

Indigenous and Northern Affairs Canada DETAILED ACTION PLAN
to the recommendations of the **Report 1: Managing the Risk of Fraud** of the Spring 2017 Reports of the Auditor General of Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
1.29	The Canadian Food Inspection Agency, Global Affairs Canada, and Indigenous and Northern Affairs Canada should ensure that their current fraud risk assessments are reviewed and updated periodically, following best practices.	Agreed. Indigenous and Northern Affairs Canada will review its current formal fraud risk assessment and update it periodically, incorporating best practices beginning 1 September, 2017.	<p>A revised department approach to conducting fraud risk assessments is developed. A plan for conducting the next risk assessment is developed and ready for the next update in 2018-2019.</p> <p>A review and update of the department-wide fraud risk assessment is completed according to the revised approach following best practices.</p>	<p>March 31, 2018</p> <p>March 31, 2019</p>	<p>Approach, scope and resourcing for risk assessments are defined. Assessment workshop tools are developed. (Q3-Q4 2017-2018)</p> <p>Resources for conducting the risk assessment are identified. (Q1 2018-2019)</p> <p>External resources are procured. (Q2 2018-2019)</p> <p>Risk assessment workshops are conducted with department business sectors and regions. (Q3 2018-2019)</p> <p>Business sectors and regions prepare fraud risk response plans to address the results of the fraud risk assessment. (Q4 2018-2019)</p>	Paul Thoppil, Chief Finances Results and Delivery Officer (819) 956-8188	

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1.39	<p>The Canadian Food Inspection Agency, Global Affairs Canada, Health Canada, Indigenous and Northern Affairs Canada, and Public Services and Procurement Canada should</p> <ul style="list-style-type: none"> - identify operational areas at higher risk for fraud and develop targeted training for employees in these areas, and - ensure that employees are taking mandatory training in a timely manner. 	<p>Agreed. Indigenous and Northern Affairs Canada will identify areas at high risk of fraud, continue providing targeted fraud training to employees and ensure that mandatory values and ethics training is completed as required. The actions associated with this recommendation will be completed by 1 September, 2017.</p>	<p>Indigenous and Northern Affairs Canada will have a process whereby high risk areas of fraud are identified on an ongoing basis through the investigative work on complaints and allegations and with internal audit fraud assessments of audit engagements.</p> <p>Fraud training will be incorporated in the ongoing mandatory values and ethics training provided to employees on a periodic basis. The DM will be provided with a monthly report on training provided.</p>	<p>Completed. May 2017</p> <p>Completed. 2017-18 training now posted on Intranet ranges from June 2017 to March 2018.</p>	<p>Every internal audit engagement now includes a fraud risk assessment. High risk areas are identified and reported to Assessment & Investigations Branch for further investigation, as part of the ongoing work investigating complaints and allegations.</p> <p>Mandatory Values & Ethics training including fraud and conflict of interest will be offered every year to all employees. Scheduled dates for the 2017-2018 fiscal year's training are currently available on the Intranet. The Center for Integrity, Values and Conflict Resolution reports to the DM monthly on training provided.</p>	<p>Stephanie Barozzi, Acting Chief Audit and Evaluation Executive, (819) 934-1571</p> <p>Line Lamothe, Director General, Human Resources and Workplace Services, (819) 994-7398</p>	

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			Construction fraud training was provided to all regions.	Completed. Dec 2016	Training to all regions was completed before the end of this audit.	Stephanie Barozzi, Acting Chief Audit and Evaluation Executive, (819) 934-1571	
1.54	The Canadian Food Inspection Agency, Global Affairs Canada, Health Canada, Indigenous and Northern Affairs Canada, and Public Services and Procurement Canada should ensure that logs used to track and manage declarations of conflict of interest and the related mitigation measures have sufficient and complete information to support the timely resolution of employee declarations of conflict of interest.	Agreed. Indigenous and Northern Affairs Canada will review logs used to track and manage declarations of conflict of interest and the related mitigation measures to ensure they contain sufficient and complete information to support timely resolution of employee declarations of conflict of interest. The actions associated with this recommendation will be completed by 1 April, 2017.	Log now includes date declarations received and closed as well as an assessment of risk involved (low, medium, high).	Already implemented.	Note: INAC examined the possibility of using a more robust case management system to track conflict of interest declarations to enable better tracking and reporting, but the proposal was not cost effective.	Line Lamothe, Director General, Human Resources and Workplace Services, (819-)994-7398	

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1.55	<p>The Canadian Food Inspection Agency, Global Affairs Canada, and Indigenous and Northern Affairs Canada should</p> <ul style="list-style-type: none"> - identify operational areas at high risk for conflict of interest and ensure that public servants occupying positions in those areas are regularly required to indicate whether or not they are in a conflict of interest, and - follow up on the implementation of mitigating measures for conflicts of interest on a risk basis. 	<p>Agreed. Indigenous and Northern Affairs Canada will follow up on the implementation of mitigating measures for conflict of interest on a risk basis, identify areas of high risk and ensure that employees regularly update their declaration. The actions associated with this recommendation will be completed by 1 September, 2017.</p>	<p>Indigenous and Northern Affairs Canada will identify operational areas at high risk for conflict of interest and communicate with employees in those areas about conflict of interest.</p> <p>When an employee identifies a high risk of conflict of interest, Indigenous and Northern Affairs Canada will put mitigation measures in place.</p>	<p>Already in place</p> <p>Already in place.</p>	<p>June 2017: INAC identified operational areas at high risk for conflict of interest.</p> <p>July 2017: Employees working in operational areas at high risk for conflict of interest were requested to indicate whether or not they are in a conflict of interest.</p> <p>August 2017: Mitigation measures were communicated to employees.</p>	<p>Line Lamothe, Director General, Human Resources and Workplace Services, (819) 994-7398</p>	
1.71	<p>The Canadian Food Inspection Agency, Global Affairs Canada, Health Canada, Indigenous and Northern Affairs Canada, and Public Services and Procurement Canada should ensure that contract files and contracting data are complete and accurate. They should also conduct data analytics and data mining to evaluate controls and identify signs of potential contract splitting,</p>	<p>Agreed. Indigenous and Northern Affairs Canada will ensure contract files are complete and will explore opportunities to better utilize data analytics and data mining to detect red flags and potential procurement fraud risks. This work began 1 February, 2017 and will be completed by 30 June 2017.</p>	<p>All procurement staff trained on Fraud Risk Management</p> <p>Standardization in terms of file numbering of contract files for improved search capability</p>	<p>February 27, 2017</p> <p>March 31, 2017</p>	<p>Course developed and presented to HQ Procurement Hub February 22, 2017. Course presented to BC Procurement Hub February 27, 2017 (completed).</p> <p>Various filing number systems were integrated using the current convention; numbers cross-referenced in SAP and on the contract files - March 1,</p>	<p>Paul Thoppil, Chief Finances Results and Delivery Officer, (819) 956-8188</p>	

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	inappropriate contract amendments, and inappropriate sole-source contracting on a risk basis.		<p>Established protocol for the storage of contract files on-site for purposes of quality assurance review and audit</p> <p>Organized and completed file material for ease of access and rapid retrieval of information</p> <p>Completion of a quality assurance and compliance review of contract files to determine among other things fraud risk indicators in contracts</p>	<p>April 30, 2017</p> <p>April 1, 2017</p> <p>June 30, 2017</p>	<p>2017 (completed).</p> <p>Transfer of almost 200 boxes of contract files to the Records Office for proper labelling, consolidation of documents and archiving of files for future retrieval and ultimate disposal - April 15, 2017 (completed).</p> <p>Identification of all required information to be on file and the order in which required documentation is filed. Working tools provided to staff – April 1, 2017 (completed).</p> <p>In November 2016 a quality assurance review of 90 contract files was conducted; a summary report was prepared identifying the overall quality of transaction files and documentation in which sole sourcing and contract amendments were reviewed. Specific training was provided to procurement staff in January 2017 based on the observations of the quality assurance report to address issues related to data input into</p>		

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			<p>Updated template and sampling tool to conduct yearly quality assurance and compliance review of contract files</p> <p>Purchase of software to conduct data analytics and data mining in contracts</p>	<p>June 30, 2017</p> <p>June 30, 2017</p>	<p>SAP, issues involving sole source contracting and other policy-related issues (completed).</p> <p>Template used for Quality Assurance review of contract files updated to identify fraud risk factors in contracts – by June 30, 2017 (underway).</p> <p>Process to acquire an ACL Analytics software license to further advance the use of data analytics and data mining to detect potential procurement fraud risks – by June 30, 2017 (underway).</p>		
1.80	The Canadian Food Inspection Agency, Global Affairs Canada, and Indigenous and Northern Affairs Canada should maintain a comprehensive and complete log that captures and tracks the status of all allegations, where appropriate, including where corrective measures were implemented to prevent fraud.	Agreed. Indigenous and Northern Affairs Canada is currently working to develop a comprehensive log to track the status of all allegations, including systemic corrective measures implemented. The actions associated with this recommendation will be fully implemented by 30 September, 2017.	Indigenous and Northern Affairs Canada will have a log to track the status of all allegations, and corrective measures implemented will be fully documented.	September 30, 2017	September 2017: Finalize development of allegations tracking log, including corrective measures required. December 2017: Presentation of results to Audit Committee.	Stephanie Barozzi, Acting Chief Audit and Evaluation Executive, (819) 934-1571	