



Human Resources Development Canada Développement des ressources humaines Canada
Internal Audit Bureau Bureau de vérification interne

FINAL REPORT

Audit of TAGS

Grants and Contributions

Project No: 407/98

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1.0 EXECUTIVE SUMMARY

Objective

The objective of the audit was to provide assurance that projects funded under various labour market adjustments options of the Atlantic Groundfish Strategy (TAGS) met program criteria, were properly managed, controlled and monitored and that the grants and contributions were used for their intended purpose.

Background

The last TAGS contribution agreements were approved more than two years ago. Consequently the audit had to rely mainly on file review, supplemented by visits to selected sponsors. A total of 167 contribution projects and 26 grant payments were selected at random to reflect the range of the 16 active measures available under TAGS. The size of the sample for each measure was determined by the total population and the risk exposure based on project size and complexity and is considered to present a fair and undistorted image of the entire population.

TAGS measures were developed and delivered during a critical period and in a difficult environment. Curtailment of cod fishing and processing activities was a severe blow to the regions concerned. A fundamental government objective was to ensure a continuing level of cash flow sufficient to maintain essential social and economic activities in affected communities.

The first priority, therefore, was to put in place an income support program for the affected workers. However, this directly affected the way contribution programs were managed because beneficiaries of TAGS income support measures were required to participate in active measures aimed at adjusting them out of the industry. This created pressure to identify, approve and contract for an unprecedented number of contribution projects in a very short time. Since there was no time to design training and job creation options specifically in support of TAGS objectives, existing Canadian Job Strategy options¹ were used with little adaptation. Policies were put in place but modified as experience with TAGS was gained. This necessitated flexibility, adaptation and revision in the way the program was managed locally. TAGS increased the caseload of officers by 40,000 clients at a time when the Department was undergoing a major downsizing initiative. The loss of corporate knowledge, coupled with increased caseloads and training requirements for new staff, affected the level of monitoring and the quality of documentation.

¹ Canadian Job Strategy were replaced with the Employment Benefits and Support Measures under the Human Resource Investment Program shortly after.

Together, these factors created an environment that contributed to many of the issues raised by this review.

Audit Criteria

Four general criteria were used:

- a) the contracting process should comply with Treasury Board and HRDC standards for grants and contributions agreements;
- b) projects should be managed effectively and be monitored operationally and financially;
- c) sponsors should comply with the terms and conditions of their agreements;
- d) grants and contributions should be paid only to entitled individuals or organizations and contributions should be used solely for their intended purposes.

Major Findings

The audit was conducted primarily on a sample file review which was supplemented by Human Resource Centers and sponsor visits, where practical. The results reflect the limitations of any review focused on documentation but are considered as representative of the overall handling of TAGS grants and contributions.

The issue of the overall impact of the active measures on the fisher and plant workers of the affected regions was not considered in this audit. However, the audit has identified some success stories of projects that helped fishers and plant workers move to other industries. Important issues regarding the management of this sample of TAGS Grants and Contributions were identified.

The following are the results of the audit relative to the four basic tests that were applied to contribution projects and the test applied to grants.

For Contribution Projects:

Test: file contains evidence that the selection and approval process ensured clients and sponsors were eligible:

- about a third of sampled project files did not contain a business plan that adequately showed how the financial resources contributed by HRDC would be used to meet program objectives for eligible clients;
- most files did not show evidence that project applicants were checked for eligibility, outstanding debt, or for other active contracts with HRDC or other government agencies (multiple sources of income could have resulted in double funding);

- the rationale for recommending and selecting projects was missing from about one third of the files;
- thirty-three percent of the proposals available did not meet the criteria of the TAGS option under which they were funded.

Test: file contains evidence that the rights and obligations of both parties were clearly defined in a valid contract:

- in about one case out of four, the wording of the contracts reviewed did not correspond to the option selected for the project, or the contract was missing;
- about half of the contracts did not include a detailed cash flow or a detailed budget and action plan (a plan with clearly stated objectives, identified target clients and measurable deliverables);
- about one in six contract files contained amendments which were not documented or supported with a rationale;
- more than half of the contracts were signed after the starting date of the project.

Test: file contains evidence that contribution projects were properly managed and monitored:

- a majority of the projects reviewed did not contain evidence of supervisory review of project officers' work;
- a majority of project files did not contain evidence of either on-site or off-site financial and operational monitoring.

Test: file contains evidence that expense claims were properly documented and reimbursements met the terms and conditions of the contract:

- in some instances, expenses claimed and reimbursed did not comply with the terms and conditions of the agreement or the total amount reimbursed exceeded the established ceiling;
- expenses were generally claimed and reimbursed without supporting evidence and documentation and with no evidence of financial or operational monitoring on file though (it is an accepted practice to pay most contribution claims at their face value provided there is on-going monitoring)

Green projects followed the above pattern, but additional confusion regarding eligibility was created by the lack of linkage between their two components - regular (project) and training (course costs), which were treated as two independent projects while they should have been closely integrated.

For Grants:

Test: file contains evidence that grant payments comply with applicable policies and procedures:

- in two cases out of 13, the Employment Bonus was paid prior to the required 52-week employment period.

There is no documented evidence that most projects funded under various TAGS labour market adjustment options met program criteria; were properly managed, controlled and monitored; and that the grants and contributions were generally used for their intended purpose.

2.0 INTRODUCTION

Background

The Atlantic Groundfish Strategy (TAGS) measures were developed and delivered during a critical period and in a difficult environment. Curtailment of groundfish fishing and processing activities was a severe blow to the regions concerned. A fundamental government objective was to ensure a continuing level of cash flow sufficient to maintain essential social and economic activities in affected communities.

The first priority, therefore, was to put in place an income support program for the affected workers. However, this directly affected the way contribution programs were managed because beneficiaries of TAGS income support measures were required to participate in active measures aimed at adjusting them out of the industry. This created pressure to identify, approve and contract for an unprecedented number of contribution projects in a very short time. Since there was no time to design training and job creation options specifically in support of TAGS objectives, existing Canadian Job Strategy options² were used with little adaptation. Policies were put in place but modified as experience with TAGS was gained. This necessitated flexibility, adaptation and revision in the way the program was managed locally. TAGS increased the caseload of officers by 40,000 clients at a time when the Department was undergoing a major downsizing initiative. The loss of corporate knowledge, coupled with increased caseloads and training requirements for new staff, affected the level of monitoring and the quality of documentation.

Together, these factors created an environment that contributed to many of the issues raised by this review.

TAGS came into effect on May 16th, 1994. It provided assistance programs for individuals and communities affected by the groundfish moratorium. It covered fishing areas in five provinces: Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and Quebec.

Human Resource Development Canada was responsible for:

- enhancing the profession of those fishers who remained active in the fishing industry;
- facilitating the labour adjustment of individuals affected by the Atlantic fishery crisis.

² Canadian Job Strategy were replaced with the Employment Benefits and Support Measures under the Human Resource Investment Program shortly after.

The mandatory participation to active adjustment measures created a pressure to identify, approve and contract for a number of contribution projects in a very short time. However, as the Strategy evolved, funds from TAGS active measures had to be transferred to income support. As a result, participation in active measures became more selective and eventually was discontinued.

The following table identifies the programming used to achieve these objectives and the funds spent through each measure.

TAGS Active Measures

Active Measures	Number of Projects	Expenditures (\$)
CONTRIBUTIONS:		
Green Projects – Regular	188	20,312,996
Portable Wage Subsidies	324	2,550,969
Mobility Assistance	1,308	2,205,196
Self-Employment Assistance	40	358,984
Community Opportunities Pool	232	1,302,600
Job Development	3	228,000
Job Opportunities	98	4,433,749
Employment Assistance	213	15,687,011
Delivery Assistance	226	8,365,714
Training:		90,430,440
• Co-ordinating Groups	11	
• CEC Purchases	4,854	
• Green Projects - Training	30	
• Workplace-Based Training	4	
• Project-Based Training	98	
GRANTS:		
University Tuition	922	1,045,000
Employment Bonus	394	1,857,000
TOTAL	8,945	148,777,659

Figure 1

Even though TAGS has been the subject of several audits and program reviews, there has been no report on TAGS grants and contribution agreements. Following the tabling of the Auditor General’s Report, in October 1997, the Standing Committee on Fisheries and Oceans requested that an audit be done of the funds not covered by the Auditor General audit. The Internal Audit Bureau had already planned an audit of grants and contributions. It was decided that TAGS would be included and that the OAG would monitor and review the work to assess its relevance and to determine whether the supporting evidence was appropriate for the purposes of their own report.

Audit Objective and Criteria

The objective of the audit was to provide assurance that projects funded under TAGS active labour market adjustment measures met program criteria, were properly managed, controlled and monitored and that grants and contributions were used for their intended purpose.

The audit criteria were:

- a) the contracting process should comply with Treasury Board and HRDC standards for grants and contributions agreements;
- b) projects should be managed effectively and be monitored operationally and financially;
- c) sponsors should comply with the terms and conditions of their agreements;
- d) grants and contributions should be paid only to entitled individuals or organizations and contributions should be used solely for their intended purposes.

Tests based on the Canadian Jobs Strategy terms and conditions for grants and contributions and TAGS applicable policies and guidelines were applied to the selected projects.

Audit Scope

All five regions involved in the delivery of TAGS were included in this audit. The audit covered all the active labour market adjustment measures used under TAGS. Figure 2 provides the distribution by province of the stratified sample of 213 files examined. Overall, fifteen grant and contribution measures were covered. Appendix “A” gives the distribution of the sample by measure.

Files Reviewed by Region

Province	Number of Projects	Projects in Sample
Newfoundland	6,642	133
Nova Scotia	1,725	32
Prince Edward Island	185	18
New Brunswick	131	17
Quebec	262	13
Total	8,945	213

Figure 2

Some visits to sponsors were carried out but the audit was carried out mainly through file review. This approach was dictated by two factors. The audit took place two years after TAGS active measures have been curtailed and projects had terminated. Many of the project officers had retired under the Workforce Adjustment Program and several sponsors were no longer active with HRDC. The second factor was the size of a representative sample of all programs and options under TAGS prohibited a visit to a significant percentage of sponsors. The results presented in this report are mainly based on the information - or lack of - recorded in the project files.

We are aware that, for instance, the lack of evidence of monitoring in the file does not prove that the project officer has never visited the sponsor but there is at least a serious doubt that effective monitoring was ever conducted.

3.0 AUDIT FINDINGS

Contributions

Assessment of Proposals

Of the sample of 213 files, 20 showed no activity, that is, the proposal was not completed. Of the 193 files remaining, there were 167 contribution agreements and 26 grants.

Fifty-six of the projects that should have been supported by a proposal or a formal application did not have any. Therefore, it was not possible to determine on what basis these projects were accepted.

Few files contained the necessary information to assess the sponsor entitlement to the contribution under the option for which a proposal was made. Even though the information may have been gathered for a previous project, it was not transferred or cross-referenced to the current file thus indicating that the sponsor entitlement had been assessed.

Forty-three percent of amendments were not adequately explained and/or lacked supporting documentation. Projects that continued over the fiscal year end were re-opened in the new fiscal year under a different file number. This happened mostly in cases where activities undertaken under the Northern Cod Adjustment and Recovery Program were continued under TAGS. Important information such as proposals and contracts were not transferred or copied to the new file, making it impossible to assess the project based on the information available.

Of the 111 files where a proposal was available the audit established that 33 percent did not meet the criteria of the TAGS option chosen. The audit also found that 23 percent of the proposals did not state objectives relating to TAGS and that 42 percent did not identify measurable expected results.

There are instances where the proposal could have been acceptable, but under another measure, such as a purchase of training under Employment Assistance. However, most files did not contain sufficient information to properly assess what would have been the appropriate measure.

The audit established that four Green Projects (Regular) and two Green Projects (Training) did not meet the eligibility criteria of the initiative, which represents 30 percent of this category. The course cost, component of the Green Projects initiative was to:

- provide work experience on incremental projects of environmental benefit;
- be part of a year-round work/learn cycle for participants.
- provide experience related to individual adjustment plans;
- contribute to the preservation and/or enhancement of the environment;
- create short-term incremental employment;
- assist with the long-term economic renewal and adjustment of individual communities and of the region as a whole.

For participants, projects had to be linked to an individual plan. For communities, projects had to be linked to long-term strategies for a renewed economy and sustainable environment. Projects were to be generated through a community-based approach involving Community Advisory Committees bringing together business, government, and environmental specialists, among others, to direct and advise the process locally. All projects were to undergo an environmental assessment review. Those involving the fishery, such as aquaculture, required Department of Fisheries and Oceans comments. Environment Canada had a monitoring role with respect to the technical aspects of the project, including environmental progress and outcomes.

Of the twenty Green projects examined, several had minimal ties with the preservation and/or enhancement of the environment such as:

- training in heritage carpentry, recording scientific information, furniture making, fish processing;
- a feasibility study of agrifoods;
- development of ski trails and building of instructor huts;
- study of women's contributions to the economic and cultural development of a province.

Projects under Green (Course Costs) were not always associated with a Green Project (Regular). One project spent \$99,000 for computer training. There was no link with another Green project nor a demonstrated capacity to develop skills in environment related fields.

Another project cost \$588,958 also for computer training. While the initial proposal tied the training to work experience with an environmental group, a Green Project (Regular) agreement was never considered for that part of the project. Instead, a three month Project-based Training, pre-operational agreement was signed with the environmental organization to collect data necessary to achieve the training objective. However, this project was extended over the better part of two years at a cost of \$113,018. The gradual withdrawal from TAGS active measures brought these projects to an end.

Eighty percent of the project files audited contained no indication that the sponsor had been checked for outstanding debt. One sponsor continued to receive project funding while an overpayment had been identified on a previous project. No collection action was taken. Eighty-four percent of the sponsors were not checked for other active contracts with HRDC (different Human Resources Centers may handle similar projects from one major sponsor; there is a risk of double funding if they are not aware of the existence of the other projects).

Although not a requirement, it was noted that some projects contained a pre-contract checklist that indicated a number of risks to be addressed prior to authorizing projects. A supervisor usually verified these. In general, however, there was no documentation on the reasons why the contribution project was recommended or selected. In 83 percent of the files, it could not be established what selection criteria were used.

Some proposals included ineligible costs such as profit margins. Ministerial approval, where necessary, was often missing in the file. Some files included the request for authorization but did not have the required response on file.

Agreements

In general, pro forma agreements, developed for the Canadian Jobs Strategy, were used. Consequently the purpose of the agreement is expressed in relation to the Canadian Jobs Strategy, not The Atlantic Groundfish Strategy. None of these forms were modified to reflect the objectives of TAGS. However, schedule A to the agreement should normally express what the objective of the project is, the key activities to be performed by the project and what the expected results are. Twenty-six percent of the projects did not have clear project objectives stated in the agreement and, as mentioned above, a further 23 percent did not have objectives that related to TAGS.

There were unexplained differences between similar agreements in terms of clauses related to objectives, sponsor/co-ordinator/employer eligibility, costs, eligibility of participants, recruitment of participants, training, payments, GST, default and disposition of assets. In some cases, funding was provided under a different measure than the one under which the agreement was signed. There was evidence of projects being redefined from one intervention to another. Changes to the coding were reflected on schedule "B" of the agreement that identifies the eligible costs of the project. However, in all these cases, there was no explanation why and the body of the agreement that spells out, for the sponsor, the terms and conditions that apply was not modified.

Employment Assistance and Delivery Assistance were at times confounded with each other. A similar situation existed between Job Opportunities and Portable Wage Subsidy. For example, Delivery Assistance agreements were used to contract with counseling agencies to provide services to participants in remote areas. However, Employment Assistance is the measure to be used in these cases.

Portable Wage Subsidy was expected to encourage sponsors to hire TAGS participants into permanent full time positions. This option would subsidize wages up to 50% to a maximum of \$200 per week. The normal expected term was to be 18 months in which HRD paid the subsidy for the first and third segments, and the employer paid the full cost of the term in between.

Job Opportunities focused on clients' needs and was intended to give participants the required skills needed to secure permanent employment, hopefully with the sponsor. This measure subsidizes wages up to 50% to a maximum of \$300 per week. The work period was expected to be from 12 to 30 weeks. There were provisions to extend the subsidy of this option to 100% of salary up to \$7.50 per hour and up to 52 weeks for severe employment barriers. The Job Opportunities measure also has a training component that subsidizes the employer up to \$8.00 per hour for on-the-job training and \$20.00 per hour for off-the-job training. The terms and conditions of these two measures were often confused and applied under the wrong agreement.

Few files contained evidence that the sponsor signatories were signing officers with their respective organization. Signing authorities for HRDC could not be verified in all provinces. Signature cards could not be produced in every region and consequently did not allow auditors to verify the authenticity of signatories.

A project established at \$463,000 was split into four separate projects so that the local manager could sign the agreements. This practice does not comply with the delegation of authority.

More than half of the agreements were signed after the start date of the project. In one case, the project officer issued a "prior commitment letter" to a sponsor before the agreement was approved, allowing the sponsor to proceed without a formal agreement. In another case, an agreement for \$141,200 was signed after the project was completed and the claim for reimbursement had been received.

There are a few instances of projects where payments for over \$50,000 were made with no signed agreement.

In some instances TAGS and non-TAGS participants participated in projects, specifically under course purchases, yet all expenditures were funded through TAGS instead of being apportioned according to the proportion of TAGS and non-TAGS participants under the proper funding authority. The reason given is that the courses had to be purchased in "blocks" of a minimum number of seats, and that when there were not enough TAGS participants, the seats were provided to other HRDC clients at no extra cost to TAGS.

Project officers indicated that non-TAGS participants were required to cover their own course costs (such as books and supplies), and that the purchase of “blocks” of seats was cost-effective compared to having participants travel and stay in other communities.

Management and Monitoring

There was little evidence of on-site monitoring. Three quarters of the projects were not subject to on-site financial or operational monitoring. Only about 50 percent of the files contained evidence of off-site monitoring (telephone calls, notes to files, memos). However, when monitoring had taken place, and need for corrective action had been identified, this corrective action had been taken in most cases.

In particular, one company received benefit in excess of \$500,000 over the life of the project, went into receivership and was closed down. There was no evidence that the project had been monitored. Indications of developing problems existed early in the life of the project, and monitoring could have prevented a loss of more than \$100,000 for HRDC.

In another case under Job Opportunities and Delivery Assistance agreements, a sponsor, acting as a coordinator, had several contracts for training TAGS participants through companies in another province. The value of the three contracts was \$721,400 of which \$490,330 was expended. There is no documentation on the participants who were trained, nor are there copies of invoices for materials purchased. During our visit, two years after the fact, the coordinator could not account for all the monies received from HRDC and there was no support for the payments made to the employers.

Little control was exercised on cheque distribution on most Self-employment Assistance projects. Some recipients kept receiving payments for several months after the business had closed down. In another case, an employer under a Portable Wage Subsidy agreement continued receiving payments after the participant became a partner of the company. No overpayments were established in any of those cases.

In some instances progress or activity reports were completed by the sponsors attesting to how well the project was doing. These reports appeared to have been mostly taken at face value by the project officer as a mark of success without further monitoring.

When a project terminates, a close-out procedure must be completed:

- all advances have been accounted for;
- overpayment has been set up and recovered;
- assets purchased with funds received from HRDC have been disposed as directed;
- final report is on file, if applicable;
- expected project results are evaluated against actual results;
- notes must be put to file for subsequent applications (best practices, lessons learned).

Although most projects we audited were completed for more than two years, eighty-seven files did not show any evidence of closure.

Files with common clients or sponsors were not linked. In a number of instances, project officers would advise that results of projects were contained in files of employment counselors. We found that this was most common with training options when trying to determine whether or not a client had actually successfully completed the course that was paid for.

In general, the outcome of projects was not documented or known.

Claims and Payments

Most claims were not supported by invoices for expenditures, or attendance records to verify course participation or pay records to support salary of participants or project personnel. IAB recognizes that it is HRDC policy to pay most claims at their face value provided there is on-going monitoring; we found, however, that few sponsors/participants had been visited by project officers or had had financial records verified.

The following discrepancies were identified on Training projects files:

- non-TAGS participants received training under TAGS projects (see 3rd paragraph on page 13 for explanation);
- attendance lists demonstrated that participants had actually received the training were found in very few course purchasing claims;
- there is no indication how moveable assets purchased with contribution money were disposed of when a course was canceled.

A detailed cash flow was not available for 44 percent of agreements. Thirty-four percent of the claims were not supported or were incorrect. On average, in about five percent of the cases, the errors went undetected and payments were made for expenses that did not comply with the agreement.

A few overpayments were established but no recovery action had been initiated.

Contributions or Service Contracts

In two instances, contributions agreements were used to pay for counseling services to TAGS participants and for adjudicators conducting a review of participants eligibility to TAGS income support. The criteria used by the Department to determine if these cases were a contribution was that these projects would benefit the participants of the Strategy. However, the Department also derives a benefit from the agreement in that it relieves it of a workload that would otherwise have to be addressed in order to deliver the service.

Clarification should have been obtained from Treasury Board Secretariat on the use of contributions or service contracts.

Grants

Employment Bonus

The employment counselor is responsible for determining the eligibility of a participant and the amount of the bonus to be paid. In most cases there was a request from the employment counselor to the project officer to initiate the payment of the grant and some files contained letters of understanding which detailed the criteria for eligibility to the bonus. Few files however contained the participant's information form and showed how the bonus was calculated.

In 15% of the cases, the Employment Bonus was paid prior to the completion of the 52-week employment period. HRCCs advised that this was done when it appeared the participant had secured long-term employment. Headquarters had authorized this practice through a communication to the regions on measures to be adopted to remove barriers in the implementation of TAGS. While it authorized the field to apply that measure immediately if there was a demand for it, ministerial and Treasury Board approvals were still required for this measure to become effective. Management at headquarters indicated that verbal approval had been obtained from the Treasury Board Secretariat.

4.0 CONCLUSIONS

Some of the projects included in the sample were remarkably well managed and led to the creation of sustained employment in new, innovative sectors of the economy despite the difficult conditions in which these programs were delivered. The long term impact of the training and developmental services received by thousands of people from the fishing industry is still to be assessed.

The review of the files identified a number of weaknesses in the management, control and monitoring of TAGS contribution projects. Proposals were lacking from project files or were not sufficiently developed. Several agreements were incomplete, including inadmissible costs, or did not correspond to the measure under which funding was provided. Project objectives and/or outcome were generally not clear.

There were examples of contract splitting, signing after the fact contracts, non-compliance of signing authority, and in two cases, ineligible profit margins were included. Often, projects were not properly documented and their wording was not appropriate.

The eligibility of many projects could not be assessed because of insufficient information. It was often difficult to obtain the full picture as many sponsors had more than one project or had projects carried forward from year to year under different project numbers, and files were not linked to each other.

Claims were not supported by documentation of expenditures such as receipts, course attendance lists or payroll records and there was little evidence of on-site monitoring visits to review expense records. It appears that monitoring had been curtailed due to downsizing and workload pressures.

Incorrect choice of option and coding, and use of the wrong contract form led to distortion in the reporting of activities. Confusion between Delivery Assistance and Employment Assistance, Wage subsidies and Job Opportunity led to difficulties in the management of the projects and unclear expectations from HRDC sponsors.

As a result of the above, it is not possible to certify that most projects funded under various TAGS labour market adjustment options met program criteria, were properly managed, controlled and monitored, and that the grants and contributions were generally used for their intended purpose.

Recommendations

Since TAGS grants and contributions have expired three years ago and a major review of active Grants and Contributions programs is being conducted by IAB, no recommendations specific to TAGS will be made at this time. The lessons learned during this audit will be incorporated into the Grants and Contributions report.

It is recommended, however, that HRDC begin using the results of this audit in building better practices with respect to the overall management of grants and contributions.

Management Response

Human Resources Development Canada (HRDC) has reviewed the report produced by the Internal Audit Bureau (IAB) on the Audit of The Atlantic Groundfish Strategy (TAGS) Grants and contribution Agreements and agrees with the findings.

Management believes that the report is comprehensive and would like to thank the IAB for their efforts in this regard.

HRDC is pleased that the IAB report acknowledges the very difficult environment and urgent priorities that HRDC faced at the time that TAGS was being implemented. However, these facts cannot be understated. The closure of the Atlantic Groundfish industry affected thousands of individuals in hundreds of communities throughout Atlantic Canada and Quebec. HRDC was faced with the enormous challenge of having to respond to this human crisis, with constrained resources, in the implementation of the program. TAGS was designed to help individuals, but required that all individuals participate in adjustment measures in order to receive assistance.

HRDC staff accepted the challenge and did whatever possible to assist people to become actively involved in adjustment interventions. This necessitated flexibility, adaptation and revision in the way the program was managed locally. As such, TAGS was implemented in a non-traditional manner, motivated by the desire to assist individuals who were most in need.

It should be noted that the audit was conducted two years after adjustment programming under TAGS ended, and although some visits to sponsors took place, the audit was carried out mainly through a file review and the results in the report are based on that information.

HRDC recognizes that the report raises a number of important points and concerns related to the managing, controlling and monitoring of TAGS grants and contribution agreements. The positive and valuable lessons learned from the findings in the report will serve as a basis to assist HRDC to better manage, control and monitor grants and contribution agreements in other programs. In fact, HRDC has already taken action to develop new policies and procedures; to provide training for managers and staff; and to secure resources in new initiatives to ensure sufficient monitoring.

Files Reviewed by Measure

Types	TAGS Active Measures	Number of Projects	Sample
To facilitate access to employment	Mobility Assistance	1,308	14
	Job Opportunities	98	19
	Job Development	3	0
	Portable Wage Subsidy	324	10
	Employment Assistance	213	22
	Employment Bonus	394	13
To prepare individuals for work	Workplace-based Training	4	3
	Co-ordinating Groups	11	6
	CEC Purchases	4,854	14
	Project-based Training	98	15
	University Tuition	922	14
To enhance employment opportunities	Self-Employment Assistance	40	10
	Green Projects:		
	- Regular	188	18
	- Training	30	9
Community Opportunities Pool	232	21	
To assist in delivery	Delivery Assistance	226	25
TOTAL		8,945	213