



Canadian  
Heritage

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*Compliance Audit  
of the  
Athlete Assistance Program  
(AAP)  
- Administered by  
Sport Canada,  
Department of Canadian  
Heritage*

**April 2001**

Prepared For:  
**Corporate Review Branch**

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**Phase 2 - Report**

**Canada**



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## Executive Summary

### Background

The Athlete Assistance Program (AAP) is administered by Sport Canada, a branch of the Department of Canadian Heritage. The overall objective of the AAP is to enable athletes to combine their sport and academic or working careers without undue financial burden, while training intensively in pursuit of world-class performances. The main goal of the AAP is to contribute to improved performances by Canadian athletes at major sporting events such as World Championships and the Olympics.

### Audit Objectives

The objectives of the audit were to assess the degree to which:

- Sport Canada has developed and documented rigorous internal processes and controls to deliver the AAP effectively;
- the governance arrangement and program delivery provide an acceptable level of transparency, accountability and risk management;
- the selection of grant recipients is done with care, is transparent, is done in accordance with published authorities and written procedures and in consultation with the appropriate individuals in the National sport federation (NSF);
- there is an appropriate segregation of duties of individuals who manage the AAP;
- Sport Canada has personnel with the appropriate competencies to manage and administer the AAP;
- due diligence is being exercised in the expenditure of AAP funds;
- signing authorities are in accordance with the Department's instrument of Delegation of Financial Authorities;
- there is adequate performance and continued eligibility monitoring of recipients by AAP staff and that the monitoring and evaluation information relied on by AAP staff is valid and reliable; and
- the AAP has identified risks associated with program delivery.

### Scope

The audit covered the activities of the AAP during the fiscal year 2000-2001. The audit addressed the delivery of the program but did not include an examination of the allocation of funding among the various sports.

### Overall Conclusion

We conclude that procedures and controls are generally adequate to ensure that the appropriate level of funding is provided to athletes in accordance with published authorities and written procedures. However, we observed that some AAP processes require more formalized documentation to support actions taken and decisions made by AAP management.



### Summary of Findings

The AAP uses a database system to record funding commitments, payments and unpaid balances for each athlete. The system is able to produce a variety of user-friendly reports.

In addition, a

paper file is maintained for each athlete. These files generally contained all required information though documentation of some processes should be formalized to provide clear evidence to support management decisions and actions taken.

Our audit indicated that communication of the AAP is left to the NSF's but there is no formalized process to ensure each of the NSF's is adequately communicating the AAP to all potential athletes.

Based on discussions with AAP personnel, there is no formalized risk identification and management framework. A recent initiative of Treasury Board (Modern Comptrollership) indicates the importance of a risk management framework. In addition, in November 2000, the Office of the Auditor General published "A Framework for Identifying Risk in Grant and Contribution Programs".

There has been a large increase in the number of sports and athletes funded in recent years without a corresponding increase in the number of staff assigned to the AAP. As previously noted, several steps in the AAP process have not been adequately documented. The reason cited to us is a shortage of personnel. In addition, we believe that the program may be at some risk given the concentration of knowledge in one or two individuals.

### Key Recommendations

#### **Formalization of Processes**

It is recommended that the AAP initiate a more formalized process of documentation for each type of funding and for appeal activities. This process could be as simple as a short checklist of the activities carried out prior to funding approval, requiring signature from the individual responsible.

#### **Communications**

It is recommended that the AAP undertake to develop a communications monitoring plan that would provide assurance to the AAP that all NSF's have an appropriate communications plan in place and that they are effectively carried out by the NSF's.

#### **Risk Identification and Management**

It is recommended that the AAP undertake to implement a formal risk management framework.



**Staff Complement**

It is recommended that Sport Canada consider some cross-training of staff on certain aspects of the program and examine whether or not the current staff complement should be augmented.



# 1

## Section 1 Introduction

- 1.1 Purpose**      **The purpose of this audit was to determine how well the Athlete Assistance Program (AAP) is being administered by Sport Canada and whether or not due diligence is being exercised in fulfilling its obligations as outlined in published regulations, directives and guidelines.**
- 1.2 Background**      **The Athlete Assistance Program (AAP) is administered by Sport Canada, a branch of the Department of Canadian Heritage. The overall objective of the AAP is to enable athletes to combine their sport and academic or working careers without undue financial burden, while training intensively in pursuit of world-class performances. The main goal of the AAP is to contribute to improved performances by Canadian athletes at major sporting events such as World Championships and the Olympics.**
- Athletes that are, or have the potential to be, in the top sixteen in the world in their respective sport can be nominated by their National Sport Federation (NSF) to receive financial assistance in order to relieve some of the burden associated with rigorous training regimens.**



Overall, the AAP has five specific objectives in addition to enabling athletes to combine their sport and academic or working careers without undue financial burden. These are:

- to identify and support Canadian athletes performing at or having the greatest potential to achieve a top sixteen level at international sporting events;
- to help Canada's international-caliber athletes excel at the highest level of competition while enabling them to prepare for a future career or engage in full- or part-time work or post-secondary education activities;
- to facilitate the attainment of athletes' long range goals of excellence in Olympic/Paralympic or world competition;
- to complement support provided through other government and NSF programs; and
- to contribute toward broad government policy objectives.

Eligible athletes receive funding in the form of tax-free living and training allowances and current or deferred tuition assistance. Carded athletes may also be eligible for special needs assistance for such items as child-care, relocation and/or retirement from their sport.

Funds are allocated among the various sports by means of a formula which is applied every four years after the Olympics/Paralympics. From the results of this formula, the AAP determines a quota for the number of athletes that each funded sport may card. Carded athletes are those funded by the AAP. These quotas remain in effect for the following four years.

Early in the 2001 fiscal year, the budget of the AAP was increased to \$14.5 million and its format changed from a contribution to a grant program – two important changes to an important Canadian Heritage initiative. This audit is, therefore, of grants and not contributions.



**1.3 Audit Objectives**

The objectives of the audit were to assess the degree to which:

- Sport Canada has developed and documented rigorous internal processes and controls to deliver the AAP effectively;
- the governance arrangement and program delivery provide an acceptable level of transparency, accountability and risk management;
- the selection of grant recipients is done with care, is transparent, is done in accordance with published authorities and written procedures and in consultation with the appropriate individuals in the NSF;
- there is an appropriate segregation of duties of individuals who manage the AAP;
- Sport Canada has personnel with the appropriate competencies to manage and administer the AAP;
- due diligence is being exercised in the expenditure of AAP funds;
- signing authorities are in accordance with the Department's instrument of Delegation of Financial Authorities;
- there is adequate performance and continued eligibility monitoring of recipients by AAP staff and that the monitoring and evaluation information relied on by AAP staff is valid and reliable; and
- the AAP has identified risks associated with program delivery.

**1.4 Scope**

The audit covered the activities of the AAP during the fiscal year 2000-2001. All work was conducted in the National Capital Region, including a review of program documentation, interviews with AAP staff, meetings and debriefings with the Project Authority and program officials. The audit addressed the delivery of the program but did not include an examination of the allocation of funding among the various sports.





# 2

## Section 2 Approach

The audit was conducted in three phases: planning, fieldwork and analysis and, reporting.

**2.1 Planning** The objective of the planning phase was to develop a plan for the conduct of the fieldwork and analysis phase by conducting a management assessment of the program.

The product of the planning phase of the audit was a report which outlined the planning phase activities and preliminary findings presented as a table of management activities, risk, potential issues, concerns, focus and the related management control framework.

The plan developed and outlined in the planning phase report included the following seven audit tests which reviewed:

- living and training allowances;
- special needs grants;
- current and deferred tuition;
- overpayments;
- management reports;
- Accountability Agreements with the NSF's; and
- the Program's Communication Plan.

**2.2 Fieldwork and Analysis** During the conduct of this phase, an eighth test was determined to be required - review of the athlete appeal process.

It was also determined during the conduct of this phase that the so-called Accountability Agreements with the NSF's are not accountability agreements but are rather the NSF's' strategic plans which are usually reviewed by the AAP. They do not, however, establish any formal accountability of the NSF to the AAP.

### *Population and Audit Sample Sizes*

The following table depicts the budgeted population funded by



the AAP and the audit sample sizes for tests one to three (judgmental selection):

Program element	AAP Budget (\$)	Budgeted number of carded Athletes	Audit sample size (No. of athletes carded)
Living and training allowances	\$13,275,000	1,281	50
Tuition	\$1,200,000	600	10
Special needs	\$25,000	15	5
<b>Totals</b>	<b>\$14,500,000</b>	<b>1,896</b>	<b>65</b>

*Test of Living and Training Allowances*

These audit samples for test 1 were chosen by first stratifying the carded athlete population (based on funding up to March 1, 2001) into the various categories; winter, summer, individual, team, able-bodied, Paralympic, senior card and development card. The number of samples for each category were determined pro-rata. The audit sample by category is presented in the following table.

Card type	Athlete Type	Individual Sports		Team Sports		Totals
		Summer	Winter	Summer	Winter	
Senior	Able-bodied	18	6	6	2	32
	Paralympic	5	1	3	0	9
Development	Able-bodied	4	0	4	1	9
	Paralympic (1)	0	0	0	0	0
<b>Totals</b>		<b>27</b>	<b>7</b>	<b>13</b>	<b>3</b>	<b>50</b>

Footnote (1) There are only four Paralympic athletes carded at the development level. As such we did not select any of these for our audit sample.

For each of the Living and Training Allowance samples chosen, the following procedures were carried out:



- review of the athlete's file to examine the athlete's Application and Declaration form;
- review of the athlete's transcript to determine funding period and recording process;
- review of the NSF file to evaluate the clarity and the specificity of carding criteria and to ensure the specific number of cards allocated to the NSF isn't exceeded;
- examination of the AAP carding decision process and carding decision letter;
- review of the athletes' files to ensure that the AAP has received written confirmation from the NSF that all athletes have signed an Athlete Agreement; and
- review of the payment schedules (Athlete Assistance Program Management Information System (AAPMIS) report) and cheque runs to evaluate the timeliness of payments, recording process and compliance with section 34 of the Financial Administration Act.

The samples for tests 2 and 3 (tuition and special needs) were chosen haphazardly from the list of athletes who received tuition and special needs assistance in the fiscal year (i.e., as of March 1, 2001).

For each of the tuition samples chosen, the following procedures were carried out:

- examination of the completed tuition voucher and tuition receipt;
- examination of review process carried out by the AAP to ensure athlete eligibility; and
- tracing of cheque amount to AAPMIS and to SAP and examination of FAA section 34 sign-off.

For each of the special needs samples chosen, the following procedures were carried out:

- examined application from athlete;
- examined correspondence from NSF in support of application;
- examined documentation submitted in support of application (athlete budget for retirement benefits, receipts for moving expenses or child care expenses); and



- traced cheque amount to AAPMIS and to SAP and examined FAA section 34 sign-off.

*FAA Section 33 sign-off*

To address section 33 of the FAA, we sampled five cheque runs during the year and examined the section 33 sign-off and compared to delegation of authorities documentation.

*Review of Overpayments (Test 4)*

We reviewed the processes by which the AAP identifies and collects overpayments.

*Review of Management Reports (Test 5)*

We obtained samples of several management reports and discussed the management reporting process with AAP personnel.

*Review of Accountability Agreements with NSF's (Test 6)*

We obtained samples of several NSF accountability agreements and discussed their application to NSF involvement with the AAP. As outlined in the fieldwork and analysis section, these documents do not establish formal accountability of the NSP to the AAP. Our report, therefore, does not address the outcome of this test.

*Review of Program Communication Plan (Test 7)*

We discussed with AAP staff how the AAP ensures that all eligible athletes are made aware of the AAP. In addition, we reviewed the various documents published by the AAP, including Sport Canada's web-site.

*Review of the Athlete Appeal Process (Test 8)*

Based on discussions with AAP personnel, the AAP receives, on average, about a dozen appeals per year from athletes who were not carded by the AAP. We asked for the files on four appeals and reviewed all relevant material in the file to assess the process used by the AAP to deal with appeals.



# 3

## Section 3 Findings and Recommendations

### Reporting

### *Findings and Recommendations*

#### Issue

Procedures and controls are adequate to ensure that the appropriate level of funding is provided to athletes in accordance with published authorities and written procedures.

#### Finding

The AAP uses a database system called the AAPMIS. All athlete funding commitments are entered into the system and it is used to produce cheque runs which are electronically interfaced with SAP (the Departmental Accounting System). User-friendly reports of all required information are readily available from the system and we found that all payments to athletes were easily traced to the departmental accounting system. All of the payments selected for examination were properly authorized under section 33 of the FAA.

The Director-Sport Programs (Director) has authority to authorize transactions under section 34 of the FAA. All cheque runs were signed off by one of three personnel (either the Director or personnel delegated authority by the Director) under a FAA section 34 stamp. We were unable, however, to agree the signatures of the personnel delegated by the Director, to a written delegation of authority. Sport Canada uses an email process to delegate authorities during the Director's absence but hard copies of the email are not retained.

The AAP maintains a file on each athlete and on each NSF. The athlete files contain the athlete's application, a print-out of the annual AAP commitment, which indicates the carding level, the amount of monthly and annual funding, the duration of funding, the effective date of funding, the type of funding and any correspondence with or about the athlete. NSF files contain the sport carding criteria, notes on the annual review meeting with the NSF and information concerning each year's card nominations, including athletes being de-carded.



We found that the files generally contained all required information and were well-organized. We also found the AAP personnel to be very knowledgeable and were able to quickly provide answers to any of our questions. While it was evident from correspondence and various notes contained in the files that the AAP personnel routinely conduct processes to ensure that procedures and controls are adequate to ensure that the appropriate level of funding is provided to athletes in accordance with published authorities and written procedures, we believe that additional documentation needs to be maintained to ensure that the AAP has clearly discharged all responsibilities. For example, in each NSF file, we noted that the listing of athletes nominated for carding always had marks beside each athlete with occasional notes but there was no official sign-off indicating exactly what steps the AAP conducted in approving the list of nominees. A second example is the annual tuition limit. In one case, an applicant claimed a large amount of tuition which was reduced by AAP staff. Clearly, the AAP staff had employed a process to examine same but the file contained no notes or sign-off.

In addition, the AAP requires written confirmation from NSFs that all athletes have signed the Athlete Agreement with the NSF. This agreement outlines the athlete's and NSF's obligations. Most NSF's are very diligent about this and we found that such confirmations were generally received as required. There were, however, several instances where the confirmation was not received but the AAP does not follow up in a systematic fashion. The result is that the AAP may be funding an athlete who has no formal commitment to the sport.

#### **Recommendations**

- 1. It is recommended that the AAP initiate a more formalized process of documentation for each type of funding and for appeal activities. This process could be as simple as a short checklist of the activities carried out prior to funding approval, requiring signature from the individual responsible.**
- 2. It is recommended that the AAP initiate a process to follow up all instances where the NSF does not provide written confirmation of athlete agreements. This could be accomplished by the use of a log (either manual or electronic) which would record the NSF, date of carding decision letter, date of expected confirmation and date received.**
- 3. It is recommended that the AAP maintain a hard copy of all instances of delegation of authority to provide assurance that those individuals approving transactions were authorized to do so.**



**Issue**

**The AAP is adequately communicated to all potential candidates.**

**Finding**

The AAP publishes a booklet (Athlete Handbook) which is distributed to the NSFs and information is outlined on the Sport Canada web-site. However, communication of the AAP is left to the NSFs. We are advised that communication is one of the items discussed with each NSF at the annual meeting but the AAP personnel have no formalized process to ensure each of the NSFs have an appropriate communications plan in place and that they are effectively carried out by the NSFs.

Once athletes are approved for funding, the AAP process is to send the booklet and a letter to each of them outlining the level and duration of funding. In the past year, staff of the AAP have fallen behind in sending letters to athletes. In addition, the booklet is out of date and is no longer being sent to athletes. The AAP is in the process of updating the booklet.

We noted that very few athletes take advantage of special needs funding. We understand that special needs was not to be widely advertised as it was intended only for very special circumstances.

**Recommendation**

4. It is recommended that the AAP undertake to develop a communications monitoring plan that would provide assurance to the AAP that NSFs have an appropriate communications plan in place and that they are effectively carried out by the NSFs.

**Issue**

**Processes are adequate to minimize the occurrence of overpayments and to maximize collection of overpayments**

**Finding**

Overpayments occur when an athlete retires during the sport cycle and the athlete and/or the NSF fail to advise the AAP. There were no instances of identification of overpayments in 2000-2001 and



approximately \$4,000 in 1999-2000. When overpayments are identified, the AAP issues a letter to the athlete requesting repayment. The AAP also requests the NSF to advise the athlete and to assist in collecting the overpayment. We are advised that outstanding overpayments are also raised in the annual review meeting with the NFP though it is not a formal agenda item. No further follow-up is done by the AAP beyond recording the overpayment in AAPMIS which enables recovery if the athlete is ever re-carded.

Part of the annual review of athlete carding with the NSF includes a review of all athletes who have retired or are being recommended for de-carding. The AAP will normally pay the athlete the living and training allowance for two months following the athlete's retirement. It is assumed by the AAP that athletes who have retired from a sport have done so at the end of the sport funding cycle on the basis that the NSF is required to advise the AAP as soon as an athlete has retired. Therefore, since the AAP had not been advised by the NSF during the year, it is assumed that the athlete must have retired at the end of the cycle. It is, therefore, possible that the AAP has funded the retired athlete beyond the policy and is unaware that money is owed to the Crown.

#### **Recommendation**

- 5. It is recommended that the AAP institute more rigorous procedures to collect overpayments even though occurrences are rare and amounts are small.**
- 6. It is recommended that the NSFs be required to provide the AAP with the date an athlete has retired or has been de-carded on the annual nomination list.**

#### **Issue**

**The AAP has identified all risks associated with the delivery of the program.**





**Finding**

Based on discussions with the AAP personnel, there is no formalized risk identification and management framework. The Federal Government has recently undertaken an initiative to modernize comptrollership. Areas identified as demanding managerial excellence included matching more creative and client-driven decision making and business approaches with solid risk management and creating an environment in which taking risks, with the resulting consequences, are handled within an appropriate framework of delegation, rewards and sanctions. A mature risk management framework is a key element to achieving better management as it enables managers and employees to become more information driven, risk attuned and action oriented.

In addition, in November 2000, the Office of the Auditor General published “A Framework for Identifying Risk in Grant and Contribution Programs”. A successful risk management framework will contribute to innovation in program delivery and the mitigation of the obstacles that may interfere with the department’s ability to achieve its established objectives.

**Recommendation**

7. In light of the recommendations of these publications, it is recommended that the AAP undertake to implement a formal risk management framework.

<p style="text-align: center;"><b>Issue</b></p> <p style="text-align: center;">AAP’s Management Reporting is sufficient to enable management to make appropriate program decisions.</p>
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**Finding**

Based on discussions with AAP personnel, reporting throughout the year tends to be ad hoc and mainly of a financial nature on the basis that sport results are of a longer term nature.

Performance-related documents have been produced in recent years; a large study, “The Status of the High Performance Athlete in Canada”, was conducted in 1992 and again in 1997. In November 2000, Sport Canada and the Corporate Review Branch prepared a Results-based Management and Accountability Framework. In accordance with Treasury Board instructions, an evaluation of the program is to be conducted in 2002-2003.



**Highlights of athletic achievements, that may be attributed in whole or in part to the AAP, will be reported annually in the Canadian Heritage Departmental Performance Report, which is tabled in Parliament. These highlights will also be posted on Sport Canada's web site.**

**Recommendation**

**None**



**Issue**

**Sport Canada has personnel with the appropriate competencies to manage and administer the AAP.**

**Finding**

As previously outlined, we found the procedures and controls (with relatively minor exceptions) to be adequate in spite of a large increase in the number of sports and athletes funded in recent years. Based on our review of 65 athlete files and the related NSF files, we found a significant amount of correspondence on file with each of the NSFs and with a number of athletes. We also understand that there are some 77 different NSFs, each requiring an annual meeting with respect to carding nominations. In spite of the increase in volume, we had no difficulties locating files and our questions were efficiently answered. The ability of the AAP staff to administer such a rapidly growing program is a testament to their competency.

However, as noted in several sections of this report, several steps in the AAP process have not been adequately addressed. The reason cited to us is a shortage of personnel. In addition, we believe that the program may be at some risk given the concentration of knowledge in one or two individuals.

**Recommendation**

**8. It is recommended that Sport Canada consider some cross-training of staff on certain aspects of the program and examine whether or not the current staff complement should be augmented.**



**Sport Canada Response  
to the  
Findings and Recommendations  
of the**

***Compliance Audit  
of the  
Athlete Assistance Program***



## **Introduction**

The objectives of the audit were to assess the degree to which:

- Sport Canada had developed and documented rigorous internal processes and controls to deliver the AAP effectively;
- the governance arrangement and program delivery provided an acceptable level of transparency, accountability and risk management;
- the selection of grant recipients was done with care, was transparent, was done in accordance with published authorities and written procedures and in consultation with the appropriate individuals in the National sport federation (NSF);
- there was an appropriate segregation of duties of individuals who manage the AAP;
- Sport Canada had personnel with the appropriate competencies to manage and administer the AAP;
- due diligence was being exercised in the expenditure of AAP funds;
- signing authorities were in accordance with the Department's instrument of Delegation of Financial Authorities;
- there was adequate performance and continued eligibility monitoring of recipients by AAP staff and that the monitoring and evaluation information relied on by AAP staff was valid and reliable; and
- the AAP had identified risks associated with program delivery.

## **Sport Canada Conclusions**

The audit concluded that, generally, procedures and controls were adequate to ensure that the appropriate level of funding was provided to athletes in accordance with published authorities and written procedures and that “the ability of the AAP staff to administer such a rapidly growing program was a testament to their competency”. However, the conclusion also indicated that some of the AAP processes required more formalized documentation to support actions taken and decisions made by the AAP management. Sport Canada Management finds the overall conclusion of the audit to be very positive and to reflect the excellent work being done by the AAP staff.

In responding to the audit Sport Canada will focus on addressing the specific findings and recommendations which are outlined in the audit report under the following issues:



1. Formalization of Processes
2. Communication
3. Risk Identification and Management
4. Staff Complement

### Response to the Findings and Recommendations

#### **1. Formalization of Processes**

*Procedures and controls are adequate to ensure that the appropriate level of funding is provided to athletes in accordance with published authorities and written procedures.*

*Recommendations:*

- 1. It is recommended that the AAP initiate a more formalized process of documentation for each type of funding and for appeal activities. This process could be as simple as a short checklist of the activities carried out prior to funding approval, requiring signature from the individual responsible.*

Response:

Sport Canada believes it would be simpler and more effective to provide a check list on a sport by sport or batch basis where possible with 'exceptional files' being dealt with individually. Dealing with every individual file in this manner would greatly increase the amount of work load on the AAP staff and management without adding significant value or diligence. Attached as Appendix 'A' is a check list of activities in the approval processes for carding, tuition and appeals. Sport Canada will initiate this check list approach immediately.

The implementation of the above recommendation will increase work load for the AAP unit.

- 2. It is recommended that the AAP initiate a process to follow up all instances where the NSF does not provide written confirmation of athlete agreements. This could be accomplished by the use of a log (either manual or electronic) which would record the NSF, date of carding decision letter, date of expected confirmation and date received.*



Response:

Action has already been taken on this recommendation. A new PM-03 position created within the High Performance Unit has been assigned the responsibility to keep track of all the follow up steps required after each AAP Review meeting. A system will be set up to ensure that written confirmation of a signed athlete agreement is received for each carded athlete. This system could be incorporated into the implementation of the above recommendation or as a separate item.

- 3. It is recommended that the AAP maintain a hard copy of all instances of delegation of authority to provide assurance that those individuals approving transactions were authorized to do so.*

Response:

The AAP Unit has already added this task to their regular work plans. However, the AAP Unit is one of several units that is affected by “delegation of authority”. While the AAP could maintain hard copies of delegation of authority Sport Canada Management believe that it would be more appropriate for the Administration Unit to maintain such hard copies, as this responsibility reasonably belongs with the admin unit and delegation of authority affects them on a much more regular and ongoing basis than the AAP.

Sport Canada Management will ensure that in the future a hard copy record of all delegation of authority is kept on record by the Administration Unit.

## **2. Communication**

*The AAP is adequately communicated to all potential candidates.*

*Recommendations:*

- 1. It is recommended that the AAP undertake to develop a communications monitoring plan that would provide assurance to the AAP that NSF's have an appropriate communications plan in place and that they are effectively carried out by the NSF's.*

Response:



While communication of carding criteria is discussed with NSFs during the Annual Review meeting, Sport Canada Management is in agreement that more should be done to ensure that NSFs have an appropriate communications plan in place and that they are effectively carried out by the NSFs. This could include a requirement that the NSFs provide in their annual submission a formal AAP communications plan or the AAP could develop a list of minimum requirements for each NSF to perform. The monitoring of this plan would be the responsibility of the Sport Canada Program Officer assigned to that sport.

Sport Canada will also develop its own communication plan for the AAP following the return of the AAP Manager from language training.

### **3. Risk Identification and Management**

*Processes are adequate to minimize the occurrence of overpayments and to maximize collection of overpayments*

*Recommendations:*

- 1. It is recommended that the AAP institute more rigorous procedures to collect overpayments even though occurrences are rare and amounts are small.*

Response:

In the past number of years policies have been put in place that have reduced the number of overpayments that have been made. Specifically, athletes who retire in mid carding cycle are provided with two months of “transition” support past the date of their official retirement. This has significantly reduced the number of overpayments to retiring athletes as a result of the AAP practice of making payments two months in advance. There were no overpayments made in 2000-2001 as a result of athletes retiring mid cycle which suggests that this issue is under control.

Sport Canada recommends that the initial letter to an athlete announcing that they have been overpaid include a clause indicating to the athlete and the NSF that no further AAP nominations or funding (including deferred tuition, special needs, etc.) will be entertained for this athlete until the overpayment is





refunded but that otherwise the overpayment practices remain as is. This practice will be initiated immediately.

2. *It is recommended that the NSF's be required to provide the AAP with the date an athlete has retired or has been de-carded on the annual nomination list.*

Response:

As a matter of course the NSF's are already required to notify Sport Canada when athletes retired in mid carding cycle. Some action has already been taken on this recommendation as during the annual review meeting NSF's are being requested to indicate the dates that athletes have retired during the year. This will be formalized in writing as part of the annual AAP submission and review meeting immediately.

***The AAP has identified all risks associated with the delivery of the program.***

*Recommendations:*

1. *It is recommended that the AAP undertake to implement a formal risk management framework.*

Response:

A Risk Management Framework will be developed for the AAP. Such a framework will be incorporated into Sport Canada's overall risk management framework. Additional training of staff required as an outcome of the framework will be provided according to the recommendations developed. The Risk Management Framework for AAP will be in place by June of 2002.

***AAP's Management Reporting is sufficient to enable management to make appropriate program decisions.***

*Recommendations:*

None.

Response:



The implementation of the “Results Based Management and Accountability Framework” will allow for a more thorough evaluation of the AAP in the summer and fall of 2002. Sport Canada will monitor this process with a view to assessing reporting practices.

#### 4. Staff Complement

***Sport Canada has personnel with the appropriate competencies to manage and administer the AAP.***

*Recommendations:*

1. *It is recommended that Sport Canada consider some cross-training of staff on certain aspects of the program.*

Response:

Problems arise in backfilling for the AAP Clerk from elsewhere in the branch and/or from an agency. Sport Canada agrees that other administrative people within Sport Canada should be trained in AAP staff responsibilities and will commit to finalizing a process to do this by February 2002. In the short term, the addition of a term AS-01 position to the AAP admin unit will help alleviate the work load issue and allow the redistribution of tasks within the unit such that the work of the current CR-04 position could be done by a generic CR-04 or agency staff with reduced training and monitoring.

There is also a problem with the centralized corporate memory in two key positions in the AAP unit - the Manager and the Coordinator. Sport Canada will consider steps to address this situation by April 2002.

2. *Sport Canada should examine whether or not the current staff complement should be augmented.*

Response:

Sport Canada acknowledges that the human resources that are currently allocated to the AAP unit are inadequate to accomplish all the required tasks and operate the program in its current form in an efficient and effective manner without placing great stress on the unit. We have added a temporary AS-01 position to address the immediate emergency and are committed to



examining the work load requirements for the AAP with the objective of making the appropriate adjustments to redress the situation by April of 2002



## APPENDIX "A"

### Carding Approval

- 1.1 Submission received from NSO;
- 1.2 Submission reviewed by AAP Manager and NSO Program Officer;
- 1.3 Pre-review meeting;
- 1.4 Review Meeting with NSO;
- 1.5 Confirmation that athlete has met carding criteria;
- 1.6 Duration and level of support confirmed on cycle sheet;
- 1.7 Cycle sheet signed off by AAP Manager;
- 1.8 Post review letter drafted and signed of by AAP Manager and NSO Program Officer;
- 1.9 Post review letter sent to NSO;
- 1.10 Post review letter signed off by Director of Programs;
- 1.11 Completed AAP Application form from athlete;
- 1.12 Written confirmation received that athlete has signed athlete agreement;
- 1.13 Funding initiated;(Note: Funding may be initiated prior to all of the above being completed.)

### Tuition Approval

1. Receipt of tuition voucher and /or tuition receipt;
2. Confirmation that athlete is carded (see above);
3. Confirmation of the amount of tuition for which the athlete is eligible;
4. Approval of tuition payment;
5. Initiation of tuition payment;

### Appeal Process

1. Receipt of request for review of AAP decision by athlete or NSO;
2. Confirmation letter from AAP to athlete and/or NSO;
3. Forward request to AAP review committee;(Director of Programs, Manager of High Performance, Manager of Sport Programs)
4. Request additional information from NSO and/or athlete if required;
5. Internal review meeting;
6. Written decision to athlete and/or NSO;