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Audit of the Women's Program Management Response and Action Plan

Prepared for
Status of Women Canada

Prepared by
Consulting and Audit Canada

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Management Response and Action Plan

Management Response

With a 2002-2003 grants & contributions budget of \$10.750 million, and 50.25 FTEs involved in its direct delivery and management, the Women's Program (WP) is the largest single component of Status of Women Canada's (SWC) operations. The Program contributes to the department's mandate to promote gender equality through the more than 200 community-based initiatives funded annually in the areas of violence elimination, economic autonomy and social justice.

Given the major changes introduced to the Program in 1997-1998 and increased emphasis by the Treasury Board Secretariat and the Auditor General of Canada on ensuring due diligence in the management of all federal grants & contributions programs, SWC asked Consulting and Audit Canada (CAC) to review the Program's management processes. As has been noted by the auditors, prior to the launching of the audit process, the Program had identified a need to facilitate consistent interpretation of Program objectives and criteria and establish consistent procedures to be followed by all staff involved in the Program and had begun producing a procedures manual. The audit findings have reinforced the need for such a tool, which is nearing completion. The Program also completed its first Result-based Accountability Framework (RBAF) in December 2000 and is working with staff and client groups to develop the tools necessary to implement the associated performance measurement strategy.

The Department is generally in agreement with the audit recommendations made and will be taking specific action to address them. The following outlines the audit recommendations and the management response to them.

Recommendation 1:

The management of the Women's Program should review the approval process in order to:

- 1. Be in a position to consistently respect its published timeframe commitment.*
- 2. Provide the Program Officers with sufficient information which they can relate back to the applicants on the status of their file, including documentation on all decisions made.*

The Program funding guidelines establish twelve weeks as the **minimum** amount of time for the approval of a completed application. In light of the new procedures required to ensure consistent management and enhanced tracking of all files within a due diligence framework, management will review the current procedures in order to establish appropriate timeframes at each step of the approval process. These timeframes will be included in the Procedures Manual and the information provided in the Program funding guidelines will be modified as necessary.

The Procedures Manual will also outline the information that can be given to applicant groups during the approval process and a process for how to inform applicant organizations that their proposal/application is rejected. A computerized grants tracking database allows Program management to determine the location of all files at any point in time once the file is submitted to the HQ grants unit administrator. The possibility of making this system accessible to all staff at the national and regional level is being explored as well as extending the scope of the information in the database to the point from which files are opened both at the national and regional level.

Recommendation 2:

Women's Program management should enhance its financial framework by:

- 1. Enhancing its financial analysis capabilities by providing financial training to Program Officers, as well as designating a financial analyst function/role, centrally or in each region, to support Program Officers.*
- 2. Developing and implementing financial reporting standards across the Program.*

SWC's corporate finance section provides advice to Program staff on financial matters, reviews MOU's for the transfer of grants & contribution monies between departments and reviews financial statements on a demand basis. Information on the respective roles and responsibilities of Finance and the various parties involved in the delivery of the Program will be incorporated into the new Procedures manual.

In the case of grants, which represent the majority of the Program's funding files, Program staff are required to review the financial reports submitted by recipients. As pointed out by the auditors, there is currently no standard for this process.

The Procedures Manual refers to the development of new, consistent Interim and Final Report forms. These reports will standardize financial reporting and review procedures across the Women's Program. These reports are currently being developed with input from Program staff.

Steps will be taken to ensure that all Program staff delivering the Program are aware of their responsibilities with respect to financial reporting by groups and have the tools necessary to carry them out.

Where funds are provided through a contribution agreement and recipients are required to submit audited financial statements, these will be reviewed by corporate financial services as well as by program staff and/or managers with the appropriate financial designation.

Recommendation 3:

From a due diligence perspective, the management of the Women's Program should strengthen its monitoring and reporting framework by:

- 1. Ensuring that the follow-up letters include attachments clearly establishing the monitoring and reporting expectations of the recipients.*
- 2. Establishing a minimum set of standards and documentation tool to be used for the ongoing monitoring of initiatives.*
- 3. Ensuring that there are standardized formal assessments of initiatives upon their completion.*

The Procedures Manual, outlines the information to be included in the confirmation package sent to a recipient group upon approval of their funding request. It outlines both the expected monitoring activities to be carried out by the Program Officer during the initiative and the financial and activity reporting requirements of the recipient organization (including copies of the reporting forms).

The Procedures Manual, (Sections 10.4 and 10.5) refers to the development of a new Close Out Assessment Form that is to be used across the Women's Program to consistently assess the outcomes of completed initiatives (after receipt of a Final Report form from the recipient organization). Program management has worked with the Accountability Framework Working Group to develop this form to ensure a standardized assessment of initiatives upon their completion.

Recommendation 4:

The Women's Program should strengthen its risk management approach by developing and implementing support and documentation tools such as, a risk management checklist to be used in the approval process, and holding documented group discussions around risk management strategies.

The Procedures Manual, (Section 10.1) describes risk factors and monitoring. It does not formalize the assessment of risk and the development of a monitoring plan. Program management will work collaboratively with the Accountability Framework Working Group to formalize this process by developing procedures to assess risk and determine appropriate monitoring plans. This group will also recommend a process to consistently document the outcome of monitoring activities and any follow-up necessary as a result of the monitoring. It is important to note that the development of these forms will simply formalize activities that already take place, providing tools for implementing consistent risk assessment and monitoring.

Recommendation 5:

The Management of the Women's Program should:

- 1. Implement the system necessary for information sharing across the Program.*
- 2. Implement a national records management system.*

Information sharing within the Program is facilitated by the existence of a national database on all funded initiatives dating back to 1985. Each initiative is reviewed and data is captured on more than 15 fields. This allows for quick access to information such as the type of groups being supported and funding for specific issues or target groups. Staff requiring information on funded activities can gain access by telephone or e-mail. In addition, information on initiatives approved is distributed electronically on a monthly basis. Management will ensure that this information is sent directly to all staff involved in the delivery of the Program and provide clear instructions on steps to follow in order to obtain ad hoc reports.

In addition, Status of Women Canada is in the process of implementing its Information Management/Information Technology (IM-IT) strategy that requires the completion of numerous activities underway. The department will then proceed with the implementation of a department-wide knowledge and information management system on a phased-in basis. This will also respond to email and electronic document management. Women's Program representatives sit on a cross-directorate working group that is addressing certain activities within the initiative. The overall objective is to improve the management of information within Status of Women Canada.

Recommendation 6:

The Management of the Women's Program should:

- 1. Develop a national training strategy and consider augmenting resources available for training.*
- 2. Prepare an orientation program for newcomers, to be used on a national basis.*

The foundation blocks for the training and orientation of all Program staff will be the Procedures Manual and the new Result-Based Accountability Framework. All staff involved in the delivery of the Program attended a national-regional information session on the RBAF in January 2002. The next step will be the development of a multi-faceted training strategy aimed at building staff capacities in performance measurement and ensuing a consistent approach to implementation of Program procedures and criteria. Staff will meet in January 2003 for further training as part of this strategy.

With respect to resources allocated to training, each SWC directorate has a global training budget based on a per FTE allocation. This amount has been doubled from \$500 to \$1,000 as of the 2002-

2003 fiscal year. In addition, funding for department-wide requirements such as IT-related matters comes from a corporate allocation.

Action Plan

The following table constitutes Status of Women Canada's Action Plan with respect to the recommendations outlined in the report.

Management Action Plan		
Recommendation	Activity and OPI	Timeframe
Approval Process		
The management of the Women's Program should review the approval process in order to:		
Be in a position to consistently respect its published timeframe commitment.	Review of existing timelines and the impact of new due diligence related steps in order to determine realistic timelines. (Director General Women's Program)	March 2003
Provide the Program Officers with sufficient information which they can relate back to the applicants on the status of their file, including documentation on all decisions made.	Procedures Manual to outline information to be provided at all steps. (Director General Women's Program)	January 2003
Financial Capability		
Women's Program management should enhance its financial framework by:		
Enhancing its financial analysis capabilities by providing financial training to Program Officers, as well as designating a financial analyst function/role, centrally or in each region, to support Program Officers.	Information to be provided to staff on roles & responsibilities of SWC corporate services in the Program as well of the roles & responsibilities of Program Officers through the Procedures Manual and info/training sessions. (Director General Women's Program, Director Corporate	January 2003

Management Action Plan		
Recommendation	Activity and OPI	Timeframe
	Services)	
Developing and implementing financial reporting standards across the Program.	Development of interim and final report forms with standardized financial reporting and review procedures. (Director General Women's Program)	January 2003
Monitoring and Reporting		
From a due diligence perspective, the management of the Women's Program should strengthen its monitoring and reporting framework by:		
Ensuring that the follow-up letters include attachments clearly establishing the monitoring and reporting expectations of the recipients.	Program Manual to clearly outline documents to be provided to groups and provide parameters to determine level of monitoring required based on risk assessment. (Director General Women's Program)	January 2003
Establishing a minimum set of standards and documentation tools to be used for the ongoing monitoring of initiatives.	Risk assessment and monitoring to be incorporated into Recommendation Approval Form. (Director General Women's Program)	January 2003
Ensuring that there are standardized formal assessments of initiatives upon their completion.	New final report forms to be developed. (Director General Women's Program)	January 2003
Risk Management		
The Women's Program should strengthen its risk management approach by:		
Developing and implementing support and documentation tools such as, for example, a risk management checklist to be used in the approval process, and holding documented group discussions	Risk assessment and monitoring to be incorporated into Recommendation Approval Form. (Director General Women's Program)	January 2003

Management Action Plan		
Recommendation	Activity and OPI	Timeframe
around risk management strategies.		
Information Sharing		
The Management of the Women's Program should:		
Implement the system necessary for information sharing across the Program.	Staff to be provided information on two existing SWC databases. (Director General Women's Program)	January 2003
Implement a national records management system.	Decentralisation of system to be explored. Women's Program to participate in development of departmental information management system (Director General Women's Program and Director of Executive and Information Services Directorate)	March 31, 2003
Training		
The Management of the Women's Program should:		
Develop a national training strategy and consider augmenting resources available for training.	Training strategy in development for the implementation of the new Procedures Manual & the Program performance measurement strategy. Training resources doubled effective 2002-2003 (Director General Women's Program)	January 2003
Prepare an orientation program for newcomers, to be used on a national basis.	New Procedures Manual will from the basis of a consistent training strategy for all new staff. (Director General Women's Program)	January 2003