is seen as "compliance" and is still considered the main ingredient in comptrollership by both operational and financial managers. Operational managers focus on running the business and count on "corporate" to ensure that the rules, regulations and reporting requirements are being met. They are not familiar with comptrollership policies. Financial concerns primarily evolve around availability of funds to carry out initiatives.	Managers understand their financial authorities and those of their staff. They are aware of their responsibilities for probity and prudence and the protection of assets under their control. Plans and initiatives are not subject to analysis of financial implications beyond the funding issue. Program initiatives are developed without any financial input. Financial specialists are not always familiar with the operations and vice versa.	Managers see comptrollership as part of the job and seek the support of performance and review specialists as well as financial managers. Managers are aware of their comptrollership responsibilities, and accept accountability for resources entrusted to them. Financial implications are assessed in operational plans and new program initiatives. Input from financial specialists in decision making is perceived to add value.	Managers are highly committed and supportive of comptrollership mindset, and commit resources to implementing comptrollership best practices.	Managers see controls as mechanisms to identify risks, opportunities and respond to the unexpected. They apply the concepts of comptrollership in their day-to-day operations. Managers consider financial and non-financial information in their decision-making.

Rationale

- *Managers are promoting and devoting resources to management practices.*

- *High level of awareness and commitment by managers to improving management practices.*

- *Managers are conscious of their responsibilities for implementing strong management practices.*

- *High priority is attached to assessing financial implications of program/business decisions.*

- *Business planning and resource management have a high profile across the organization.*

Ethics and values

Findings

- Extensive documentation exists on values statements (e.g., Core Values Statement, Leadership Profile, Gathering Strength).
- Strong linkage of values and ethics to Gathering Strength.
- Strong communication exists throughout the Department (e.g., e-mail, website, staff meetings).
- Staff developed own ethics standards in one Region. One Branch developed its own Code of Ethics.
- Strong sense of transparency in the work of the Department.
- Strong sense of conducting work with service delivery partners in a professional manner. High importance to being sensitive to the values of First Nations/Inuit partners. All staff are expected to have knowledge and awareness of "partners'.
- "Open space" sessions are held with staff to discuss values and ethics. Individual employees feel they can raise concerns.
- The Department has an ombudsman.
- Department has established an Aboriginal (First Nation and Inuit) awareness program for employees and summer students--this strengthens the values and ethics.

Issues/Opportunities

- No evidence of a systematic approach (e.g., survey) to measure the level of awareness and consistent application of values and ethics across the organization.

Examples of Documents

- Core Values for DIAND Employees.
- Leadership profile.

TOPIC	1	2	3	4	5
Ethics and values	No ethics policy or guidelines in place. Policy statements are issued on an ad hoc basis. No clear statement of shared values or principles.	Organization has an ethics statement. Written policies are communicated across the organization, but are applied inconsistently.	Ethics and values assessments and surveys are carried out regularly, and publicized throughout the organization. Results are analyzed on a trend basis, and teams established to address specific issues.	Ethics and values principles/guidelines are well understood by employees, and are reflected in organization-wide documentation and communications. Valued behaviors are rewarded as part of performance evaluation. Atmosphere of mutual trust exists at all levels. Few infractions or incidents occur.	The organization is recognized externally as a leader in establishing an ethics and values program. Ethics and values are consistently reflected in organization practices and actions. All levels in the organization participate in the development of ethics and compliance related policies and programs.

Rationale

- *Extensive communication, promotion and discussion of ethics and values.*
- *Very strong commitment by senior management.*
- *Ethics and values governs partnerships as well.*
- *Could adopt a more systematic process of measurement/monitoring implementation of values and ethics.*

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Business Planning and Risk Management

Business planning

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Findings

- Fairly mature planning process. A common understanding of the process exists across the organization. Generally undergo an comprehensive visioning exercise prior to developing business plans.

- Strong cascading of business plans across the organization to work unit and individual goals and workplans. Evidence of both "top-down" and "bottom-up" input. Business planning is very inclusive--all Branches and Regions.

- Strong linkage exists between business planning and accountability agreements.

- Separate plans are prepared for HR and IT. IT plan is approved annually by senior level Information Management Committee (IMC). Strong linkages exist with HR planning and aboriginal recruitment.

- Extensive committee structure at HQ and the Regions to integrate business planning.   Extensive planning for information management/technology through Information Management Committee (IMC).

- Will develop policy framework, guidelines, clear objectives and seek funding over and above base funding for key priority areas (e.g., housing). Will involve both Regions and HQ.

- Will do formal reviews of the business plans during the year. Have recently begun to identify doables in 6, 12, 18 months and beyond.

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Issues/Opportunities

- Need exists for more outcome measurements. May be difficult to implement appropriate measures due to the nature of the business.

- Concern exists about sufficient resources being available to achieve implementation of Gathering Strength.

- Regions have made initial efforts to involve partners in the planning process, and wish to pursue this more pro-actively in the future. Need to consider further how First Nations could best be involved in planning.

- The process for reporting results achieved under Gathering Strength needs further development. Some managers noted the need to review the timing of the planning cycles.

Examples of Documents

- Part III- Report on Plans and Priorities.
- Departmental Business Plan.
- DIAND Corporate Priorities: 1999-2000.
- Renewed Approach to Business Planning (1999-2000).
- The Planning and Accountability System.

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TOPIC	1	2	3	4	5
Business planning	Business planning is done on an inconsistent basis across the organization. Corporate business plan meets central agency reporting requirements but is primarily focused on financial information. No effort is made to link/reconcile Sector business plans. Plans, once prepared, are seldom used in support of program delivery.	Sectors prepare business plans independently. HR, IM, and other horizontal issues are addressed on a project-by-project basis, and are only partially reflected in organization business plans. Business plans are primarily focused on meeting central agency reporting requirements. Some effort is made to consolidate or reconcile Sector business plans.	Desired results, priorities and resources are clearly stated in business plans. Priorities are ranked. The plans are comprehensive and reflect resources from all functional areas. Resources are adjusted annually to reflect priorities. High interrelationship between Sector business plans. Business plan priorities are reflected in workplans and budgets.	Business plans highlight organization-wide issues and risks that are most critical to the success of the organization, and their resource implications. Plans are adjusted to reflect priorities and feedback from performance reviews/results. Plan reflects different requirements of clients/ stakeholders who are consulted as part of process.	Clients participate in business planning process. Plans are used as an integral component in program management. Plans and resources are revised periodically to reflect performance results. Plans are cascaded across the organization, and are easily accessible through organization-wide information system.

Rationale

- *Plans are comprehensive.*
- *Priorities are ranked as part of business plan in line with strategic priorities (e.g., Gathering Strength).*
- *Resources are adjusted to reflect priorities (e.g., through Financial Management Committee).*
- *Not evident that risks are considered explicitly on an organization-wide basis as part of business planning.*
- *Opportunity for closer linkage between plans and performance results.*

Linkage to strategic planning

Findings

- A well defined process for strategic planning is in place at the Departmental level. Corporate strategic direction and priorities are well defined. They are reviewed, discussed and communicated on an ongoing basis by senior management. Regions have input and are an integral part of the process. Priorities are tested with the Minister.

- Strategic planning and priority setting has been reinforced by 6-7 senior management committees that make decisions using a team approach. Similar committee structures exist in the Regions.

- A strong linkage exists between business planning and departmental activities and Gathering Strength. The Department is managing complex multi-department agenda with many horizontal linkages across the federal and other levels of government. In addition to devolving program delivery, DIAND has broadened agenda and reached out to private sector and provincial governments.

- Strong flow of information from senior level meetings to departmental staff, in a transparent manner.

- Department has initiated involvement of service delivery partners in strategic planning.

- High level indicators are in place to monitor results achieved against strategic priorities.

- Have been in pro-active in trying to get views of Cabinet.

Issues/Opportunities

- Process for reporting results achieved against strategic plan priorities (e.g., Gathering Strength) needs to be clarified.

- Need to collect more empirical evidence of what is working or not working at the community/program level, given new way of doing business under Gathering Strength.

- Monitoring of implementation of strategic priorities needs to reflect the new role of RDGs as "change agents" as opposed to "service delivery". Each Region faces a unique set of challenges in its relationship with the First Nations.

Examples of Documents

- Gathering Strength--Canada's Aboriginal Action Plan

TOPIC	1	2	3	4	5
Linkage to strategic planning	Business plans are developed independently of strategic plan. Little or no effort is made to reconcile the two.	Strategic and business plans are prepared by independent groups. Some effort is nevertheless made to ensure consistency between business plans and strategic plan. Anomalies are raised with senior organizational heads (e.g., Sector/Regional ADMs).	Strategic priorities are stated and ranked in business plans. Business plan objectives are linked to strategic priorities. Organizational strategies are reflected in operational/ work plans. Results achieved in business plan are monitored against strategic priorities.	Resources and performance targets in business plan reflect strategic priorities and key success factors. Assumptions are periodically challenged to ensure continued relevance. Results achieved are monitored on a trend basis against strategic priorities, and resources modified accordingly.	Program outcomes are reported regularly against both strategic and business plans on a trend basis. Perceived to be single highly integrated plan and process.

Rationale

- *Strong linkage exists between business planning and strategic priority setting done by management. Strong cascading down to lower management levels.*

- *Strong integration of strategic/business planning across HQ and the Regions (based on regional interviews carried out).*

- *Performance targets in business plans reflect strategic priorities.*

- *Need to build into business plans monitoring of results against strategic plan (e.g., Gathering Strength).*

- *Have done focus groups with representatives of First Nations.*

Risk management

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Findings

- DIAND has been in the vanguard in the federal sector in developing a risk management framework, guidelines and tools. DIAND is a leading department in litigation risk management, and has established sophisticated processes to assess, manage, and resolve litigation risks on a portfolio basis.
- The Department has a Risk Management Committee (Management of Risk Advisory Group)
- Departmental framework on risk management exists, as well as risk management guidelines and tools.
- Risk management tools are being used in some Branches. A formal risk assessment tool is being used by at least one Region.
- The Department is still at the development stage in terms of using risk management tools and assessing risks on an enterprise-wide basis.
- Managers feel they are assessing risks on an on going basis. Management view is that risk management is done as an integral part of operations, for example, in resource management, sustainable development, environmental protection.
- Training is provided to managers on risk management.
- Audit review process is seen as one mechanism to manage risks. All First Nations provide annual audits conducted by independent auditors.

Issues/Opportunities

- Managers are not clear about what is meant by risk management. Need to develop a consistent understanding at the departmental level.
- Some question exists as to the level of formality that is needed in assessing risks, and the extent to which enterprise-wide risks should be assessed.
- Need to educate staff about intelligent risk taking and what that implies.
- Need to clarify the extent that risk management is considered as part of the planning process. Some Regions/Sectors are considering risk management in business planning, but it is unclear whether this is widespread or not.
- Need to expand concepts of risk management into regulatory management and then program administration, and move away from spending equal time on cases regardless of risk.
- Risk management is perceived to be closely linked to partnering with First Nations. Need to consider implication of decisions on partners, and how to mitigate certain risks.

Examples of Documents

- Elements of a Management of Risk Framework in a Public Sector Context

TOPIC	1	2	3	4	5
Risk management	No risk management measures are in place. Concept of risk management is not well understood.	Risk management policies and guidelines are in place for specific operational areas. No policy or guidelines exist at the department-wide level. Organization-wide issues are dealt with on a "one-off" basis as they arise.	Organization-wide risk management framework and policy are in place. Major risks are identified and plans developed to contain risks. Senior managers are familiar with risk management concepts and techniques. Risk assessment is done extensively at operational level and in the planning and carrying out of audits and reviews. Contingency/ reserve funds are in place to deal with unforeseen events.	Major risks are highlighted in strategic and business plans. Systems are in place to monitor risks, and to determine acceptable risk levels. Mechanisms are in place for forecasting and managing contingency funds. All levels of the organization participate in implementing controls and risk assessment. Managers are trained in risk assessment techniques and tools.	Organization-wide risks are monitored on an on-going basis, and action plans are in place to better manage risks. Risk management is highly integrated into program/ regional management and planning. Significant risks and their implications are communicated to clients and stakeholders on an on-going basis. Effectiveness of controls are evaluated periodically.

Rationale

- *A risk management framework is in place for the Department.*
- *A sophisticated litigation risk strategy is in place.*
- *Risk assessment is currently being done at the operational level within the Department.*
- *Inconsistent understanding of the formal concept of risk management.*
- *Risk assessment at the department-wide level is still at the development stage.*

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Resource allocation

Findings

❑ A well defined departmental process is in place for dealing with resource surpluses and deficits, based on strong principles of transparency.

❑ Formula-based allocation models are in place for determining resource levels for specific programs, and for allocating these resources across the country. Regions have flexibility to decide on distribution of funding at the local level.

❑ Very inclusive process at HQ and at the regional level. High level of transparency. Decisions are made on a collective basis at the regional and HQ levels.

❑ The Finance Management Committee plays a pivotal role in helping the Department resolve allocation decisions. Equivalent committees operate

❑ Most managers are satisfied with the FMC process. However, a few managers interviewed feel that some decisions at FMC are not always aligned with strategic priorities.

❑ In practice, resource re-allocation is limited by the large part of the Department's funding that is committed through funding arrangements. Also, a large part of the funding has been decentralized.

❑ Senior management will strive for a common definition of problem and will agree on priority areas (e.g., water and services), and seek managers' support through FMC to direct funding to these priorities.

Issues/Opportunities

❑ FMC must maintain greater flexibility to accommodate unforeseen priorities.

❑ Still need to refine systems so that information is available earlier on actual expenditures compared to budget.

❑ Need to consider need for reserve at the DM level to improve ability to respond quickly to unforeseen urgencies. Have tended to decentralize reserves in the past.

❑ External partners need to be more closely tied in with DIAND re business planning, budget forecasting, and reporting.

❑ Resource allocation models tend to be based on input data rather than external outcomes.

Examples of Documents

❑ 1999-2000 Corporate Management Regime

TOPIC	1	2	3	4	5
Resource allocation	No systematic or formal approach to resource allocation. Resource levels are adjusted on an incremental basis from year to year. Financial information and analysis is not integrated into the evaluation of program options and priorities.	Resource levels are reviewed periodically through program and other funding base reviews. Resource levels are adjusted for new activities and priorities. Resource levels are managed independently by each organizational unit (e.g., Sector, Region).	Resource planning models are in place in each Sector/Branch to estimate resource requirements. Mechanisms are in place to facilitate re-allocations of resources across the organization based on priorities. A business case approach is used to allocating resources. SFO and staff provide both a challenge and advisory function to managers.	Mechanisms are in place at the organization level to help make choices between competing priorities. Managers at all levels are involved in resource allocation/re-allocation decisions. Budget re-allocations decisions are fully transparent. The resource allocation culture supports openness and flexibility.	Resources are re-allocated between programs based on priorities that reflect results achieved and "value for money". All management levels are highly committed to, and participate actively in, the resource allocation process.

Rationale

❑ *Models are used in each Sector/Branch to allocate resources.*

❑ *Mechanisms are in place to facilitate re-allocations of resources across the organization based on priorities through FMC. Similar mechanisms (e.g., resource management committees) are in place at the regional level.*

❑ *Financial Management Committee (FMC) process at HQ and the Regions is generally perceived to be working well in terms of helping the Department to make choices between competing priorities.*

❑ *High transparency of resource allocation information and decisions.*

❑ *SFO and staff provide challenge and advisory function.*

Budgeting and forecasting

Findings

- The budget allocation process and procedures are well known to managers.
- Sectors and Regions have systems in place for effective budgeting and resourcing.
- Variance reporting and analysis is done on a monthly basis.
- Managers work closely together with functional specialists from Finance.
- Strong forecasting capability in Sectors and Branches.
- Managers interviewed gave positive feedback about ability of Department to transfer in-year funding from one part of the organization to another.

Issues/Opportunities

- None identified.

Examples of Documents

- Comptrollership: DIAND's Current-Year Financial Management Processes, July 1999
- Management Variance Reporting

TOPIC	1	2	3	4	5
Budgeting and forecasting	Budgets are primarily concerned with allocating expenditure or cash targets. There is no clear process for either budgeting or forecasting. There is a lack of consultation and involvement of operational staff in budgeting and forecasting. No commentary on budget or forecasts prepared and assumptions not documented.	There is a clear formal process for budgeting. Budgets are driven by the Finance function based on a broad understanding of longer term plans. Operational staff provide base assumptions to Finance who have the responsibility for preparing the budget and forecasts. Operational staff are involved in preparing opening budgets. Reforecasts are only used to update projected financial results, are infrequently prepared and in little detail. Reasonableness of forecast is not reviewed for realism of assumptions. Actual results rarely correspond to forecasts. There is limited commentary prepared for the financial assumptions.	Budgets are prepared by operational staff with advice and input from finance staff, and are clearly linked to strategic/ business plans. SFO and staff are proactive in developing the framework and ensuring it is easily understood by operating management. The budget clearly identifies objectives and assumptions. Budgets reflect strategic priorities and operating unit objectives. Elements are budgeted on basis of assumed consumption and variances done accordingly. Forecasts are reviewed for realism of assumptions, and drive actions to improve results. Re-forecasts made quarterly but in little detail with little target reassignment. Managers conduct variance analysis and justify variances.	Budget is closely linked to costing approach, and links resources to activity and program/product costs. The processes for budgeting and forecasting are streamlined. Data is input directly into a financial planning mode (e.g., what-if analysis). Managers are held accountable for budget variances, and are rewarded/penalized accordingly. Business plan objectives and assumptions are periodically challenged, and changes made to reflect changes in external environment.	Budgeting approach is closely focused on outcomes and results. Budgets are closely linked with resource allocation priorities and performance results achieved.

Rationale

- *A mature budgeting and forecasting process is in place.*
- *SFO and staff play a pro-active role in managing the budgeting process and framework.*
- *Budgeting is closely aligned to strategic and business planning.*
- *No evidence of extensive "what if" analysis done as part of budgeting and forecasting processes.*
- *No evidence of activity-based or product cost information being used in support of budgeting.*

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Modern Management Practices Capabilities

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Modern management practices competencies

Findings

- Competencies re management practices are clearly defined in the Leadership Profile.
- Training is made readily available to managers. There was evidence of Branches actively promoting this training.
- Modern management practices are an integral part of the training program of the Department.
- Close partnership between managers and functional specialists facilitates knowledge transfer.
- Developing the competency of managers is closely associated with developing the management capacity of external service delivery partners.
- At the regional level, managers are supported by various decision-making committees (Operations Management Committee, Major Capital Projects Committee) that are accountable to the RDG.

Issues/Opportunities

- A number of interviewees felt that the management skills of managers could be enhanced with further training.
- Basic training is required for managers on the machinery of government (e.g., budgeting, contracting, planning cycle), particularly for new managers.
- Focus on delivery with external service delivery partners has implications in terms of developing management capacities both internally within DIAND, and externally within First Nations communities.
- Managers should be provided training on how to manage within a partnership service delivery framework. This is a major culture change for managers and the organization as a whole.

TOPIC	1	2	3	4	5
Management practices competencies	Little or no information exists on competency requirements for either functional specialists or managers.	Additional knowledge requirements have been identified. Awareness sessions have been carried out and skills gap established. Little or no training has been done.	Awareness sessions have been held for functional staff and managers. Skills gap is being addressed for all. Training requirements are being sourced. There is "cross-fertilization" between functional specialists and line managers.	Training and funding in comptrollership have high priority. Functional specialists and managers have been trained and skills gaps have been addressed. Comptrollership competencies have been added to the departmental training schedule on a permanent basis.	Comptrollership competencies and training are an integral component of goal setting/ performance evaluation. Managers have suitable knowledge of comptrollership functional disciplines. Functional specialists are knowledgeable of programs and operations.

Rationale

- *Competency requirements have been defined at a high level.*
- *Strong relationship exists between line managers and functional specialists.*
- *Skill gaps still need to be addressed.*
- *Comprehensive training is provided in management practices.*
- *Training and funding in management practices have been given a high priority.*

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Business process improvement

Findings

- Key focus of Department has been ensuring effective partnerships are established with service delivery partners. Examples include: Aboriginal Procurement Strategy, Strengthening First Line Operations, Community Assessments.

- Service delivery improvements are implemented in collaboration with external partners. For example, funding has been provided to First Nations communities to share ideas on service delivery, seek alternative sources of funding, share purchasing of supplies (e.g., housing), and generate economic development opportunities.

- Quality service review was recently done. Some areas (e.g., Litigation) have gone through re-engineering.

- The department continually strives to make improvements regarding how it conducts its business with external partners, (e.g., FTA's, FTP's, AFA's, Comprehensive Agreements, Quality Service Reviews)

- Improved planning and accountability framework is linked to Gathering Strength.

- Processes are in place to strengthen Front Line operations. Operational Management Committee has been formed to focus discussion on operational issues.

- Risk Management tools are being developed at working levels.

- DIAND participated in inter-departmental Council of Administration to streamline administrative services and pursue shared service delivery.

Issues/Opportunities

- A number of managers felt that there was potential for the Department to do more in defining and improving processes.

- Potential exists to adopt a more comprehensive approach to documenting and assessing business improvement processes.

- In one Region, staff have been organized into multi-functional teams aligned with treaty areas, so as to provide a one-stop service centre approach. This may provide "lessons learned" for other Regions.

- Service delivery processes must continue to be improved in close partnership with external partners.

Examples of Documents

- The Implementation of Quality Services in DIAND, Progress Report, May 1998

- Managing Funding Arrangements--DIAND's Accountability Framework

TOPIC	1	2	3	4	5
Business process improvement	Major differences exist in the way services are delivered among regions/programs. Processes are not well defined. There are no systems or processes which support the analysis and assessment of service delivery options.	Processes are defined to varying degrees depending on service area. Process improvement projects are initiated on an ad hoc basis. No or limited work done regarding "most efficient organization". Little change in processes in last three years.	Main service delivery processes are well documented and understood across the organization within each service area. Some best practice assessment has been carried out and processes updated. Major process improvements and/or most-efficient organization analyses are underway to improve program delivery. Key processes are monitored to ensure consistency in program delivery.	There are systems and processes to identify and assess service delivery options. Processes are improved on an ongoing basis. A variety of analytical techniques are used to support process improvement including best practice reviews and benchmarking. Processes are assessed on a cross functional or cross organizational basis, with client/stakeholder involvement. Parts of the organization are ISO 9000 accredited.	All services of the department are recognized across government for innovation and success in their service delivery processes. The organization is commonly benchmarked against, and is often called upon to provide advice and participate in interdepartmental fora to explain its business processes. Major parts of the organization are ISO 9000 accredited.

Rationale

- *A range of ongoing initiatives are in place with service delivery partners to improve program delivery.*
- *Sharing of best practice information.*

Specialist support

Findings	Issues/Opportunities
❑ Availability and expertise of specialist support is perceived as very positive throughout department. Functional specialists exist at both Headquarters and in the Regions. ❑ With some exceptions, managers report that they have adequate access to specialist support. ❑ Specialists are seen as partners or as members of a team, in particular, HR and Finance. ❑ Specialists have ready access to financial and non-financial information to develop recommendations and provide advice to managers. ❑ Financial advisors are assigned to each Branch and work closely with line managers and may attend Branch management meetings. They participate in many key resource-related decisions. ❑ Program specialists provide important support and guidance to Regions re policy, guidelines, and reporting framework, and organize national forums to discuss issues and best practices.	❑ Need for greater availability of IT specialist support. ❑ Some interviewees noted weaker relationship between line managers and specialists in program areas. For example, tensions exist in seeking balance between resolution of problems at regional level and national interests, and maintaining regional flexibility versus national consistency. Diversity of the country may be a factor. ❑ Department is losing in-house expertise in certain specialty areas as a result of devolution to external partners. This may have long term implications. ❑ Some noted need for access to specialists regarding relations with First Nations.

TOPIC	1	2	3	4	5
Modern management practices specialist support	Functional specialists carry out basic analysis of information required by management to support decision making in response to specific requests and as part of their control mandate.	Departmental capacity in analytical techniques has been updated within comptroller's organization.	Service is responsive. Specialists advice readily available when required. The functional specialist is technically competent and works with line managers in providing analysis and advice. Is seen as a value added partner in analysis rather than an barrier.	Functional specialists work with managers to help them fulfill their responsibilities by providing value added information and technical analysis to better use and protect resources. Although a financial specialist, they are cognizant of the business and knowledgeable of the analytical techniques to support the line manager.	Challenge and expert advisory role of specialists is valued by by all levels of management. Specialists are seen as a key enabler in initiating change. Functional specialists are often called upon by their peers to provide advice and support in other organizations, or to speak at conferences on new comptrollership trends or best practices. Recognized as a leader amongst peers.

Rationale

❑ *Service is responsive in most areas. Functional specialists work effectively with managers, and their expertise is well regarded.*

❑ *Specialists are involved in initiating change.*

❑ *Managers respect and value the challenge and expert advisory role of specialists.*

❑ *The department is recognized as a leader among peers.*

❑ *Relationship between line managers and functional specialists could be further strengthened in the program areas.*

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Modern management practices tools & techniques

Findings

❏ Various tools and techniques are available and used at all levels to assist in decision-making (e.g., team-building toolkit). Tools are perceived to be available both internally and externally.

❏ At the regional/operational level, management regime describes policies, decision-making criteria, processes, and ways to measure success.

❏ Managers consider costs and benefits, time, and internal capacity in making decisions (for example, in submitting IT proposals).

❏ Functional specialists (Finance, HR, IT, DAEB) provide expertise and support in the use of management tools.

❏ Department strives to keep up-to-date with state of the art technology/methodologies.

Issues/Opportunities

❏ Tools may be okay, but the data used in applying the tools is not perceived to be sufficiently reliable. Opportunity exists to improve the quality of data used in the analysis. Data collected from First Nations tends to focus on inputs rather than outcomes. Need to jointly determine with partners what data to collect and how to collect it.

❏ Tools may not be used as often as they could be or should be used.

Examples of Tools

❏ Leadership Profile self-assessment.

❏ Learning Resource Guide.

❏ Guide on Financial Arrangement and Funding Options.

❏ User Guide for Management of Transfer Payments.

❏ Accountability and Management Assessment Guidebook.

❏ Aboriginal Workforce Employer Toolkit.

❏ Manuals for staffing, training and recruitment.

TOPIC	1	2	3	4	5
Modern management practices tools & techniques	Limited tools and techniques available at a corporate level to assist managers in conducting business case analysis. Managers tend to use own individual approach.	Techniques such as life cycle costing, cost benefit analysis and benchmarking are primarily financially focused. Departmental capacity in analytical techniques has been updated within comptroller's organization.	Managers have access to various analytical models and techniques, and support decision making tools, that integrate financial and non-financial information. Managers at all levels are exposed to tools and techniques. Tools are used in close partnership with functional specialists.	Well developed and wide range of decision support tools and models. Analysis is done using integrated information database. There are well developed decision support tools and techniques fully understood and used by all staff. Tools are an integral part of decision-making by managers.	On-line access to management information through sophisticated decision support tools and models. Tools and models are assessed on a periodic basis and updated based on most recent trends and technology.

Rationale

❏ *Managers use various analytical models and techniques to support decision making.*

❏ *Managers at all levels are able to use a variety of appropriate tools and techniques.*

❏ *Tools are integral to the Department's decision making processes.*

❏ *Tools are applied to financial and non-financial information.*

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Knowledge enabling technology

Findings

- Internet and intranet are used extensively.

- All departmental information is available on its Web Site. This is a clearinghouse for all Departmental performance and analytical information.

- Managers find necessary information through IT sources.

- Department values "transparency" which encourages the availability of departmental information/data on the Web.

- Web information is comprehensive including information on partners with linkages to Home Pages of Aboriginal web sites and Procurement information (i.e., Aboriginal businesses).

- The Department has taken steps to be fully Y2K compliant. An Information Technology committee is in place. The IT strategic plan in place is monitored regularly and amended as necessary.

Issues/Opportunities

- Need to continue to develop technology capabilities at the partner/community level.

TOPIC	1	2	3	4	5
Knowledge enabling technology	Performance information is stored with little structure or rigor; transmitted between programs for basic operational systems only. Redundant data is held in both PCs and Mainframes. Most systems are paper based. Technology is controlled by the IT department. Limited use of LANs and e-mail.	Program performance information systems exist in each Sector; no enterprise view of systems and data. Interfaces between program performance information systems are minimal or non existent.	Key applications migrated to client server environment. Limited interface between Sector performance information systems. Main sectors have installed sector wide solutions and are discussing or planning integration of systems. Performance data and process models exist for sectors and possibly for the organization. Back-up and disaster recovery plans exist.	A data warehouse supports all departments analytical performance information needs, and interfaces with organization's transaction systems (HR, finance). High connectivity between sector systems. Paper is still used extensively though performance information in text-based material is digitized. Executive information systems capture summary corporate information.	Active well planned technological experimentation (data mining, expert systems, content creation/push tools). Data warehouse evolving into a knowledge repository with document management/ search retrieval technology implemented. Strategic approach is taken to IT investment, and performance of technology is monitored closely.

Rationale

- *There is extensive use of WAN's and LANs and e-mail.*

- *Internet and intranet are fully utilized. The Web Site is a complete storehouse of departmental information including financial and non-financial information and partner information.*

- *Managers extensively access information available in both "nets".*

- *Department's IT responsibility centres ensure that the department's investment in this technology is state-of-the-art and meaningful/useful/effective for users.*

Control Systems

Transaction tracking systems

Findings

- Financial information is generally considered to be satisfactory. Reports meet reporting requirements. The information is easily accessible.

- Concerns about existing financial information were identified in previous studies re FIS implications. A decision is being made on whether to upgrade the existing system to accommodate FIS standards, or to acquire a new software application.

- Have various operational/tracking systems at the departmental level re First Nations' budgets, populations, loans, land leases, asset condition and inventories, lands and trust services.

- Some expressed concerns regarding the user-friendliness of and reliability of national reporting and operational systems (e.g., TPMS), and systems being too cumbersome and labour intensive. Potential to improve system report writing capabilities. National systems tend to be managed centrally. Data tends to be focused on each Sector. Some Regions have built their own systems.

- Some concerns exist about correspondence tracking.

Issues/Opportunities

- Issues identified re national operational tracking and reporting systems would need to be explored further.

- Further integration of financial and operational/tracking systems may be desirable, for example, between data banks and resource allocation systems.

- Systems need to be set up in an integrated way with First Nations, so data is entered only once.

Examples of Documents

- Analysis of Strategic Information Requirements, May 1999.

TOPIC	1	2	3	4	5
Transaction tracking systems	Systems used for tracking financial transactions and/or operating results either non-existent or unreliable. Managers maintain their own set of records. There is no coordinated approach to data management. Systems rely extensively on manual data input.	Formal systems in place to track the financial and/or operating transactions. Managers maintain separate records for management purposes in addition to formal systems. Systems links and data flows for systems are not well understood. Responsibility for meeting overall organization financial information requirements is considered to be that of Finance.	Formal systems in place to track financial transactions and operating results are considered timely, accurate and reliable. Systems are "stove piped" (i.e. multiple expenditure or revenue systems, operating systems, finance, human resources, payroll, fixed assets etc.) resulting in multiple databases, and data entry. Systems links and data flows are well understood. Managers have strong sense of ownership of financial and operating information. External information and reporting requirements (e.g., Parliament, central agencies) are consistently met.	All transactions in financial, materiel, human resource and other operating systems are linked and interfaced/integrated. Rekeying and other manual intervention is rarely needed for data gathering. Management works closely together to coordinate approach to data management. Implementing electronic commerce technology.	Procedures are in place to assess automation options when new data gathering needs are identified. Low cost transaction processing providing accurate and timely information. Maximum use of electronic commerce (e.g., EDI, EAA).

Rationale

- *There are formal financial and operational systems in place. Reports are generally satisfactory, and information is considered reliable. Some concerns were noted re operational systems.*

- *Managers have a sense of ownership of information in systems.*

- *Reports meet central agency requirements.*

- *Financial and operating systems are stove-piped for the most part. Full integration has not yet occurred between financial and operational systems, and between departmental and external partner systems.*

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Internal controls

<table>
<tr><th>Findings</th></tr>
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❑ Controls include performance contracts, delegations of authorities, performance appraisals, formal reporting, post audits, after-the-fact monitoring, internal audits.

❑ Signing and spending authority levels are clear, and are aligned with roles and responsibilities.

❑ Regions carry out program reviews on a sample basis (e.g., schools, post-secondary, social administration).

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<table>
<tr><th>Issues/Opportunities</th></tr>
<tr><td>

❑ Some interviewees felt that monitoring may need to be increased in some areas on a selective basis.

❑ As noted elsewhere, need to improve the quality of data collected from service partners.

❑ Increasing focus on public scrutiny may force the department to expand its monitoring.

</td></tr>
</table>

TOPIC	1	2	3	4	5
Internal controls	Transaction controls are largely paper based. Centralized transaction approvals. Multiple approval levels in place that may or may not add value. Account verification is done on a 100% basis without regard to materiality or risk. Revenue controls are weak. Fixed asset records are incomplete and verification not done regularly. Delegation records not regularly maintained. Controls are restrictive and are perceived to be impeding decision making and operations. Policies and procedures are not up-to-date.	Systems in place to control overspending, manage accounts receivable and assets. Limited systems integration, and controls redundancies exist in operating systems. Limited use of statistical sampling based on risk. Approval levels documented and reviewed periodically.	Effective systems in place and integrated or interfaced where necessary. Taking materiality, sensitivity and risk into account, there is an adequate system of internal control over assets, liabilities, revenues and expenditures. All legislation, regulations and executive orders applicable to financial management are complied with, and spending limits are observed. Delegation of authorities are consistent with operating responsibilities. Clearly documented procedures are available, and understood and followed by all staff.	Control systems are in place and fully integrated. Controls are built into, not on to processes. Controls are working as intended, and are integrated functionally to avoid unnecessary duplication. Controls are regularly reviewed as to risk (potential benefit or amount of exposure to loss). Processes are in place to ensure that corrective action is taken. Alternative controls are developed, where appropriate, that maintain an acceptable level of productivity and give a reasonable assurance against loss. Use of shared service centers to consolidate similar control process activities (e.g., accounts receivables) for potential economies of scale.	Managers conduct self-assessments of controls required. Managers made aware of potential control weaknesses. Controls are used strategically to support strong ethics and values in the organization.

Rationale

❑ *Adequate controls appear to be in place overall.*

❑ *Delegation of authorities is clear and reviewed on an annual basis.*

❑ *Management contracts are seen as an effective accountability control.*

❑ *Effective systems are in place.*

❑ *Selective post-audit and monitoring occurs.*

❑ *Policies and procedures are documented.*

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Accounting practices

<table>
<tr><th>Findings</th></tr>
<tr><td>

❑ Department is not FIS compliant yet. Initiative is underway to correct this.

❑ All financial specialists interviewed reported that accounting practices are fully compliant.

</td></tr>
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<table>
<tr><th>Issues/Opportunities</th></tr>
<tr><td>

❑ Perception exists that there is limited understanding of the impact of the Financial Information Strategy (FIS) on their operations and reporting.

❑ There may be some issues with reconciliation of accounts. This is attributed to the presence of multiple payment systems which feed into the Financial Information System (FIS).

</td></tr>
</table>

TOPIC	1	2	3	4	5
Accounting practices	Basic financial records are maintained. The program structure does not reflect the organization and responsibility of the organization. Significant effort is required each year to produce basic government reporting requirements including the public accounts. Cost information, when used, is expenditure based. Records are maintained primarily to meet the needs of the finance organization. Little or no use of technology enablers (I.e., credit cards) for process consolidation.	Legislative procedural and control requirements are met and transactions are accounted for as required. The program structure reflects the organization and responsibilities for program delivery. Costing information is primarily expenditure and/or FTE based. Coding structures are basic and do not meet the needs of managers for financial information. No consideration has been given to implementing GAAP.	The cost assignment framework is largely aligned to the activities of the organization. Acceptable level of accuracy in costing records maintained. Most of manager's needs are met. Records are maintained on a consistent and useful basis for purposes of audit and reporting. Chart of accounts reflects the organizational structure, and is regularly reviewed. The department has taken initial steps to implement GAAP. Line managers are familiar with fundamental accounting practices.	Low cost transaction processing providing accurate and timely payments fully integrated with purchasing. High level of accuracy in costing records. All government accounting and reporting policies, directives and procedures are complied with. Accounting is done in accordance with GAAP. Finance specialists and line managers are fully aware of GAAP requirements and implications.	Auditable financial statements are prepared in accordance with GAAP. Maximum use of electronic commerce (e.g., EDI, EAA, purchasing cards).

Rationale   ❑ *Main challenge is compliance with FIS as is applicable to all departments.*

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Internal audit and review

- Audit is perceived positively by managers. Relations between Internal Audit and managers are good.
- An Audit and Evaluation Committee, comprised of senior managers and chaired by the DM, establishes the audit plan. A representative from the OAG sits on the Audit and Evaluation Committee.
- Branches and Regions provide input into the audit plan. An action plan is developed for all audits.
- Good follow-up to implementing audit recommendations. Internal Audit is accountable to the FMC on reporting implementation of audit results.
- Internal Audit conducts operational reviews as well as financial and conformity reviews.
- Internal Audit is developing a framework to evaluate modern management practices.
- Self-evaluation handbooks are under development, with a focus on quality and effectiveness.
- Audit is utilized as a waypoint for career progression.

Issues/Opportunities

- None identified.

Examples of Documents

- Draft audit/evaluation/review framework for modern management practices.

TOPIC	1	2	3	4	5
Internal audit and review	No formal approach to internal audit. Audits and reviews are carried out on an ad hoc basis. There is limited understanding of and use of, modern review techniques and tools. No departmental audit committee exists to discuss findings and ensure follow-up where required.	A yearly audit plan is developed with input from branch managers. Main focus of audits is on compliance.	Audit and review plans are closely linked to strategic and business plans. Audit plan addresses department-wide issues and risks as well as specific branch issues. Audits are comprehensive, and focus on all aspects of service delivery. Audit methodologies are in place and understood by managers. Reports are reviewed by audit/review committee, and a formal process exists for follow up action. A mutual respect exists between management and the internal auditor.	Audit provides assurance of financial and non-financial performance information used by management, and effectiveness of control mechanisms. Audit and review results are commonly used by managers as an integral part of program management for decision-making and input into strategic and business plans. High level of audit standards are maintained. Audit methodologies are constantly being refined and updated.	Audits and reviews have a results-based focus. Audit and review results play a major role in identifying improvements to program delivery, and in determining the type of performance reporting that should be used by the organization. Audit is seen as an attractive waypoint for top operational managers in their career progression. Innovation is pursued in audit approaches and methodologies (e.g., self-assessment teams). Organization is seen as a leader in internal audit among its peers.

Rationale

- *Comprehensive range of reviews with focus on both financial and non-financial issues.*
- *Internal Audit has shown innovation (e.g., risk management).*
- *Results are commonly used by managers.*
- *Strong reporting structure through audit and Evaluation Committee and FMC.*
- *Audit Branch is often used as a waypoint for career progression to senior management levels.*

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External audit and review

Findings
❑ Good relations exist with the OAG (e.g., monthly meeting with the Audit and Evaluation Branch, participation on Audit and Evaluation Committee).
❑ OAG recommendations are acted upon seriously.

Issues/Opportunities
❑ None identified.

TOPIC	1	2	3	4	5
External Audit and review	Results of external audits and reviews are responded to in a "one-off" basis.	Coordination is carried out to ensure results of external audits/reviews are disseminated to managers, and follow-up is done.	Results of external audits/reviews are used as input into strategic and business plans. Action plans are developed to address findings of these, and project implementation teams are created where appropriate. Good linkages exist between internal audit and external audit and review. A good working relationship exists between the external and internal auditor.	Detailed follow-up is made to ensure decisions and plans resulting from audits/reviews are implemented in the long term, and results are reported back to external auditors. The department is pro-active in identifying priority areas to be addressed by external auditors/evaluators.	External audits/reviews are seen as a critical source of information for management, and are used to initiate changes to program delivery processes and performance measurement systems. A mutual respect exists between management and the external auditor.

Rationale

❑ *External audit results are responded to systematically. There is formal coordination of results and follow-up. Action plans are developed to address the findings where appropriate.*

❑ *There are strong linkages and a good working relationship between the internal and external auditors.*

❑ *The Department provides input through the Audit and Evaluation Committee into priority areas to be addressed.*

Consistency of information

Findings

❑ Interviewees are generally satisfied with the quality and amount of financial and non-financial information available.

❑ As noted earlier, some concerns exists about national operational and tracking systems.

❑ Department is working towards FIS compliance.

❑ Quality of data from service partners is an issue, and further integration is desirable in the long term.

❑ Further integration of financial and operational systems is needed.

Issues/Opportunities

❑ Issues and opportunities have already been noted elsewhere.

TOPIC	1	2	3	4	5
Consistency of information	Budgeting and forecasting, accounting, and operating information systems are not compatible. Systems run independently at different sites with no controlled linkage.	Information originating at various sites is not automatically linked. There is data transmission through physical process only. Reconciliations are done with considerable manual intervention.	Budgeting and forecasting, accounting, and operating information systems are compatible. All sites are linked electronically. Reconciliations are automated and generally problem free. Report writing facilities are available but not always easy to use.	Systems for accounting, budgeting, operational performance, and the information from these systems, are integrated. User friendly report writer facilities are available.	Executive information system is in place. Easy access to all information through desktop PC. Drill down and trend analysis is available.

Rationale

❑ *The department has budgeting, forecasting, accounting and operating systems that are compatible.*

❑ *Systems run independently from sites but are linked electronically where necessary. The potential exists for further integration.*

❑ *Reconciliations are manual and automated.*

❑ *Report writing facilities exist for standard and ad hoc reports but are not available to everybody and are not consistent. They also take a lot of time to use.*

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Performance Management

Corporate performance information

Findings

❑ Managers interviewed perceive that the Department has been effective in reporting its overall performance. A good understanding exists of broad departmental objectives, and progress in meeting these objectives is reported.

❑ Senior management is continually involved in all aspects of performance reporting at the departmental level.

❑ Gathering Strength is a key element of the overall performance measurement. Regions and Branches report against Gathering Strength priorities.

❑ Overall accomplishments vis-a-vis Gathering Strength priorities are stated in central agency performance reports. Performance indicators are in the process of being developed that are aligned with Gathering Strength priorities.

❑ Given the nature of the department's business, overall performance must be reported to a large extent on a qualitative basis--with the exception of socio-economic indicators that have been in place for a number of years.

Issues/Opportunities

❑ The department has made significant progress in reducing the number, and increasing the relevancy of its key performance indicators (KPIs), however, there is a recognized need for the KPIs to be more focused on outcomes rather than outputs. Some areas are trying to incorporate more qualitative measures of performance.

❑ Concerns exist about the department's ability to obtain the data from the First Nations needed to support the chosen indicators. First Nations have concerns about the amount of data and the need to share data. The Department is looking at options.

❑ Corporate indicators need to evolve in line with the new role of DIAND in relation to its external partners. Some indicators will remain the same, whereas others are being challenged or are under development.

Examples of Documents

❑ Estimates--Indian and Northern Affairs Canada and Canadian Polar Commission Performance Report

TOPIC	1	2	3	4	5
Corporate performance information	No corporate performance measures.	Each Sector measures performance at corporate level. Organization-wide priority areas to be measured have been identified.	High level strategic measures are in place, and are linked to strategic vision and priorities. Results to be measured under corporate measures have been identified, and are linked to measures throughout organization. Expected results and corresponding performance indicators have been communicated, understood and agreed upon. Measures cover both financial and non-financial, and provide historical and future oriented view in line with business cycles.	Performance results exist for the organization as a whole. Results are interpreted using a balanced scorecard philosophy. Results are monitored against targets and organization's strategic objectives. Information is valued by senior management and the Minister, and is often used for decision-making and external reporting. Corporate measures are refined on an ongoing basis.	Results of corporate measures are monitored over time. Strategic and business plans are modified accordingly. Results of corporate measures are used to make trade offs in organization-wide priorities. Information is readily accessible through executive information systems. Information needs and systems are periodically reassessed based on changing business needs and identified reporting gaps.

Rationale

❑ *Organization-wide priority areas are clear. Performance results exist for the organization as a whole. Results and achievements are monitored against priorities.*

❑ *Information is actively utilized by senior management and the Minister, and senior management is very involved in reporting externally.*

❑ *Some socio-economic indicators have been in place for a number of years. Indicators are established and being refined to reflect new relationship of DIAND with external service partners. Data collection is an ongoing challenge.*

❑ *Little or no evidence of a balanced scorecard philosophy in reporting results. This may or may not be appropriate to DIAND, and would need to be assessed further.*

Operating information

Findings
❑ As noted elsewhere, various operational systems exist across the Department within Branches/Regions (e.g., claims monitoring system, project tracking systems, nominal roll, transfer payments management system, loans, leases, asset inventories).   ❑ Feedback is mixed regarding the comprehensiveness, reliability and meaningfulness of operating performance information. In some program areas, operational information is not all that pertinent. Collection of information is an issue in some cases.

Issues/Opportunities
❑ Secondary measures flow from the key performance indicators (KPIs) at the corporate level. There is some concern that some existing secondary measures are not integral to managing the program; they tend to focus on statistical reporting.   ❑ Some non-financial information is not readily available.   ❑ The need for operating performance information would need to be examined in light of new service delivery arrangements with external partners.

TOPIC	1	2	3	4	5
Operating information	Information on operating measures is not collected or reported on a systematic basis.	Operating measures exist to varying degrees by organizational unit (e.g., sector). Results of operating measures are monitored on an ongoing basis.	High level information is usually available for key operational indicators but with limited "drill-down" capability. Comprehensive operating measures are in place in all sectors. Information is monitored on an ongoing basis, and actions are initiated by program managers to improve results. Staff receive training in use of performance measurement systems.	Information on operating results is easily accessible in organization-wide performance information systems. Service delivery teams use results information on an ongoing basis to initiate process improvements. Action plans are developed to address problem areas. Strong linkage between operating results and business plans. Information is an integral element of resource allocation decisions. Operating information is a corporate asset and is fully transparent across the organization.	Operating results are monitored over time. Different measures are in place for different client groups. Measures are added and deleted as priorities change. Measures are cascaded throughout the organization and are linked to strategic objectives and measures. The majority of staff can easily obtain the management information they require through online access to drill down facilities or simple user friendly report writers.

Rationale

❑ *Operating measures exist to varying degrees, and tend to be Sector focused. There is mixed feedback regarding the usefulness of the information.*

❑ *Would appear to be some problems regarding the quality and reliability of data and ability to collect the data.*

❑ *Relevance of existing operating information, and the need for new operating information, needs to be assessed in the context of service delivery by partners.*

Client satisfaction

<table>
<tr><td colspan="1" align="center">Findings</td><td colspan="1" align="center">Issues/Opportunities</td></tr>
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❑ Information on client satisfaction is collected by sectors and regional offices using different methods. Sectors meet with representatives of national partner organizations on a periodic basis throughout the year. Some Regions plan to implement regular client surveys on a more systematic basis.

❑ First Nations are consulted on specific policy matters (e.g., housing).

❑ A lot of informal mechanisms are in place to obtain client feedback, such as ongoing meetings, open space workshops, committees, etc. First Nations partners are seen as an integral part of this process. Feedback tends to be anecdotal. Data collection is not done on a systematic or integrated basis. No systematic analysis of feedback or complaints.

❑ Some internal client surveys have been done on a limited basis (e.g, IT, stores).

❑ The nature of the Department's relationship with First Nations is increasingly one of full partnership working on a shared agenda (e.g., Gathering Strength) to achieve common objectives. This provides a working dynamic relationship which is fundamentally different from the classic client-supplier relationship.

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❑ Some question as to the appropriateness of client surveys, and the suitable approach given the complexity of service delivery partner relationships with DIAND, and the need to survey the end user or customer.

❑ Would need to consider options in terms of the most suitable approach to collecting information on client satisfaction, and tracking results over time. A suitable approach(es) would need to be developed jointly with First Nations service delivery partners.

❑ Would need to reflect regional differences in the nature of the relationship with the First Nations.

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TOPIC	1	2	3	4	5
Client satisfaction	Client satisfaction information is collected on an informal and ad hoc basis.	Approaches to collecting client satisfaction vary across organization, and tend to vary from year to year depending on management priorities. Limited monitoring and analysis of results.	Formal systems exist across organization to survey clients on level of satisfaction. Results are tracked over time, and are considered in strategic and business planning. Limited analysis of results on an organization-wide basis. Complaint information is consolidated and reported, and a complaint resolution process exists.	Client satisfaction information is collected through a wide range of techniques. Information is collected on a consistent basis across program areas. Results are consolidated on an organization-wide basis, and overall trends analyzed. Results are a key element of strategic and business planning, and are used to assess service standards and service improvements.	Client satisfaction measures are published externally, and are well known to clients. Client satisfaction is a key driver of strategic and business planning, and is considered in performance evaluation and incentives. Techniques used to collect client satisfaction information are constantly being improved.

Rationale

❑ *Though clients are consulted through a range of informal mechanisms, there is no overall strategy or systematic approach to collecting information on client satisfaction. Current data collection tends to be informal and ad hoc, and/or driven by specific policy issues.*

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Evaluative information

Findings
❑ Program/policy issue reviews are conducted at different levels of the organization.
❑ Sectors/Regions provide input to departmental evaluation and review priorities through representation on departmental Evaluation Committee. External stakeholders, such as OAG, are also represented on this Committee.
❑ Evaluation results are brought forward to Senior Management Committee (SMC).
❑ Information is shared with external partners. Information needs of partners are considered in evaluations.
❑ Results are generally considered to be useful, and are distributed widely. Action plans are developed as follow-up and are reflected in management contracts.

Issues/Opportunities
❑ Some interviewees felt that improvements are still possible in making the evaluations more strategic, focused and useful.
❑ Some concern was expressed that further research is needed on broad policy issues (e.g., housing) so that the Department can better decide where to direct funding.
❑ The Department will feel increasing pressure in the future for more program reporting in terms of outcomes.

TOPIC	1	2	3	4	5
Evaluative information	No formal approach to program evaluation. Evaluations are carried out on an ad hoc basis. Information on program outcomes is limited. Methodologies for collecting the information need to be put in place.	Evaluation frameworks are in place for some program areas. Evaluations are carried out as issues arise. Information on some program outcomes is available and not available in other program areas.	Evaluation frameworks, and data gathering procedures, are in place for all major program areas. Program delivery outcomes are clearly defined. Performance measures are in place to measure these outcomes, and performance information is collected to measure these outcomes. Evaluative information is included in external reporting documents.	Methodologies for measuring outcomes are periodically re-assessed. Evaluation results are commonly used by managers for decision-making and input into strategic and business plans. Evaluation is seen as an integral part of program/regional management. Evaluation prioritization is closely linked to business planning and organization-wide risk assessment.	The organization is seen as a leader in measuring program outcomes. Methodologies are "state of the art". Linkages between program outcomes and resource allocation are considered in strategic and business planning. Evaluation results play a major role in redirecting focus of program design, and in determining the type of information required by the organization to measure its success.

Rationale

❑ *Results of evaluations are used by managers for decision-making.*

❑ *Committee structure is in place to determine evaluation priorities, and review results of evaluations.*

❑ *Feedback from program/policy reviews is considered to be a critical input to regional/program management.*

❑ *Evaluation priorities need to be reviewed closely with clients, perhaps through a stronger linkage with strategic and business planning and organization-wide risk assessment.*

Service standards

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❑ External service standards exist in a number of areas of the Department (e.g., at the program and regional level). In other areas, they are still under development.

❑ External service standards are included in the funding agreements with partners. Monitoring against these service standards is seen as a challenge given the unique government-to-government relationship with these partners.

❑ Internal standards exist in a number of areas (e.g., financial services, stores, library, IT user support). Monitoring is inconsistent.

❑ Service standards are not always appropriate, due to the nature of the business, and may not be as applicable to certain areas of the Department, for example, that perform a regulatory function.

❑ At least one Region has engaged an outside party to do verification of service standards with First Nations.

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Issues/Opportunities
❑ A number of interviewees felt that improvements would be possible in terms of establishing service standards on a more consistent basis, periodically reviewing standards in place, monitoring achievement against the standards, and reporting results. ❑ External partners are a key stakeholder in implementing service standards, and would need to be engaged.

TOPIC	1	2	3	4	5
Service standards	No formal service standards exist. Quality of service is monitored on an informal basis.	Service level arrangements and standards exist on an inconsistent basis across the organization. Systems to collect and maintain service level information are still under development. Clients have been involved to varying degrees in development of standards.	Formal service level arrangements and standards have been established for each business line, and results are tracked and analyzed over time. Clients participate in the development of the standards. Results are used to identify service improvements.	Service standards are periodically reviewed with clients/stakeholders and improved to reflect changing priorities. Service standards are assessed based on cost of service delivery. Service standards reflect different priorities of client groups. Results are a continuing source of pressure for new service and quality improvement initiatives.	Service standards of the organization are published externally, and are well known to clients. Achievement of service standards is a key consideration of management in strategic and business planning.

Rationale ❑ *Inconsistent approach to establish service standards, and monitoring achievement against these standards.*

Employee satisfaction

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<tr><th colspan="2">Findings</th></tr>
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Findings

- ❑ The Department has conducted and/or participated in major employee surveys. Response rate was high in recent government-wide survey. A number of Sectors/Regions conduct employee satisfaction surveys as well.

- ❑ Employees are asked to provide feedback on managers through 360 upward feedback loop.

- ❑ Informal "open space"/work-out sessions and retreats are held on a regular basis with staff to discuss issues and obtain feedback. Have toolkit to help solicit information. Issues are documented, and actions taken or to be taken are openly communicated to staff.

- ❑ Have Ombudsman in place.

- ❑ A lot of emphasis is placed on team building. Open culture exists where staff are encouraged to speak up. Senior management is highly committed to being responsive to staff concerns.

- ❑ Employee satisfaction is an element of accountability agreements with managers.

Issues/Opportunities

- ❑ Opportunity exists to consolidate employees satisfaction results from various sources, and to improve monitoring of results over time.

- ❑ Explore possibility of closer linkage of employee satisfaction information with overall departmental performance reporting.

TOPIC	1	2	3	4	5
Employee satisfaction	No formal employee satisfaction surveys are carried out. Information is collected on an informal and ad hoc basis.	Different arrangements for surveying employee satisfaction exist across the organization. Limited monitoring and analysis of results on a trend basis.	Formal employee satisfaction surveys are carried out on a regular basis, and results are tracked over time. Results are publicized across the organization. Improvement teams are created to develop plans to address high priority issues.	Employee satisfaction is a key consideration in strategic and business planning, and in the performance evaluation of managers. Ongoing efforts are made to address employee satisfaction issues.	Employee satisfaction survey tools are regularly reviewed and improved. New programs are constantly being introduced to improve employee satisfaction. Are quantifying linkage between employee satisfaction and organizational performance. The organization is recognized externally for its leadership in this area.

Rationale

- ❑ *A wide range of tools are used to measure employee satisfaction.*
- ❑ *Strong senior management commitment to employee satisfaction--seen as a high priority.*
- ❑ *A lot of follow-up action. Managers are held accountable. An important element of accountability agreements.*

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Financial information

Findings
❑ Well served by financial systems. ❑ As noted earlier, a decision is being made on whether to upgrade the existing system to accommodate FIS standards, or to acquire a new software application.

Issues/Opportunities
❑ Long term opportunity to improve access to financial information from the manager's desktop, with more flexible real time reporting and "what if" analysis. This was not identified as a priority in interviews. ❑ As noted already, need to achieve FIS compliance.

TOPIC	1	2	3	4	5
Financial information	Voluminous hard copy reporting dictated by financial reporting timetable with monthly/quarterly/annual reporting taking up to six weeks. Commentary on results prepared solely by Finance. There are persistent problems with data accuracy. Standard reporting from financial accounting system but its inadequacies lead other managers to produce their own records and reports which are not checked for consistency with other sources of information.	Mostly hard copy reporting to financial timetables with some on-line access to supporting data. Reporting based on information from various sources but coordination is haphazard and data integrity not assured. Detail to support high level information is not readily accessible and is often not available at all. Commentary on results prepared by Finance with limited input from operational staff. Financial reporting cycles are not always in sync with operating information reporting cycles.	Appropriate reporting frequency. Monthly information available within one to five days. All reports and data available in appropriate media. Data availability and accuracy are seldom an issue. Financial information is available from a single source, but requires manual intervention for interfacing with other operating information.	Fully integrated on line, real time systems with flexible reporting. Extensive integration of financial information with operating information (e.g., outputs, cycle time, workload) to meet business requirements. Financial information is considered to be a corporate asset, and is fully transparent across the organization. Finance work closely with operational managers to understand results and jointly prepare commentary.	Information is integrated from various sources (e.g., data warehouse) with data integrity assured and with senior management clearly responsible for integrity of output. Reporting systems are linked to allow drill-down to appropriate level of detail.

Rationale

❑ *Appropriate financial information is currently available. Managers are satisfied with frequency and reliability.*

❑ *Limited integration of operational and financial information.*

Cost management information

Findings	Issues/Opportunities
❑ Cost information exists on capital projects. ❑ Not a lot done in developing sophisticated activity-based costing. Not always relevant given the nature of business carried out by DIAND (not into production or transaction related business). ❑ Establishment of activity-based costing systems has not been a high department priority.	❑ Need for activity-based costing systems would need to be assessed by management. Does not appear to be a high priority at this time based on interview feedback.

TOPIC	1	2	3	4	5
Cost management information	Cost information is maintained based on traditional object-based ledger (e.g., salaries, travel, O&M, etc.) for each organizational unit.	Cost information is available at the activity level across the organization. Activity costs are rolled up to provide costs at the program level. Systems are in place to maintain this activity cost information. Additional analysis is done to obtain useful cost information for decision-making.	Costing systems are in place that trace costs from resources (salaries, O&M) to activities, and then from activities to specific products, services or programs. Employees update time spent on activities on a periodic basis. Product and service cost information is used for planning purposes.	Costing systems are supported by data warehouses that consolidate cost information from many sources. Employees update time spent through an automated interface. Cost information is readily accessible through server. Costing information is used to guide management decisions. Costing systems and budgeting approach are closely linked.	Activity, and product and service, cost information is an integral part of management decision-making. Cost information is readily accessible to all managers in a format that can be customized for process improvement, outsourcing decisions, cost recovery, business planning and performance measurement.

Rationale ❑ *Costs are available on activities and programs, but activity costs are not traced to the product level.*

Accountability Management

Clarity of senior management responsibilities and organization

Findings
❑ Interviewees generally felt that roles and responsibilities are clear and understood, between HQ and Regions, and support and operational groups (this is despite the high degree of change as the department evolves). Managers understand their responsibilities.
❑ There is clarity re the mandate of the Department (e.g., Gathering Strength).
❑ Senior management charter encourages senior managers to be open with each other.
❑ Representatives from various Sectors are encouraged to participate in get togethers (e.g., breakfast meetings) or teams to resolve horizontal issues.
❑ Management contracts are in place, and are very transparent and shared between managers. Roles and responsibilities are clearly outlined in the management contracts.
❑ There is more accountability and openness in the relationships between DIAND and the First Nations.

Issues/Opportunities
❑ Still some lack of clarity between HQ and the Regions in certain program areas, or between Sectors. HQ role of functional authority is not always clear or accepted at the regional level.
❑ Role of RDGs and managers in Regions is evolving to that of "change agent" from that of "service delivery". This has important implications in terms of how managers carry out their functions, and the need for training and development.
❑ Need to get better quality data, and more data, from First Nations for accountability purposes. This has become more critical with implementation of service delivery partnerships with First Nations.

TOPIC	1	2	3	4	5
Clarity of senior management responsibilities and organization	Senior management roles and responsibilities as they pertain to comptrollership are generally not well understood in the organization. Confusion exists in accountabilities for reporting results.	Some confusion exists as to comptrollership responsibilities of senior management. Some overlap in roles and responsibilities among senior managers. Not clear as to who has final authority for resource allocation in case of disagreement.	Authority, responsibility, and accountability are clearly defined and aligned with organizational objectives. Comptrollership role is clearly defined at each management level and well understood throughout the organization. Little or no overlap in responsibilities. Accountability issues are resolved quickly. Accountabilities for controlling resources, and reporting and achieving results are clearly delineated.	Responsibility within the department for dealing with new and emerging financial and non-financial issues is clear. There is a clear framework of responsibilities that provides the framework for modern comptrollership.	Senior management responsibilities are constantly reviewed in light of external client/stakeholder and central agency requirements. Changes to structure and responsibilities are made on a pro-active basis.

Rationale

❑ *Roles and responsibilities are generally clear and well understood, and defined within management contracts.*

❑ *HQ-regional interface could be further clarified, particularly in light of changing roles within department and changing relationships with external service partners.*

Performance agreement and evaluation

Findings

❑ Management agreements are in place down to the Director level. Strong emphasis on continuity and cascading from senior management to the Director level. Reviews are conducted on a regular basis of achievements against management agreements.

❑ A lot of transparency in management agreements. Management agreements are shared openly by managers with staff.

❑ Management agreements are closely linked to business planning. Close linkage also exists with Leadership Profile.

❑ Some Sectors develop management agreements on a team basis.

❑ Performance of all EXs is reviewed by management committee to ensure consistency.

❑ Staff provide feedback on management performance through feedback loops.

❑ Employees have standard performance reviews (some conducted verbally), and agree on training plans with managers.

Issues/Opportunities

❑ Need to consider to what extent performance agreements should be established for all staff in the organization.

❑ Will need to refine over time the linkage between performance measures and management agreements.

TOPIC	1	2	3	4	5
Performance agreements and evaluation	No performance agreements are in place.	Performance agreements are in place that define accountabilities, and establish priorities and measures of performance vis-à-vis accountabilities. Systems to consolidate and report performance information against financial and operating goals are not yet in place.	Performance agreements reflect managers' business plans, work plans and budgets. Performance information is collected to measure achievement of financial and operating results as per priorities established in accountability agreements. Achievement versus accountability agreements is considered in evaluation of the performance of senior managers.	Performance information is available on a trend basis to measure achievement of financial and operating results specified in performance agreements. Performance agreements form the principal basis for the evaluation of performance of senior executives. Comptrollership goals are identified in accountability agreements.	Priorities and performance targets in accountability agreements are cascaded to the individual objectives and goals of staff in the organizations. Performance agreements are revised periodically to reflect new organizational priorities and changes in strategic and business plans. Achievement of comptrollership responsibilities is assessed and deviations explained.

Rationale

❑ *Close linkage between management agreements and business planning.*

❑ *Management agreement is the key mechanism used to hold managers accountable and assess individual performance.*

❑ *High transparency and sharing of management agreements with staff as a planning tool.*

❑ *Linkage between management agreements and performance measures was not made evident during the interviews.*

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Authority levels

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Findings

- Delegation of authorities exists. Not a major issue for most managers interviewed.

- Significant authorities have been delegated to the regions. Regions are fairly autonomous, with HQ playing primarily an oversight role.

- Financial authorities appear to be clear, however there appears to be some tension regarding program authorities.

- Managers are encouraged to take risks and be innovative.

- System of delegation within the Department is being re-examined.

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Issues/Opportunities

- Some concern that greater clarity is required laterally in program authorities, in particular, between Headquarters and the Regions. For example, Regions are pushing for greater authority to customize policies to their special circumstances, whereas Headquarters is striving for national consistency.

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TOPIC	1	2	3	4	5
Authority levels	No authority structure in place.	Authority structure exists but is seen primarily as a control instrument. Authorities are applied inconsistently across the organization. Authorities are not seen as a strategic tool.	Comprehensive authority structure exists for most functions of the organization, and is updated periodically. Authorities are clear and understood by all staff. Authorities are commensurate with responsibilities.	Strong fit exists between the authority structure and the corporate values and culture of the organization. Authorities support responsive service delivery to clients, and are adjusted periodically on a pro-active basis by management.	Authority structure is closely related to risk management policy and approach of the organization. Authorities are used as a strategic enabler in the management of the organization.

Rationale

- *Delegation of authority framework exists. Authorities support high level of decentralization of decision-making at the regional level.*

- *Authorities appear to be at the appropriate level.*

- *Some tensions appear to exist between HQ and regional authorities. Some clarification may be required.*

Incentives

Findings
❑ Executive pay for risk plan is in line with government-wide guidelines, and is closely linked to the management agreements and performance appraisal process.   ❑ Strong rewards and recognition programs in place to recognize staff contributions. Awards from senior management (e.g., DM awards) are highly valued.   High level of recognition from senior management. Seen as a high priority focus of the Department.

Issues/Opportunities
❑ As with other departments, DIAND has limited flexibility re monetary incentives.

TOPIC	1	2	3	4	5
Incentives	Compensation, and rewards and recognition, are not perceived to be linked to performance. Comptrollership is not considered in assessing and rewarding performance.	Superior performance is one of a number of factors considered in the determination of compensation. Rewards and recognition programs are in place. Performance in comptrollership is one of a number of factors considered.	A strong link exists between performance achieved and compensation and incentives. Comptrollership is a factor considered in assessing performance. Bonuses and other incentives in place for senior executives are related to performance achieved.	Remuneration of senior executives is related to performance achieved including excellence in comptrollership responsibilities. Incentives are place to reward consistently high performance levels in relation to objectives and priorities established in performance agreements.	Remuneration of senior executives reflects performance achieved as targeted in accountability agreements. High performance is recognized and rewarded. Incentive systems are constantly being improved, and customized to the needs of the organization. Sanctions exist for non-achievement.

Rationale

❑ *Rewards and recognition programs are in place and are a major focus of the Department.*

❑ *Compensation is linked to performance for executives. Pay-at-risk is in place for executives only as per government-wide guidelines.*

❑ *Rating is constrained by government-wide approach to compensation and incentives.*

Valuing peoples' contribution

Findings

❑ As noted above, strong rewards and recognition programs exist with visible support from senior management. DM's and other reward programs are highly respected, and place a high value on team work.

❑ A lot of feedback loops exist. Staff are encouraged to be heard and involved in the Department's business, and to voice their thoughts and issues to senior management, through Open Space discussions, workouts, national manager workshops, and other forums. Sectors and regions hold their own staff feedback sessions.

❑ Department is very open in its management style. The corporate culture fosters employee frankness and participation.

❑ Career enhancement plans are developed for employees.

❑ Committees are in place to promote cooperative efforts amongst staff and with external partners.

❑ Communications are strong within the department with wide distribution of information.

❑ External partners are encouraged to provide input and advice through participation in various committees and forums.

❑ Management of staff is considered to be of high importance.

Issues/Opportunities

❑ None identified. Continue to refine and improve on an ongoing basis.

TOPIC	1	2	3	4	5
Valuing peoples' contribution	Traditional "we-they" relationship exists between management and staff. Considerable resistance to change. High level of skepticism exists within organization. Mixed messages are given to staff. New initiatives tend to be delayed or never implemented. Little or no interaction between organizational units.	People are consulted and given opportunity to participate in major change initiatives. A cautious approach is taken to implementing change. People tend to be risk averse. Organizational units tend to work independently with some interaction.	People in the organization are treated with value and respect. People are able to speak out and participate in discussions without fear of reprimand. Information is shared openly within the organization, and with external clients/stakeholders. Strong sense of teamwork exists across the organization.	People are empowered to take risks and are encouraged to be innovative. Culture barriers that prevent efficient delivery of services by staff are removed. Organization fosters a culture of continuous learning and participation. Pro-active effort is made to share new ideas and approaches across the organization. Major investments are made in the development of people.	People are highly committed to the success of the organization. High level of pride exists in the organization. Strong fit exists between organizational and individual aspirations. Organization is continuously renewing competencies required. Value of human capital in the organization is measured and tracked over time. People are continuously cited for their exemplary behaviour.

Rationale

❑ *Strong rewards and recognition program with high level of senior management support.*

❑ *Organization fosters open and collaborative environment.*

❑ *Staff are encouraged to speak out and participate in discussions, and their opinions are highly respected.*

❑ *Information is shared openly.*

❑ *Strong focus on staff development.*

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External reporting

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❑ Processes, procedures and committees are in place to meet external reporting requirements. Reporting to central agencies is done through Corporate Services

❑ The department makes use of Internet as appropriate to share reports externally. Reports are provided to external partners.

❑ Good relations exist with the central agencies, including OAG.

❑ Reporting is done in cooperation with senior management committees and senior management. Senior management is serious about external reporting. The process is inclusive of all sector and regions.

❑ DIAND has primary responsibility for coordinating reporting by some 11 departments involved in Aboriginal Affairs.

❑ The Department has been involved in piloting reporting styles to Parliament, especially on results based reporting.

❑ Recommendations from central agencies are acted upon. Managers are held accountable through management agreements.

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❑ None identified.

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TOPIC	1	2	3	4	5
External reporting	Information reported satisfies minimum external reporting requirements.	Process in place for consolidating financial and non-financial information required for external reporting is reviewed on a regular basis. Close contacts are maintained with central agencies and Parliamentarians to ensure information meets their requirements. External reports are aligned with planning and accountability structures within the organization.	Organization is recognized by external agencies (e.g., TBS) and parliamentarians (e.g., Public Accounts Committee) for producing useful, consistent, and credible financial and non-financial information in a user-friendly format. External reports are easily understood and are meaningful to users. Information in external reports is reported on a trend basis so that changes can be monitored over time.	Strong linkages exist between information reported externally and strategic and business plans. Integrated information input by functional specialists and managers in strategic and business plans is used to prepare external reports. Senior management plays an active role in preparing and communicating external reports.	Organization is seen as a leader in the quality of its external reporting documents. External reports demonstrate innovation. The organization is often used as a pilot site for government-wide changes to external reporting processes.

Rationale

❑ *The department is meeting central reporting requirements, with no known complaints.*

❑ *Close contacts are maintained with central agencies and other stakeholders.*

❑ *Senior management participates actively in external reporting.*

❑ *Active use is made of Internet to disseminate external documents.*

❑ *External reports are in line with strategic and business plans.*

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Appendix--List of Interviewees

List of Interviewees

- Bill Austin, ADM, Claims and Indian Government
- Dave Baker, DG, Sectoral Policy (Northern Affairs Program)
- Bernard Tremblay, Manager, Operational Plan Analysis and Review
- Cynthia Binnington, DG, Social Policy and Programs (SEPP-PR)
- Randy Brant, Acting ADM, Lands and Trust Services
- John Brown, DG, Audit and Evaluation
- Beverly Clarkson, Evaluation Manager, Audit and Evaluation
- John Dance, Director, Budgets and Reports
- Richard Delorme, Senior Human Resources Advisor
- Brent DiBartalo, previous ADM, Corporate Services
- John Donnelly, Regional Director-General, Ontario Region
- Mike Ivanski, Director-General, Finance Branch
- Walter Draper, Director, HQ Financial Services
- Bruce Handel, Director, Corporate Information Systems
- Alan Horner, Director-General, Economic Development (SEPP-PR)
- Cal Hegge, Director, Transfer Payments
- Karen Jackson, DG, Social and Education Policy (SEPP-PR)
- Steve Johnston, Director, Administration
- Kerry Kipping, Director, Resource Initiatives, LTS
- Kumar Dhir, Director, Funding Services, Ontario South
- Jim Moore, ADM, Northern Affairs Program
- Thomas Paul, DG, Human Resources
- Mary Quinn, Director, Strategic Policy, Strategy and Policy
- Phyllis Rice, Regional Office, Alberta Region
- Barry Robb, Regional Director-General, Alberta Region
- Ravi Shankar, Director, Information Management
- John Sinclair, Senior ADM, Policy and Strategy
- Stuart Swanson, Special Advisor, Claims and Indian Government
- Peter Traversy, Director, Financial Analysis and Program Review, Finance Branch
- Cynthia Williams, ADM, SEPP-PR

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