

Memorandum

TO: Public Accounts Committee

FROM: Katherine White, Deputy Minister, Department of Finance
Jim Connell, Deputy Minister, Executive Council Office

DATE: June 12, 2017

RE: **Status update and workplan for Report of the Auditor General of Canada to the Yukon Legislative Assembly - 2017: Government Transfers to Societies – Yukon**

In its March 2017 report noted above (the Report), the Office of the Auditor General (OAG) made two recommendations for which the Department of Finance (Finance) and the Executive Council Office (ECO) are responsible. These were recommendations 31 and 84. Following is a status report and work plan in relation to these recommendations.

Recommendation 31

The OAG recommended that Finance and ECO should work together - and consult with other departments, as necessary - to review the 1998 NGO Funding Policy in the General Administration Manual (GAM Policy 1.16) and the 2008 Government Transfers Policy in the Financial Administration Manual (FAM 5.9) to resolve contradictions in the policies and define key policy concepts.

Work to date and next steps:

As per the response of Finance and ECO to this recommendation as set out in the Report, Finance and ECO have undertaken a detailed comparison between the two policies and have completed the initial scoping of the possible changes required to resolve contradictions.

Officials have agreed that the approach will be that the 2008 Government Transfers Policy will govern all government transfers including those to NGOs. As a result they will recommend to Cabinet that GAM Policy 1.16 be revoked in its entirety and ECO will lead the work necessary to do this by the fall of 2017.

Finance will simultaneously conduct work required to define the key policy concepts that were identified in the Report (related to such things as types of funding, clarification of terminology) for approval by Management Board and revision of the 2008 Government Transfers Policy by the fall of 2017.

Recommendation 84

The OAG recommended that ECO create, in consultation with departments, an evaluation policy that will support a results-based approach to managing government transfers, so that departments can measure, account for, and report on expected results.

Work to date and next steps:

As per the response of Finance and ECO to this recommendation as set out in the Report, following consultation with departments, officials have determined that an evaluation policy for government transfers should reside in Finance. It is expected that the policy for recommendation to Management Board would be completed by November 2018. The policy will provide departments with guidance to evaluate government transfers to measure, account for and report on expected results.


Initial funding to establish an evaluation function in Finance was included in the 2017-18 Main Estimates to support evaluation of government programs generally to determine whether programs are achieving their objectives.

Other

The Policy and Compliance group in Finance will continue to monitor progress on implementing recommendations contained in the Report through the Accounts Payable Post Audit and Transfer Payment Spot Check programs. As the Finance reorganization is implemented, the Policy and Compliance group will also be increasing outreach efforts to departments to help increase understanding of and compliance with relevant policies including the Government Transfers Policy and the evaluation policy.



Katherine White


Jim Connell

Work Plan to Address Recommendations #31 and #84 in the 2017 OAG Report on Government Transfers to Societies

Objective	Actions	Responsibility	Completion Date	Outcome
<p>Recommendation 31: Review the 1998 NGO Funding policy in GAM 1.16 and the 2008 Government Transfer Policy FAM 5.9 to resolve contradictions in the policies and define key policy concepts.</p>	<p>Review OAG specific comments on GAM 1.16 and FAM 5.9.</p> <p>Compare the two policies and identify contradictions.</p> <p>Identify key policy concepts requiring definition.</p> <p>Initial scoping of possible changes to key concepts.</p> <p>Determine approach to resolving the contradictions between the policies.</p>	<p>Finance/ECO</p>	<p>April 2017</p>	<p>Finance and ECO officials agreed to recommend revocation of GAM 1.16 and clarify FAM 5.9 in relation to key policy concepts such as types of funding and terminology.</p>
	<p>Develop a submission to Cabinet recommending revocation of the GAM 1.16.</p>	<p>ECO</p>	<p>Fall 2017</p>	<p>GAM 1.16 is revoked resolving the contradictions with FAM 5.9.</p>
	<p>Policy development to address key concepts that were identified in the OAG Report (related to such things as types of funding, clarification of terminology).</p> <p>Submit a proposal to Management Board seeking approval for changes to</p>	<p>Finance</p>	<p>Fall 2017</p>	<p>Revised FAM 5.9 that defines key concepts.</p>

Work Plan to Address Recommendations #31 and #84 in the 2017 OAG Report on Government Transfers to Societies

<p><u>Recommendation 84:</u> Create an evaluation policy that will support a results-based approach to managing government transfers and determine where the evaluation policy should reside.</p>	<p>FAM 5.9.</p>	<p>Consultation between ECO and other departments on where the evaluation function should reside.</p>	<p>ECO/Finance</p>	<p>May 2017</p>	<p>Finance and ECO Officials determined that the function of evaluating Government Transfers should reside with Finance and that the evaluation policy related to government transfers should be developed as a section within the FAM 5.9 Government Transfers policy.</p>
<p>Research federal government transfer payment evaluation polices. Review Report recommendations and findings related to Community Services, Economic Development and Energy, Mines and Resources evaluation of transfer payments. Draft evaluation policy concepts in consultation with other departments.</p>	<p>Finance</p>	<p>Winter 2017 through Summer 2018</p>	<p>Finance</p>	<p>Draft language related to the evaluation of government transfers developed for inclusion in FAM 5.9.</p>	
<p>Submit a proposal to Management Board seeking approval of the new policy.</p>	<p>Finance</p>	<p>Fall 2018</p>	<p>Finance</p>	<p>FAM 5.9 policy on Government Transfers is updated to support a results-based approach to managing government transfers. The</p>	

Work Plan to Address Recommendations #31 and #84 in the 2017 OAG Report on Government Transfers to Societies

	Implementation and training.	Finance	Fall/Winter 2018/2019	<p>policy will require evaluations of Government Transfers and provide departments with guidance for evaluating government transfers to measure, account for and report on expected results.</p> <p>Supporting materials developed and training delivered to assist departments to measure, account for and report on expected results.</p>
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