



## Report to the HRDC Audit and Evaluation Committee

**Title:** Review of the Canada Education Savings Grant Program (CESGP)  
Compliance Review Process

**Project N°:** 420/99

### Background

The Program Integrity Section of CESGP has the mandate to conduct compliance reviews of those entities requesting CES grants. The objective of the program integrity reviews is to determine if grants are allocated and used in compliance with the Human Resources Development Act, the CES Grant Regulations and the Program's administrative policies and procedures. The IAB has examined the design and maintenance of the program integrity review process, as well the results of their first two compliance reviews.

The IAB found that these reviews were comprehensive in addressing all aspects of Grant deliveries and the Program Integrity Section processes are well organized and structured.

The IAB will follow-up with the Program Integrity Section on the recommendations identified in the compliance reviews to ensure issues reach the appropriate levels and are responded to accordingly.

### Observations

The Program Integrity Section has developed a comprehensive process to determine the validity of Trustees and Agents as well as processes for the administration of Canada Education Savings Grants. CESGP has contracted Consulting and Audit Canada (CAC) to execute the compliance review program which addresses the issues of legitimacy of Trustees and Agents, Systems and Processes established by Trustees, and compliance with legislation.

The IAB assessed the first two compliance reviews and found the results to be thorough.

The recommendations of the compliance reviews require responses from both the promoters and CESGP. The process established by the Program Integrity Section requires the CESGP Management committee to review, comment and take action on the findings.

#### **Management Action Plan**

- The Program's management committee will meet regularly to address the observations and recommendations of the compliance reviews. The Program will be allowing promoters 30 days to respond to compliance review reports.
- The Director of CESGP will provide the DG of IAB with the details of compliance review recommendations and action plans quarterly. The first report will be received by 10/11/00.

By the end of this fiscal year, the Program Integrity Section will have visited all promoters to conduct a review or preliminary assessment to verify their legitimacy. Thereafter, the Program Integrity Section plans to conduct a review of each promoter on a cyclical basis.

#### **IAB Comments on Follow-up:**

- The IAB will follow-up with the Program Integrity Section on the recommendations identified in the reviews to ensure issues reach the appropriate levels and are responded to accordingly.
- The IAB will follow-up with the Program Integrity Section on a quarterly basis to ensure that scheduled review plans are being conducted as planned.

**Note:** The project memorandum is also available. You may send your request to Jo-Anne Lambert, at (819) 953-0845, or via E-mail to [lambert.j@fas.iab](mailto:lambert.j@fas.iab).