
AUDIT AND EVALUATION
DIRECTORATE

DIRECTION GÉNÉRALE
DE LA VÉRIFICATION
ET DE L'ÉVALUATION

AUDIT AND EVALUATION
OF THE CONTRIBUTION TO THE
PACIFIC SALMON FOUNDATION
PROJECT NUMBER 2004-65175
ADVISORY REPORT
APRIL 8, 2005



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1.0 EXECUTIVE SUMMARY

In June 1992, a contribution program for the Pacific Salmon Foundation (PSF) was established within Fisheries and Oceans Canada (DFO) and the Terms and Conditions were approved. The Terms and Conditions were subsequently renewed in October 1996. The PSF is a federally incorporated not-for-profit organization, established in 1987, dedicated to promoting the conservation, restoration and enhancement of the Pacific Salmon for the benefit of present and future generations.

This contribution arrangement with the PSF has established a partnership from which the communities throughout British Columbia may have access to funding to carry out salmon enhancement, restoration and conservation projects.

An audit and evaluation of the contribution to the PSF is included in the Audit and Evaluation Directorate's 2004/05–2006/07 Risk-Based Internal Audit and Evaluation Work Plan. In accordance with Treasury Board Secretariat's *Policy on Transfer Payments*, the Terms and Conditions for the program must be renewed by April 1, 2005 and an audit and evaluation are required prior to renewal approval.

The objectives of the project were to:

Audit

- assess the management control framework to ensure compliance, program effectiveness and financial integrity;
- determine if the program is administered in compliance with the Treasury Board Secretariat's (TBS) *Policy on Transfer Payments*; and
- assess the financial controls in place to ensure payments are made in accordance to the Terms and Conditions of the PSF contribution program.

Evaluation

- assess the relevance of the contribution program for the PSF against DFO's mandate and priorities;
- determine the success of the delivery, outputs and outcomes of the PSF; and
- assess the cost effectiveness of the contribution program as a delivery agent for the PSF.

Key Audit Findings

- There were inconsistencies noted between the Terms and Conditions set out in the Contribution Agreement and those approved for the program.
- There were deficiencies in the manner in which some contribution funds were paid:

- In 1996, the Department indicated that proceeds from the sale of Fisheries Conservation Stamps could be directed to either the PSF or to the T. Buck Suzuki Environmental Foundation (TBSEF):
 - A formal framework was not set up for the funding to be directed to the TBSEF. Instead, a special arrangement was established whereby PSF would receive the funding from DFO and then direct a designated portion to the TBSEF. In 2003-04 the amount directed to TBSEF was \$40, 824.
 - In the absence of a framework or proper authority for the TBSEF, the Department has no way of knowing how the funds are used and is unable to measure the impact of the contribution on the Department's strategic outcomes.
- The Contribution Agreement between DFO and the PSF did not reflect all conditions stipulated by the TBS *Policy on Transfer Payments*.
- Discrepancies were noted in the process used to calculate the contribution payments to the PSF. This is evidenced by the following:
 - There was a miscalculation in determining the number of stamps sold. As payments are based on the number of stamps sold, this resulted in an overpayment of approximately 5% of the total contribution in 2003-04.
 - The final payment (10% of contribution) in 2003-04 was not made prior to the end of the fiscal year and not set up as a payable at year-end amount. It has been paid out of 2004-05 funds.
- DFO does not provide funding to the PSF based on a project-by-project requirement, nor does the PSF report on that basis; therefore, there is no formal process for DFO to ensure that:
 - DFO's contribution does not exceed 50% of the total cost of each project supported by the PSF;
 - Project funding is not provided for multi-year projects; and
 - Funding is used exclusively on project activities with no funding provided for overhead or infrastructure of the PSF.

Key Evaluation Findings

- A PSF project selection process is in place that involves:
 - two rounds of analysis by a project selection committee; and
 - a ranking system where projects are assessed against an established set of ten criteria.
- DFO does not provide funds to PSF on a project by project basis. Therefore, DFO does not measure the success of PSF's projects in relation to the funds provided to the Foundation.

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- While some data is collected from the PSF, it does not meet the Department's needs in terms of accurately measuring the success of contribution funding to the PSF. We understand that the PSF is in the process of implementing its own performance measurement framework.
 - The projects undertaken by PSF encourage volunteer participation and fund-raising through the private sector. These activities contribute to the cost effectiveness of the program, however, the lack of historic reporting and the linkages to specific projects makes it difficult to measure the extent to which these factors contribute to the program.
 - The terms and conditions approved for the program do not specify the level of effort for DFO staff in providing guidance and consultation to community groups engaged in the PSF project selection process.

Recommendations

- 1) Upon its renewal, the contribution agreement with the PSF should reflect the approved program terms and conditions, be consistent with Treasury Board Secretariat's *Policy on Transfer Payments*, and be implemented accordingly.
- 2) Should the Department wish to continue funding the T. Buck Suzuki Environmental Foundation, a separate framework should be established with:
 - Proper authority;
 - A contribution agreement; and
 - Clearly defined accountability and measurement strategies.
- 3) The process for calculating payments to the PSF should be reviewed and due diligence exercised in its application.
- 4) The current approved program terms and conditions should be reviewed to ensure that they are relevant and appropriate for the contribution arrangements with the PSF and meet the requirements of the Department.
- 5) A process should be established to ensure that funds are provided to the PSF for projects that meet the program's Terms and Conditions and have been reviewed and approved by the RDG or his delegate.
- 6) DFO work jointly with PSF to ensure appropriate measurement of the benefits of the Community Salmon program; and
- 7) A Result Based Management and Accountability Framework (RMAF) and Risk-Based Audit Framework should be prepared identifying a performance measurement strategy that would allow for data collection in order to evaluate the impact/success of the program and to identify the risks of the program.

2.0 INTRODUCTION

This report represents the results of an audit and evaluation of the Contribution to the Pacific Salmon Foundation (PSF). The Terms and Conditions for the program are scheduled for renewal on April 1, 2005 and an audit and evaluation are required by Treasury Board before renewal approval.

The objectives for this audit and evaluation were to:

- assess the management control framework to ensure compliance, program effectiveness and financial integrity;
- determine if the program is administered in compliance with the Treasury Board Secretariat's *Policy on Transfer Payments*;
- assess the financial controls in place to ensure payments are made in accordance to the Terms and Conditions of the PSF contribution program;
- assess the relevance of PSF activities in relation to DFO's mandate;
- determine the success of the projects in terms of achieving their objectives and outcomes; and
- assess the cost effectiveness of the delivery of the contribution program.

2.1 BACKGROUND

In June 1992, a contribution program with the Pacific Salmon Foundation (PSF) was established within DFO and the Terms and Conditions were approved. The Terms and Conditions were subsequently renewed in October 1996. The PSF is a federally incorporated not-for-profit organization, established in 1987, dedicated to promoting the conservation, restoration and enhancement of the Pacific salmon for the benefit of present and future generations. The PSF does not specifically target the causes of decline of salmon abundance but emphasizes the potential for everyone to be part of the solution, and provides the means for help.

Operating independently from government, the PSF forges partnerships with communities, First Nation representatives and non-profit organizations by acting as a funding mechanism for projects that are all directed toward the same goals.

Historically, the PSF's focus has been on funding community-based salmon conservation, restoration and enhancement projects run primarily by volunteers. Recently, PSF has been requested to manage the Pacific Salmon Endowment Fund (PSEF). PSEF initiatives have adopted a more proactive stance. Through the PSEF Board, the Foundation has been managing the development of salmon recovery plans in priority watersheds. These plans are jointly developed by communities and based on technical and scientific research to rebuild salmon populations and restore salmon habitats.

The PSF also raises funds in the public and private sectors and grants these funds to support projects that will help achieve their mandate efficiently and cost-effectively. The Foundation generates sponsorship, cash, in-kind donations, and tries to create advocates for Pacific salmon among the public by encouraging them to get involved.

This contribution arrangement between DFO and the PSF has established a partnership from which the communities throughout British Columbia can have access to funding to carry out salmon conservation, restoration and enhancement projects. The maximum annual contribution allowed under the program is \$962,000. The cost of the contribution program to DFO is to be fully offset by incremental revenue deposited to the Consolidated Revenue Fund (CRF) through the sale of Pacific Salmon Conservation Stamps. A contribution agreement between DFO and the PSF requires a portion of revenues collected from the sale of the Stamps to be contributed to the Pacific Salmon Foundation. The Conservation Stamp is required on any tidal water angler's license wishing to retain any species of salmon. Commercial fishers pay a \$10 fee when purchasing their fishers' registration card. The fishers' contribution is identified by incorporating a stamp image on their registration card. Commercial Fishers may choose to direct funding to support either the T. "Buck" Suzuki Environmental Foundation (TBSEF) or the PSF or both. Recreational anglers pay \$6.42 tax included per stamp. PSF receives \$1 for each stamp for the first 262,800 stamps sold and \$4 for each stamp over that and each stamp sold to individuals under the age of 16.

2.2 METHODOLOGY

The following methodology was used by the project team:

- document/literature review;
- interviews with DFO staff at headquarters and in the region, as well as with representatives of the PSF;
- review of a selection of PSF community salmon project files including project applications and follow-up reporting; and
- a review of DFO files in the program and finance areas.

Findings for the audit and evaluation were based on an analysis of information obtained through interviews with departmental staff in the Pacific region and at National Headquarters and with the officials from the Foundation, a review of a selection of PSF community salmon project files (including project applications and follow-up reporting), and a review of DFO files.

3.0 AUDIT FINDING

Overview

This section summarizes the audit findings which include areas for improvement in the management control framework for administering the PSF contribution program, areas of non-compliance with the *Policy on Transfer Payments*, and deficiencies in the financial controls for the program.

3.1 ASSESSMENT OF THE MANAGEMENT CONTROL FRAMEWORK

A management control framework for a contribution program contains elements to ensure that a program is well designed and complies with legislation or policies. A framework outlines clearly stated and measurable expected results, identifies risks, and ensures that the performance of a program is measured and ensures that funds are properly managed.

The terms and conditions in a Treasury Board Submission, establishing a contribution program, are the key elements of the management control framework. These elements must be communicated to the contribution recipients by way of specific contribution agreements between DFO and the recipients. The contribution agreement defines the terms and conditions for the program management, the funding arrangements and the performance and reporting requirements for the recipients.

Inconsistencies in the Terms and Conditions

The audit team found that there were inconsistencies between the terms and conditions contained in the approval document for the program and those contained in the Contribution Agreement between DFO and the PSF. The following sections identify the inconsistencies in the terms and conditions contained in the two documents.

Payment Frequency

The frequency of making payments to the PSF, as specified in the Contribution Agreement, is not consistent with the process outlined in the approved program terms and conditions [**Section severed pursuant to s.69 (1)(g) re (c) of the ATIP**]

The Contribution Agreement stipulates that payments are to be made quarterly to the PSF, based on sales of stamps of the previous year.

Cash Flow Forecast

[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]

The *Policy on Transfer Payments* also requires that cash flow forecasts be submitted as a condition for advance payments.

The Contribution Agreement does not require PSF to provide a cash flow forecast to be submitted prior to advance payments being made.

In addition to this being a deviation to the approved program terms and conditions, the Contribution Agreement also does not comply with the *Policy on Transfer Payments*. A cash flow forecast will help to increase certainty that the Department is making payments to the Foundation based on its funding requirements.

Eligible Costs

[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]

The Contribution Agreement allows for up to 10% of contribution funds to be used for the operational costs of the Program. This is not in compliance with the program approval document. The audit team could not determine on a project by project basis whether these conditions are being complied with.

Recipient Reporting

[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]

The Contribution Agreement does not require the Foundation to report on planned initiatives or to provide a budget for the upcoming year. The PSF provides DFO with an annual report of the previous year's activities but not a report on its planned activities. However, PSF hosts annual workshops with DFO, Board members, and other partners to plan activities for the upcoming year.

Evaluation

[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]

An annual report should be submitted by the Department outlining the effectiveness of the program and recommending any changes, improvements, etc, that can be made in any subsequent initiatives. There is no mention of any type of evaluation process in the Contribution Agreement.

Document Retention

[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]

The Contribution Agreement states that these documents are required to be retained for a period of at least three years.

TABLE: Summary of the inconsistencies between Program Terms and Conditions and Contribution Agreement

The following table provides a summary of the inconsistencies in the Terms and Conditions as outlined in the Treasury Board Submission and in the Contribution Agreement.

(Section severed pursuant to s.69 (1)(g) re (c) of the ATIP)

Requirement	[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]	Contribution Agreement
Payment Frequency	[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]	Quarterly payments are made on specified dates based on the sale of Salmon Conservation Stamps.
Cash Flow Forecasts		There is no requirement for the Foundation to submit cash flow forecasts. Payments are based on stamp sales.
Eligible Cost	[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]	10% of the contribution funds may be used for the Operational Costs of the Program.
Recipient Reporting		An annual report of past initiatives including an audited financial statement for the previous fiscal year.
Evaluation		No mention of any requirement of an annual evaluation.
Document Retention		Documents must be retained by the Foundation for at least three years.

Payments Made Outside of Framework

Contribution funds are being directed towards the T. Buck Suzuki Environmental Foundation (TBSEF) through payments to the PSF without an appropriate framework in place.

On October 3, 1996, the Pacific Salmon Foundation Contribution Program was amended to include proceeds from the sale of Fisheries Conservation Stamps to juvenile and commercial fishers. The Program was also amended in 1996 to include an increase to the cost of the Fishermen’s Registration Card by \$10.00 representing the fee for the Commercial Fisheries Conservation Stamp. The approval document amending the program specified that the proceeds from the Commercial Fisheries Conservation Stamp would be included in the contribution funding provided to the Pacific Salmon Foundation.

In November 1996, the Department indicated that commercial fishers would have the option of directing the proceeds from their stamp purchase to the Pacific Salmon Foundation or to the TBSEF or to share the amount equally among the two foundations.

[Section severed pursuant to s.69 (1)(g) re (c) of the ATIP]

In the last three years, the amount paid to the TBSEF by PSF was:

- 2003-04 - \$40,824
- 2002-03 - \$41,170
- 2001-02 - \$44,365

The absence of a framework or contribution agreement with the TBSEF means that there is no assurance that funds are being expended to achieve departmental objectives. As well, there is no accountability on the part of the TBSEF as this organization is not receiving funds directly from DFO. In addition, the PSF is placed in a conflicting situation in that it is the conveyor of DFO funding to another non-profit organization and could be held accountable for the entire amount of funds that had been disbursed to it by DFO.

3.2 POLICY ON TRANSFER PAYMENTS

An objective of the audit was to determine if the program is administered in compliance with the Treasury Board Secretariat's *Policy on Transfer Payment*. The audit concluded that there are several areas where the Terms and Conditions of the Contribution Agreement do not comply with the *Policy* that was in place at the time the program was approved. The key areas of non-compliance relate to the failure to establish appropriate accountability mechanisms with the Foundation. The contribution agreement does not clearly define expected results or performance measures for the Program.

Omissions of Transfer Payment Policy Requirements

The audit team found that the Contribution Agreement did not reflect the following *Policy on Transfer Payments* stipulations:

- there is no duration date for the agreement. The terms and conditions of the arrangement are for an indefinite period;
- there is no clear definition of allowable costs or the types or classes of expenditures eligible for reimbursement; and
- there is no requirement for non-financial conditions, such as planned initiative and reporting on results.

3.3 FINANCIAL CONTROLS

An objective of the audit was to assess the financial controls in place to ensure payments are made in accordance with the Terms and Conditions of the contribution program. The audit disclosed some discrepancies in the amount and timing of payments being made to the PSF.

Calculation of the Contribution Amount

The audit team concluded there were deficiencies in the process used by the Pacific Regional Finance Branch to calculate the amount of the contribution funding to be paid to PSF from the sale of the Recreational Salmon Conservation Stamp.

The contribution amount payable to the PSF is determined by calculating the number of Stamps sold. This is done by dividing the revenue from Stamp sales, as reported in the Management Reporting System (MRS), by \$6.00 (the cost of the Stamp) to determine the total number of Stamps sold.

GST is charged on the sale of the Stamps and the revenue figure in MRS includes the GST portion of the sales. The GST amount was not taken into consideration when doing the calculation. The revenue figure should have been divided by \$6.42 to obtain the actual number of stamps sold.

The current process resulted in an overpayment to the Foundation in 2003/04 of \$24,148.67.

Timing of Payments

The audit found that there have been errors with respect to the timing and amounts of the contribution payments and with the manner in which these errors were resolved.

For the fiscal year 2003-04 the final payment to the Foundation was understated by \$42,360.00 (\$19,130.00 for the recreational stamp proceeds and \$23,230.00 for the commercial stamp proceeds). A Payable at Year End (PAYE) was not entered into the financial system for this final payment. The payment was made to the PSF on July 13, 2004, using funds generated from the sale of Stamps in the current fiscal year. This is not an appropriate means of settling a liability from the prior year. Expenditures relating to a previous fiscal year cannot be paid using revenue generated in the current fiscal year. A review of files also found that the final payment for the 1998-99 fiscal year for \$13,643 was not made on time.

These errors indicate there is either a lack of awareness of the process in place for the determination of the contribution amounts payable to the PSF or a lack of due diligence in the application of the process.

Reporting

The audit concluded that although the Terms and Conditions of the Contribution Agreement specify allowable uses for contribution funding, there are no processes or procedures in place to provide assurance as to how the funds are used by the PSF. The following were specified in the Contribution Agreement as conditions for the contribution funds:

- DFO's contribution will not exceed 50% of the total cost of projects supported by the Foundation;
- Project funding will not be provided for multi-year projects; and
- Funding is to be used exclusively on project activities with no funding provided for overhead

or infrastructure of the Foundation.

The contribution funding is not provided to the PSF on the basis of any detailed project by project breakdown on how the money is planned to be spent. The Department also does not require the PSF to provide a detailed accounting of how the contribution funds were actually spent. Therefore the department does not have assurance on how the funds were used by the PSF or whether they were spent in accordance with the program approval document or with the provisions of the TBS *Policy on Transfer Payments*.

3.4 AUDIT RECOMMENDATIONS

It is recommended that:

- 1) upon its renewal, the contribution agreement with the PSF reflect the approved program terms and conditions, be consistent with the Treasury Board Secretariat's *Policy on Transfer Payments* and be implemented accordingly;**
- 2) should the Department wish to continue funding the TBSEF, a separate framework be established which provides for:**
 - Proper TB authority;**
 - A contribution agreement; and**
 - Clearly defined accountability and measurement strategies;**
- 3) the process for calculating payments to the PSF be reviewed and due diligence exercised in its application; and**
- 4) the current approved program terms and conditions be reviewed to ensure that they are relevant and appropriate for the contribution arrangements with the PSF and meet the requirements of the Department.**
- 5) A process be established to ensure that funds are provided to the PSF for projects that meet the program's Terms and Conditions and have been reviewed and approved by the RDG or his delegate.**

4.0 EVALUATION FINDINGS

This section summarizes the evaluation findings and focuses on the Department's ability to measure the results of the contribution funding to the PSF and makes recommendations for improvement.

4.1 RELEVANCE

Relevance to DFO's Mandate and Priorities

DFO provides contribution funding to assist the PSF in funding community-based projects in support of its mandate of enhancing, protecting, and conserving the Pacific salmon stocks. Based on its mandate, the Foundation assists the Department by contributing to achieving two of DFO's three strategic objectives: *Sustainable Fisheries and Aquaculture* and, *Healthy and Productive Ecosystems*.

The project application and selection processes and community based projects funded by the Department, through the PSF, is thorough and involves DFO staff and assists in ensuring that activities funded by PSF support DFO's mandate. DFO may consider providing more formal direction to PSF on priorities and improve reporting back on the projects designated to receive DFO funds.

Project Selection Process

The project selection process involves both DFO and PSF stakeholders. It is coordinated by PSF Program Management staff and conducted as follows:

- All applications are received by the Foundation and an initial project rating is done individually by DFO and PSF staff. Projects are assessed against ten criteria using a rating system from 1 to 10 (scores of 0 to 3 are valued as "low"; those from 4 to 6 are valued as "medium" and those above 7 as "high");
- Once the initial assessment phase is complete, both groups (DFO and PSF) come together and develop combined scores for all of the applications;
- The applications are then submitted to the Project Selection Committee. The Committee consists of one representative from DFO, one from the Fisheries Branch of the Ministry of Water, Land and Air Protection, one representative from the British Columbia Wildlife Federation, and two from the PSF. A sixth individual, as selected by the previous five members, also sits on the Committee; and
- The Project Selection Committee reviews the scoring and recommends funding for selected community projects. Those projects selected are then passed onto the PSF Board of Directors which gives final approval of the recommended projects.

DFO staff is involved in all stages of this selection process, including one member on the six member final project selection committee. The selection process determines which projects are to be funded by the PSF up to the limit of DFO's available funding to the Foundation.

There are ten criteria against which all community based project applications are assessed:

- Quality of proposal
- Capacity Building
- Volunteerism
- Partnerships
- Fund Matching capability
- Cost effectiveness/ability to complete project
- Education component
- Public relations
- Benefit to the resource
- Stock assessment

All of the criteria listed above are indirectly linked to other Departmental initiatives/requirements in areas such as the New Directions for Canada's Pacific Fishery, draft Wild Salmon Policy, Habitat Stewardship Program for Species at Risk, Voluntary Sector Initiative, Habitat Management, and Canada's Stewardship Agenda.

4.2 SUCCESS

DFO is not collecting sufficient information that would allow it to measure the success of the delivery, outputs and outcomes of the contribution program for the PSF. As funds are provided to the PSF in a lump sum basis and not on a project by project, DFO is unable to measure the success of the PSF's projects in relation to the contributions provided by the Department.

Once the projects are implemented by the PSF, there is little evidence of any data collection throughout the project lifecycle by way of supporting project objectives and outcomes.

Project applications from community groups to PSF identify objectives that relate to the Foundation's mandate of conservation, protection and enhancement, however, the data and other information collected concerns primarily the type of expenditures that had been incurred during a project. As such, data collected within project files is often limited to receipts/invoices for the acquisition of goods and services. Although it is intended that projects are to be assessed by the PSF against their contribution to the enhancement and conservation of the salmon resource, few project applicants are neither collecting baseline data with regard to this resource nor are indicators of success being monitored. As such, there is no way for the PSF to determine whether community projects are fulfilling their objectives as listed in their applications.

PSF has been sensitive to the need for clarity in linking results to objectives. In April 2003, the PSF conducted an internal review of its Community Salmon Program. The internal review was designed to examine the project applications and to incorporate project review into the funding cycle. The PSF review concluded that "...as the program grows... there is a clear need to ensure efficiency and accountability." At that time, the review suggested a final report document would assist in collecting outputs, improving tracking and enhancing the collection of data to have increased accountability and efficiency.

The Foundation is also in the process of developing an Evaluation Framework to assist in measuring progress against goals and objectives and evaluating its overall performance. In

accordance with the TBS *Policy on Transfer Payments*, DFO is required to prepare a Results Based Management and Accountability Framework (RMAF) document for its contribution to the PSF. In this document, DFO must identify how it will measure the success of its program and the information required to do so. In this regard, DFO must work jointly with the Foundation to measure the Community Salmon Program and ensure that the Department's requirements are taken into consideration as PSF puts into place its own evaluation framework.

4.3 COST-EFFECTIVENESS

The projects undertaken by PSF encourage volunteer participation and fund-raising through the private sector. These factors allow the Foundation to leverage funds in addition to the contribution funding provided by DFO. These initiatives assist the Department in carrying out activities it would not be able to undertake on its own and contribute to the cost effectiveness of the program. However, because of the lack of reporting on project outcomes and the inability to link Departmental funding to specific projects, it is not possible to measure the extent to which these factors actually contribute to the cost-effectiveness of the program.

As previously mentioned, DFO staff participate in various stages of the project selection process, as Selection Board members, and as technical and community advisors[**Section severed pursuant to s.69 (1)(g) re (c) of the ATIP**]

While capturing the time and level of effort spent with regard to the development and selection of individual projects may be unrealistic, the lack of this information makes it difficult to measure the impact of DFO's time **spent** to the cost-effectiveness of the program. It is important to note that applicants for PSF funding are able to quantify and list DFO technical support as in-kind donations in their project applications.

4.4 EVALUATION RECOMMENDATIONS

It is recommended that:

- 6) DFO work jointly with PSF to ensure appropriate measurement of the benefits of the Community Salmon program; and**
- 7) A Results Based Management and Accountability Framework be prepared identifying a performance measurement strategy that would allow for data collection in order to evaluate the impact/success of the program and to identify the risks of the program.**

5.0 MANAGEMENT ACTION PLAN

RECOMMENDATIONS	MANAGEMENT ACTION PLAN	OFFICER OF PRIME INTEREST	INITIAL TARGET DATE
<p>1. Upon its renewal, the contribution agreement with the PSF reflect the approved program terms and conditions, be consistent with the Treasury Board Secretariat's <i>Policy on Transfer Payments</i> and be implemented accordingly.</p>	<p>DFO Pacific Region in consultation with National Headquarters will review the approval documents and TBS <i>Policy on Transfer Payments</i> to develop a new contribution agreement.</p>	<p>DFO Regional Directors for OHEB, Finance and Licensing Branches</p>	<p><u>April 2005</u></p>
<p>2. Should the Department wish to continue funding the TBSEF, a separate framework be established which provides for:</p> <p style="padding-left: 40px;"> a. Proper TB authority; b. A contribution agreement; and c. Clearly defined accountability and measurement strategies. </p>	<p>DFO Pacific Region in consultation with National Headquarters will develop a new TB authority, contribution agreement, and accountability and measurement strategies.</p>	<p>DFO Regional Directors for OHEB, Finance and Licensing Branches</p>	<p><u>April 2005</u></p>
<p>3. The process for calculating payments to the PSF be reviewed and due diligence exercised in its application.</p>	<p>Pacific Region in consultation with National Headquarters to develop formal process for calculating and monitoring payments to PSF.</p>	<p>DFO Regional Directors for OHEB, Finance and Licensing Branches.</p>	<p><u>April 2005</u></p>

RECOMMENDATIONS	MANAGEMENT ACTION PLAN	OFFICER OF PRIME INTEREST	INITIAL TARGET DATE
<p>4. The current approved program terms and conditions should be reviewed to ensure that they are relevant and appropriate for the contribution arrangements with the PSF and meets the requirements of the Department.</p>	<p>Pacific Region in consultation with National Headquarters will review the approved terms and conditions and make necessary changes to ensure that they meet Treasury Board requirements and reflect Program management.</p>	<p>DFO Regional Directors for OHEB, Finance and Licensing Branches</p>	<p><u>April 2005</u></p>
<p>5. A process be established to ensure that funds are provided to the PSF for projects that meet the program's Terms and Conditions and have been reviewed and approved by the RDG or his delegate.</p>	<p>DFO management team will ensure that a process is in place that meets review and approval requirements.</p>	<p>DFO Regional Director and DFO OHEB Director</p>	<p><u>April 2005</u></p>
<p>6. DFO work jointly with PSF to ensure appropriate measurement of the benefits of the Community Salmon program</p>	<p>Appropriate measurement to be ensured through the development of a formal Result Based Management and Accountability Framework and Risk-based Audit Framework.</p>	<p>DFO Regional Directors for OHEB, Finance and Licensing Branches</p>	<p><u>May 2005</u></p>

RECOMMENDATIONS	MANAGEMENT ACTION PLAN	OFFICER OF PRIME INTEREST	INITIAL TARGET DATE
<p>7. A Result Based Management and Accountability Framework and Risk-Based Audit Framework be prepared identifying a performance measurement strategy that would allow for data collection in order to evaluate the impact/success of the program and to identify the risks of the program.</p>	<p>Pacific Region, in consultation with National Headquarters, will develop formal Result Based Management and Accountability Framework and Risk-Based Audit Framework.</p>	<p>DFO Regional Directors for OHEB, Finance and Licensing Branches DFO National Sector Directors for Audit and Evaluation, Corporate Finance and Fisheries Management Sectors</p>	<p><u>April 2005</u></p>