

Western Economic Diversification Canada
Report on audit assurance obtained on the Infrastructure Canada Program (ICP)
Action Plan (September 8, 2006)

Auditor's Statement of Assurance				
<p><i>The Auditor has confirmed that WD has complied with all audit requirements of the Treasury Board Secretariat, Infrastructure Canada, and of the ICP federal-provincial agreements since the inception of the program to March 31, 2006. The auditor confirmed that management and administrative controls for the program have operated effectively with regards to: the intended purposes of the funds spent; the compliance to environmental obligations; and the appropriateness and effectiveness of the collection of information on intended benefits. Furthermore, the Auditor states that they found those responsible for the administration and monitoring of the ICP projects, were knowledgeable of the program requirements, were diligent in the management of the risks and were conscientious in the administration of the program.</i></p>				
Recommendations	Management Response	Action Plan	Comments	Estimated Date of Completion
GENERAL RECOMMENDATIONS				
<p>1. That each region adopt the guide tabled with WD infrastructure managers December 2005, "A guide to Implementing Risk-Based Audit Framework for the Infrastructure Canada Program"</p>	Agreed.	The department, working with provincial partners, will review current audit plans and policies to ensure consistency with the guide presented in the audit report. The Department will ensure that Municipal Rural Infrastructure Fund (MRIF) audit plans and policies are consistent with the Treasury Board approved Risk-Based Audit Framework.		Dec-06
<p>2. That WD ensure that annual audit plans address all of the audit objectives set out in the ICP agreements.</p>	Agreed.	The department will review/clarify gaps, and ensure future audit plans are in compliance with ICP Agreement audit objectives.		Dec-06
<p>3. That WD review their processes to ensure they include the monitoring of tendering information</p>	Agreed with respect to MB.	As the vast majority of ICP projects are beyond the tendering stage, WD will discuss the formal requirement of having evidence of tendering on project files with its provincial partners in MB, AB, and BC for the MRIF program.	The audit report indicates that good support on tendering was obtained for all projects tested in both AB and BC, and that this was already a formal requirement for SK.	Oct-06

4. That WD review the degree of evidence to be obtained for all project claims	Agreed with respect to B.C.	The department will review the degree of evidence to be obtained for all project claims where necessary.	It should be noted that, the audit report indicates that appropriate controls are already in place for MB, SK, and AB.	Oct-06
REGIONAL SPECIFIC RECOMMENDATIONS				
BRITISH COLUMBIA				
1. That WD-BC review the degree of evidence to be obtained for all projects.	Agreed.	WD BC in collaboration with the Province of B.C. will review current practices regarding the degree of evidence required for claims.		Oct-06
ALBERTA				
1. That the Secretariat identify the projects with high environmental risks and monitor that required mitigation is completed at an earlier stage of the project completion.	Agreed.	WD - AB and the Joint Secretariat will review processes to ensure earlier monitoring of projects identified as having high environmental risk will occur under existing (ICP) and future (MRIF) programs.	The audit reports indicates that good procedures are in place to document mitigation measures required.	Oct-06
SASKATCHEWAN				
1. That the Secretariat identify the projects with high environmental risks and monitor that required mitigation is completed at an earlier stage of the project completion.	Agreed.	WD - SK and the Joint Secretariat will review processes to ensure earlier monitoring of projects identified as having high environmental risk will occur under existing (ICP) and future (MRIF) programs.	The audit reports indicates that good procedures are in place to document mitigation measures required.	Oct-06
2. That management ensure the projects have been completed and environmental mitigants addressed prior to project close-out.	Agreed.	A monitoring system will be implemented to ensure that benefits, final project costs, and EA mitigation measures are captured upon project completion.	Two specific projects were identified under this recommendation. Follow-up on these two projects was completed during the review.	Completed
MANITOBA				
1. That WD review their process for the monitoring of project tendering	Agreed.	As the vast majority of ICP projects are beyond the tendering stage, the Secretariat will include evidence of project tendering on project files for future infrastructure programs.	While tendering is already strongly encouraged in Manitoba, it should be noted that evidence of tendering has never been a requirement of the terms and conditions of the ICP. The Agreement for the CMIP also stipulates that all contracts shall be awarded and administered in accordance with the established procedures of the Province of Manitoba.	Oct-06

2. That the Secretariat identify the projects with high environmental risks and monitor that required mitigation is completed at an earlier stage of the project completion	Agreed.	WD - MB and the Joint Secretariat will review processes to ensure earlier monitoring of projects identified as having high environmental risk will occur under existing (ICP) and future (MRIF) programs.	The audit reports indicates that good procedures are in place to document mitigation measures required.	Oct-06
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