



Audit of First Jobs in Science and Technology June 2008 Management Action Plan

Recommendation	Action Plan	Responsibility	Expected Completion Date
<p>1. If and when WD establishes similar programs in the future, project specific risk should be reassessed periodically. Risk is not static and needs to be revisited throughout the life cycle of the project.</p>	<p>Since this program was discontinued in 2005 WD has developed a new risk-rating framework that is applied to all projects and documented in the Due Diligence Record during the assessment phase and on project files during the monitoring and payments phase of a project lifecycle. Each risk assessment is updated based on a number of risk factors and concludes with the assignment/update of a numerical risk rating that correlates to a high, medium or low rating. The rating impacts performance/payment conditions placed on the recipient and/or monitoring procedures to be followed by WD, ranging from an expedited claim review to the requirement for audit.</p>	<p>Regional Assistant Deputy Ministers</p>	<p>Complete</p>
<p>2. WD should tailor its due diligence and monitoring processes to be commensurate with the level of risk assessed.</p>	<p>This is now being done as noted in the response to Recommendation 1. Procedures developed to mitigate or deal with project and/or proponent risk are documented in the Due Diligence Record and in the project file during the Monitoring and Payments phase of the project lifecycle.</p> <p>During the project assessment phase of the project risks related to the project and the proponent are raised and addressed before the DDR is finalized. For example, before a project is submitted for approval, a proponent may be required to make a larger contribution if a high level of government funding is seen as a significant risk. Significant residual risk factors are then addressed by stipulating certain special conditions in the contribution agreement to mitigate these risks either as an initial or on-going requirement during project implementation. Once a project is approved and is in the Monitoring and Payment phase, a modified risk rating system is used to determine the level of monitoring/scrutiny/follow-up that's required. The risk assessment impacts performance/payment conditions placed on the recipient and/or monitoring procedures to be followed by WD, ranging from an expedited claim review to the requirement for audit.</p>	<p>Regional Assistant Deputy Ministers</p>	<p>Complete</p>



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3. WD should ensure that files contain adequate documentation when unusual circumstances are encountered. At a minimum, there should be documentation on file to both support and explain any key decisions rendered on the project by an appropriate level of management.	In fiscal 2007/08, WD implemented a standardized claim package that includes a Claim Review Activities Checklist that requires the Monitoring and Payments Officer carrying out the claim review to address, document and resolve any unusual circumstances identified with a file during a claim review. Included in the package is Schedule A2 - Review Report & Follow-up Notes, which is used to identify unusual circumstances, problems, and issues that are encountered when processing a claim. This schedule also includes an area to document how the problem was resolved. In BC and AB regions the appropriate level of management initials off this form. All regions follow up on items identified throughout the claims process. Amendments may also be prepared for more significant issues triggering the WD amendment process, which requires documentation and approval in accordance with this process and the Amendment Delegation of Authority. The importance of file documentation is stressed to managers and officers through training and senior management review of files.	Regional Assistant Deputy Ministers	Ongoing