

**Western Economic Diversification  
2005 Management Accountability Framework Assessment  
April 2006 Report**

**Management Response Update  
May 2007**

The Treasury Board Secretariat conducted the 2005 Management Accountability Framework (MAF) Assessment in late 2005. The department was pleased to note improvement in key areas over the 2004 assessment, which reflects our ongoing support of the MAF objectives. In the year that has elapsed since the 2005 assessment Western Economic Diversification (WD) has made further progress in advancing MAF objectives for the department and in responding to areas indicated by TBS to be of particular concern. It should be noted that while WD found the assessment to be fair and accurate in most areas, there were some concerns about both the process and some of the ratings that were discussed with TBS for future consideration. These concerns are noted in the Management Response prepared by the department in April 2006 which can be found at : [www.wd.gc.ca/rpts/maf/2005/mgmt\\_comments\\_1a\\_e.asp](http://www.wd.gc.ca/rpts/maf/2005/mgmt_comments_1a_e.asp).

WD received a number of positive assessments in relation to MAF criteria. MAF objectives are evergreen and work continues to improve all areas of management practices. In particular WD notes the following areas where activity has been significant:

HR Planning

WD continues to focus on implementing human resources modernization. Learning strategies are focused on staff needs. The department continues to improve in its efforts to incorporate human resource planning into all unit, regional and department-wide business plans. Executive planning sessions continue to be held annually. In addition, WD has piloted a succession-planning model in Manitoba and depending on results, will implement it across the department. This work will proceed in parallel to an EX succession plan being developed for the Deputy Minister.

Management of Transfer Payments

WD continues to emphasize due diligence in the management of transfer payments. The requirement for program renewals is examined in the context of the department's strategic directions, supported by information gained through both audit and evaluation processes. WD is currently in the planning phase for an evaluation of the Western Diversification Program in support of program renewal in early 2008.

Management action plans are in place to respond to all audit and evaluation recommendations related to transfer payment programs. Key to the department's response was the implementation of annual due diligence training provided to all staff that manage or develop grant and contribution projects. This training will be updated and provided on an annual basis.

Three areas were noted in the TBS assessment where WD needs to make additional progress and examine ways to improve performance. As of May 2007 progress has been made as follows:

Internal Audit Function

WD has made significant progress in the Internal Audit Function. The unit, which includes the evaluation function, has been fully staffed with the position of Chief Audit Executive redesigned and reclassified to reflect the requirement for greater emphasis on accountability, transparency and ethical behavior. Three year audit and evaluation plans have been developed based on a corporate risk profile that was developed in August 2006.

WD has completed a number of audits, two of which relate to the management of the department's grants and contributions programs that represent the cornerstone of the department's activities. Management action plans have been approved and are posted with the audit reports on WD's website at [http://www.wd.gc.ca/rpts/audit/default\\_e.asp](http://www.wd.gc.ca/rpts/audit/default_e.asp).

### Evaluation Function

As with the audit function significant improvement has been made in the completion of evaluations for WD programs. Management action plans have been approved and are posted with the evaluation reports on WD's website at [http://www.wd.gc.ca/rpts/audit/default\\_e.asp](http://www.wd.gc.ca/rpts/audit/default_e.asp). The total annual budget for audit and evaluation remains at \$1.2M, on average equally split between the two functions.

### Values and Ethics

The department has taken several steps to advance values and ethics across the department and to further imbed them into day-to-day decision making. Working closely with the Office of Public Service Values and Ethics (OPSVE) WD has developed and implemented a creative values and ethics initiative for the British Columbia regional office. Making use of "tools" developed in the OPSVE, WD organized a one-day Values Risk Assessment with the regional management team. The Risk Assessment Workshop will be followed with a diagnostic survey instrument that will be shared with all regional staff, customized to address issues not covered in the National Public Service Employee Survey (NPES). Based on the findings from the special diagnostic survey, the data already gathered from the NPES and using the background context of the Risk Assessment, an "all staff" workshop will be staged to validate the findings and to develop action plans.

WD is also engaging in other department-wide initiatives including the embedding of Public Service Values and Ethics into WD Core Competencies. WD's Executive Committee has committed the department to the use of core competencies in recruitment, performance evaluation, learning, and succession planning. Towards this end the Executive Committee has approved six core competencies, which includes PS Values and Ethics. With the roll out of WD's core competencies values and ethics will become an even greater part of all human resource management decision making.

Finally WD has moved to redesign and reclassify its Chief Audit Executive position to include a prominent and independent roll for ethics. The newly created position: Director General Audit, Evaluation and Ethics has responsibility for WD's Wrong Doing in the Workplace Disclosure Program and for WD's ethics program.