



Audit of the Canadian Conservation Institute and the Canadian Heritage Information Network: Real Property and Asset Management

Office of the Chief Audit Executive

September 2019

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List of acronyms

Acronym	Definition
BCR	Building Condition Report
CCI	Canadian Conservation Institute
CHIN	Canadian Heritage Information Network
UNESCO	United Nations Educational, Scientific and Cultural Organization
CMMD	Contracting and Material Management Directorate
CSO	Chief Security Officer
PCH	Department of Canadian Heritage
RCM	Responsibility Centre Manager
RCSS	Research, Conservation and Scientific Services
SAP	Systems, Applications and Products
DG	Director General
PSPC	Public Services and Procurement Canada

Executive Summary

The Canadian Conservation Institute (CCI) and the Canadian Heritage Information Network (CHIN) were created in 1972 after Canada became a signatory to the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970). CCI and CHIN support activities for the Canadian Heritage (PCH) Program entitled “Preservation of and Access to Heritage” in the Departmental Results Framework. These activities operate under three main business lines: Research and Development, Expert Services, and Knowledge and Information sharing. Following Budget 2014, CCI and CHIN underwent an administrative merger and are currently co-located in a building that is separate from PCH headquarters.

In 2017-2018, CCI and CHIN expenditures were approximately \$9.4M (including \$2.3M in operations and maintenance and \$7.1M in employee benefits and salaries). Expert services, as well as information and knowledge sharing are provided on a partial cost-recovery basis, which represented revenues of approximately \$790,000 in 2017-2018.

Following an announcement made in Budget 2017, work is underway on the Federal Science and Technology Infrastructure Initiative (now referred to as the Laboratories Canada Initiative). This initiative includes a plan to cluster some science and technology facilities in the National Capital Area by 2022-2023, which include CCI and CHIN together with the Parks Canada Agency Conservation Laboratories. In this context, it was determined that it would be value-added to provide assurance that a comprehensive asset management program (which would include transition planning) is in place.

Audit Opinion and Conclusion

Based on the audit findings, my opinion is that the Department of Canadian Heritage (PCH) has put in place processes and controls to support the end-to-end lifecycle management of CCI and CHIN assets covering the four major asset categories: real property, laboratory equipment, small assets (i.e. office furniture, stand-alone desktops, etc.) that have a useful life of more than one year, and fleet. The audit did identify opportunities for improvement in the areas of investment planning and inventory management.

In the context of the Laboratories Canada Initiative and a potential future move to co-locate with Parks Canada Agency Conservation Laboratories, the audit team found a strong governance framework and a transition plan established to collaborate and oversee the decision-making process.

Statement of Conformance

In my professional judgment as Chief Audit Executive, this audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and with the *Policy and Directive on Internal Audit* of the Government of Canada, as supported by the results of the quality assurance and improvement program. Sufficient and appropriate audit procedures were conducted, and evidence gathered, to support the accuracy of the findings and conclusion in this report.

The findings and conclusion are based on a comparison of the conditions, as they existed at the time, against pre-established audit criteria that were agreed with management and are only applicable to the entity examined and for the scope and time period covered by the audit.

Original signed by

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With the support of external resources.

1.0 Background

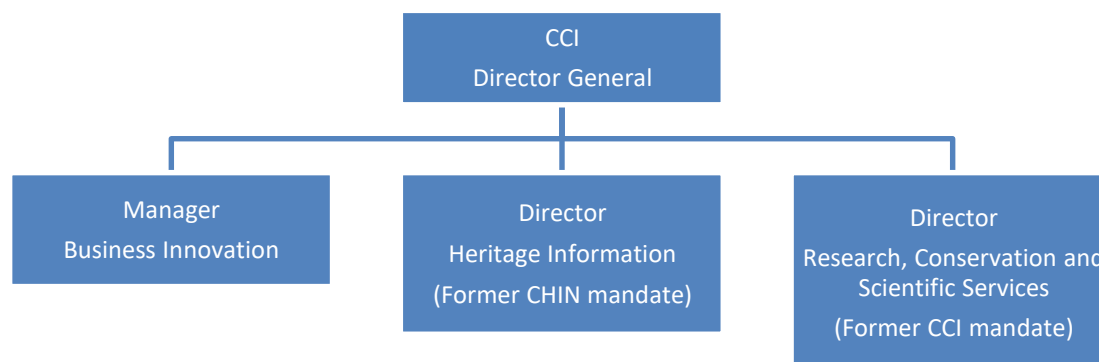
The Canadian Conservation Institute (CCI) and the Canadian Heritage Information Network (CHIN) were created in 1972 after Canada became a signatory to the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (1970).

CCI and CHIN support activities for the Canadian Heritage (PCH) Program entitled “Preservation of and Access to Heritage” in the Departmental Results Framework, and contribute to the following departmental results: Heritage objects and collections are preserved by heritage organizations for current and future generations; and the public is provided with access to cultural heritage. Both CCI and CHIN are Special Operating Agencies (as defined by Treasury Board), allowing them to operate with a business-oriented corporate culture focused on service delivery. Their clients include Canadian museums, heritage institutions and workers, and Canadians through Artefact Canada, a national inventory of museum objects. CCI and CHIN activities are grouped under three main business lines:

- Research and Development to advance conservation science and practices;
- Expert services are provided in conservation science, treatment and preventive conservation to public and some private sector clients; and
- Knowledge and information sharing through training, online resources and print publications.

Following Budget 2014, CCI and CHIN underwent an administrative merger, which resulted in a new organizational chart. CCI oversees three divisions: Heritage Information (part of CHIN’s mandate), Research, Conservation and Scientific Services (RCSS - part of CCI’s mandate) and Business Innovation. CCI oversees two directorates: Heritage Information (part of CHIN’s and CCI’s mandate), and Research, Conservation and Scientific Services (RCSS - part of CCI’s mandate) - and the Business Innovation division. These reports to the Director General of CCI and the Heritage Branch.

Figure 1 – CCI organizational chart



CCI and CHIN are co-located in a building that is separate from PCH headquarters with approximately 90 employees. This facility includes administrative office space, a library, a warehouse used for storage, and over 20 laboratories to support research and expert services. The buildings are leased through Public Services and Procurement Canada; however, PCH is responsible for maintenance, as per usual government practice for special purpose spaces such as laboratories. The current lease expires in 2022 and has one renewal option period of three years (up to 2025). PCH recently completed a significant repair of the building roof, for an estimated cost of \$2 million. In addition, from an asset perspective, CCI and CHIN purchase, use,

and maintain scientific equipment to operate their laboratories, along with chemicals and other materials, and a fleet of three vehicles.

In 2017-2018, CCI and CHIN expenditures were approximately \$9.4M (including \$2.3M in operations and maintenance and \$7.1M in employee benefits and salaries). Expert services, as well as information and knowledge sharing are provided on a partial cost-recovery basis, which represented revenues of approximately \$790,000 in 2017-2018.

Following an announcement made in Budget 2017, work is underway on the Federal Science and Technology Infrastructure Initiative (now referred to as the Laboratories Canada Initiative), a Government of Canada initiative co-led by Public Services and Procurement Canada and by Innovation, Science and Economic Development Canada. This initiative includes a plan to cluster some science and technology facilities in the National Capital Area by 2022-2023, which include CCI and CHIN together with Parks Canada Agency Conservation Laboratories. This would have an impact on the current lease (which will end either in 2022 or 2025). As a result, it was determined that it would be value-added to provide assurance that a comprehensive asset management program (which would include transition planning) is in place. Furthermore, the conduct of an audit would include an assessment of the maintenance of the current building; the planning process for the cost of de-commissioning as PCH will be responsible for any cost related to legacy buildings; and the addressing of any potential onsite health and safety issues.

2.0 About the Audit

2.1 Project Authority

The authority for this audit was derived from the Risk-based Audit Plan for 2018-2019 to 2020-2021 that was recommended by the Departmental Audit Committee and approved by the Deputy Minister in April 2018. This is the first audit of CCI and CHIN since their merger.

Previously, the Office of the Chief Audit Executive completed an audit of CHIN in 2012, and performed various assurance and consulting work where CCI or CHIN were included as part of a sample of departmental programs/activities. Program evaluations were completed in 2017 for CCI and in 2014 for CHIN.

2.2 Objective and Scope

The objective of the audit was to assess the processes and controls in place to support the end-to-end lifecycle management of CCI and CHIN assets (by CCI, CHIN and PCH Real Property & Accommodations), covering the four major asset categories: real property, laboratory equipment, small assets (i.e. office furniture, stand-alone desktops, etc.) that have a useful life of more than one year, and fleet. These processes and controls took into account a potential future move. The scope covered the period from April 1, 2018 through May 1, 2019.

As the audit progressed through the planning phase, it became clear that CHIN was less involved in real property and asset management activities. As such, the examination phase of the audit focused on the CCI's responsibilities as they pertained to these two areas.

2.3 Approach and Methodology

All audit work was conducted in accordance with the Treasury Board of Canada Policy on Internal Audit, its affiliated directive, and the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

The audit methodology included:

- review of documentation, guidelines, procedures, policy instruments and relevant legislation;
- collection of data and information through interviews, questionnaires and observations with the organization's personnel to examine processes;
- site visit and walkthrough of the laboratories;
- review of controls and processes;
- analysis of financial data; and
- observation and validation of the organization's assets.

3.0 Findings and Recommendations

Findings are based on the evidence gathered through the combined results of interviews, analysis, and documentation reviewed for each audit criteria. **Appendix A** provides a summary of conclusions for each of the criteria assessed during this audit. Findings of lesser materiality, risk or impact have been communicated with the auditee either verbally or in management letters.

3.1 Roles and Responsibilities

The CCI program requires specialized services from the Building Operations and Maintenance team to support their day-to-day operations. Job descriptions, detailing the key tasks of the team, were found to be out of date.

At the time of the audit, the Chief Security Officer (CSO) and the Director of Corporate Security and Real Property were responsible to oversee the comprehensive real property management program, which includes a full range of services for PCH at headquarters as well as the specialized requirements at the CCI facilities. This changed just prior to the completion of this engagement, with the Real Property and Accommodation Directorate reporting to the Director General (DG) of the Human Resources and Workplace Management Branch (HRWMB). Under the DG of HRWMB, the Real Property and Accommodation Directorate is responsible for the maintenance of non-moveable assets, which primarily include assets attached to the building as well as maintaining the certifications for building equipment.

The Building Operations and Maintenance team resides under the Real Property and Accommodation Directorate and includes a manager and three employees who work onsite at CCI to provide various, and often specialized, accommodation and maintenance services. These services require the team to perform very physical work, above and beyond the normal scope of real property management activities that would be performed by a similar team working at PCH headquarters. For example, the team may be required to unpack and offload large, heavy shipments of laboratory equipment or build a support structure to facilitate work on a large piece of art. The Building Operations and Maintenance team has performed these activities and tasks for a number of years prior to being moved under the Real Property and Accommodation Directorate.

Based on interviews with CCI management and the Building Operations and Maintenance team, the internal audit team found that this specialized work is critical to the successful day-to-day operations of CCI. The team reviewed the job description of the team manager and found that while it reflected the specialized, physical nature of the work being performed, the job description was last updated in April 2012, before CCI real property activities were taken over by PCH headquarters. The team did not find evidence of additional documentation in place to fully define the unique roles and responsibilities of the Building Operations and Maintenance team at CCI. This could account for the observed confusion at PCH headquarters as to the specific responsibilities of the team at CCI.

Without clear and updated roles and responsibilities that accurately reflect all of the services provided by the Building Operations and Maintenance team, there is an increased risk that the confusion mentioned above will continue and the team may not be fully supported by PCH headquarters in the specialized work they are required to perform for the program. Having a clear understanding by both parties is particularly important leading up to the transition when the Laboratories Canada Initiative is implemented for CCI and CHIN.

Recommendation:

1. The Director General, Heritage Branch, in collaboration with the Director General, Human Resources and Workplace Management Branch, should put into place a memorandum of understanding detailing the specific work performed by the Building Operations and Maintenance team in supporting the needs of CCI.

3.2 Investment Planning

Capital planning activities and analyses are not documented for investments below the \$10,000 threshold and do not consistently include justifications for capital expenditure requests.

With CCI being small in nature in comparison to PCH, its capital purchases usually do not qualify for inclusion in the PCH Departmental Investment Plan, which has a threshold (minimum) of \$1 million. Within CCI and CHIN, a five-year Capital Plan has been developed and updated on an annual basis. The Capital Plan includes all capital purchases exceeding \$10,000.

Primarily, capital purchases are within the Research, Conservation and Scientific Services (RCSS) directorate, led by a director and five RCSS managers, each of whom oversees and manages their respective laboratories. To facilitate the development of the Capital Plan on an annual basis, the five managers develop and submit their respective operational plans to the Director of RCSS, including any capital requests. The director consolidates these operational plans and updates the Capital Plan accordingly.

The audit team tested two major inventory items purchased during the period in scope and found that appropriate business cases were developed, in alignment with the CCI template. Further, these cases were presented to and endorsed by the Department's Finance Committee and later communicated to and approved by the Executive Committee. The team found that the necessary processes for the acquisition of assets over \$10,000 were in place and functioning as expected.

However, for the capital requests that did not require a business case, it was not clear what supporting analysis and justification were provided prior to planning, designing and/or acquiring the asset. Analysis of the templates and completed plans found that neither the operational plans or the Capital Plan included

overviews of the business requirements identified nor did they state the options examined and analyzed prior to requesting the capital items.

The lack of a formalized process for operational and capital planning, that includes documented analysis and justification for requests, increases the risk that the program may not be able to sufficiently support capital purchases and/or the prioritization of the plan, in alignment with departmental requirements. Having an established documented process for operational and capital planning in place that includes needs and options analysis, along with the requisite justifications, is sound stewardship and will be beneficial to CCI and CHIN when the Laboratories Canada Initiative is implemented.

Recommendation:

2. The Director General, Heritage Branch should formalize the operational and capital planning process that includes options analysis for the capital requests as well as justification for the request prior to planning, designing or acquiring the asset.

3.3 Inventory Management

The inventory management controls in place to ensure data integrity are not being performed and/or functioning effectively.

Verification of Physical Inventory

The PCH Directive for the Management of Moveable Assets prescribes the responsibilities for responsibility centre managers (RCM), asset account holders and Contracting and Material Management Directorate (CMMD).

Within CCI, RCMs are identified as the Director of RCSS as well as the five laboratory managers. According to the Directive, RCMs must ensure that a physical asset verification is completed on an annual basis. As such, within CCI, each RCSS (laboratory) manager is responsible for performing an annual verification of their asset holdings. This exercise is completed in the spring of each year.

CMMD, which resides within PCH's Financial Management Branch, is responsible for performing a physical verification and monitoring of asset account activities for accuracy and completeness. The audit team found that CMMD performs a full inventory of PCH assets every three years. Within CCI, CMMD has delegated this verification to the program, which they perform every five years. As such, the audit team did not find evidence that CMMD performs a physical verification of CCI's assets every three years, in alignment with their responsibilities as defined by the PCH Directive for the Management of Moveable Assets, nor does CCI's inventory verification cycle align with that of the Department.

Inventory Data

The PCH Directive for the Management of Moveable Assets states that assets must be created in the Plant Maintenance Module of SAP, the Department's financial system, by the RCM. Per the Directive, mandatory information must be documented in this SAP module for each asset, including, but not limited to the purchase order number, asset description, acquisition date, and asset value. CMMD is responsible for performing monthly validation of the asset data in SAP to ensure the accuracy and completeness of the data. The RCMs are responsible for ensuring that a reconciliation of the data recorded in SAP is conducted as part of the annual physical asset verification process.

The inventory listing for CCI and CHIN included 1,915 items. A review and analysis of the inventory listing provided during the audit showed a number of material errors and/or omissions in the data. Specifically, the following observations were made:

- 855 (45%) of acquisition dates recorded a purchase date of 2999 or 9999;
- 801 (42%) of acquisition values were deemed to be incorrect, noting a nominal value of \$1 or a number rounded to the nearest 1000; and
- 1,485 (78%) of items recorded did not include a purchase order number.

The audit team noted that CMMD and CCI use legacy systems that experience difficulties interfacing with the Department's current version of SAP and that these may have caused a number of the errors, such as purchase dates recorded as 2999 or 9999 and the use of nominal values. A new SAP module is currently under development and CMMD is cleaning up the data of system errors. Being able to rely on accurate asset data will be crucial in the planning of the potential future move with the implementation of the Laboratories Canada Initiative.

Based on review of the data and the errors identified, the controls in place to ensure data integrity are not being performed and/or functioning effectively. Without appropriate segregation of duties in inventory management activities, including the independent verification of assets performed by CMMD, there may be an increased risk that the lack of reliable asset information and data reduces the program's ability to make informed capital planning and investment decisions.

Recommendation:

3. The Director General, Heritage Branch, and the Director, Contracting and Material Management Directorate should ensure the inventory counts are aligned, the inventory list is up to date and accurate, and that the asset data in SAP is accurate and complete.

3.4 Maintenance

Controls and processes for maintenance activities are in place and functioning effectively.

During the audit, maintenance activities were assessed for three asset categories: 1) Fleet, 2) Laboratory Assets, and 3) Real Property. The audit team expected to find processes in place to ensure that assets receive regular, scheduled maintenance, in alignment with manufacturer specifications, warranty requirements and/or best practices. Each asset category was assessed, as follows:

1) Fleet

There are three vehicles owned by CCI. Within the program, the Administrative and Security Services Officer is responsible for overseeing the management and maintenance of the vehicles. During the audit, discussions with management noted that the vehicles are not regularly used, therefore they do not require frequent maintenance. As such, the vehicles are serviced twice a year, when the tires are changed. The program provided evidence of the vehicle logs, including odometer and gas readings, as well as evidence of the vehicles receiving their routine semi-annual maintenance services. The audit team found that the necessary controls and processes related to fleet maintenance were in place and functioning effectively.

2) Laboratory Assets

As previously noted, there are five laboratory sections within CCI, each with a manager responsible for overseeing his/her respective laboratories, including the work performed and assets contained within. Laboratory assets included, for the most part, large pieces of equipment that facilitated the work of the CCI conservation experts.

Based on discussions with each of the laboratory managers and on-site walkthroughs of the facilities, the audit team found that the laboratory equipment was generally quite old. None of the equipment was still under warranty nor was any equipment being serviced on a regular, scheduled basis. Instead, the equipment was serviced on an as-needed, repair basis.

Due to the aged status of the equipment and lack of warranty requirements, the laboratory equipment did not require regular, formally scheduled maintenance activities to be established and in place. As such, the maintenance performed, on an as-needed basis, was found to be acceptable for the program's laboratory assets.

3) Real Property

Asset Management

As previously noted, real property maintenance is overseen by PCH's Real Property and Accommodation Directorate. Under this oversight, the Building Operations and Maintenance team manages and performs the day-to-day maintenance tasks for CCI real property assets. The audit team performed a walkthrough of the asset management processes and conducted testing to understand and assess the controls in place to manage real property assets.

When the program acquires a new asset, an all-inclusive service contract for the asset is purchased as part of the acquisition. This service contract provides for all asset maintenance, service costs, parts and labour, throughout the useful life of the asset. The Building Operations and Maintenance team uses an asset management software, Angus, to manage the scheduling of the maintenance activities and track that the maintenance services are performed at regular intervals, in alignment with the service contract requirements.

Testing found that service contracts were well established for CCI real property assets. Additionally, the Building Operations and Maintenance team had input the respective service schedules into the Angus System. Each month, the Angus system generates a report detailing all the maintenance services to be performed for the upcoming month. This report is automatically emailed to the Building Operations and Maintenance manager for tracking. As maintenance services are completed, the Building Operations and Maintenance manager updates the Angus system, evidencing that the work is completed.

The audit team found that controls and processes for real property maintenance were in place and functioning as expected.

Building Condition reports (BCR)

An additional mechanism used to assess real property assets and identify maintenance requirements is through the conduct of building condition assessments, which results in a building condition report and recommendations. BCR provide important asset-specific information on the condition and performance of crown-owned buildings. The BCR are prepared by technical specialists and provide a comprehensive report

on the condition of the building and deficiencies found and the cost of correcting them. In 2018, Public Services and Procurement Canada (PSPC) engaged an external firm to conduct a BCR of the CCI facility located at 1030 Innes Road. This assessment was conducted as part of the Laboratories Canada Initiative. The audit team reviewed the BCRs from 2012 to 2019.

At the time of the audit, the 2019 BCR had just been completed and a review of this draft document identified six recommendations. Through discussions with management, the audit team found that the six recommendations had yet to be addressed at the time of the audit, as the final BCR report had not yet been issued.

Recommendation:

No recommendation required.

3.5 Decommissioning and Disposal

Process and controls related to the decommissioning and disposal of non-moveable, moveable assets and chemicals are in place and effective.

As noted throughout the report, CCI is responsible for the maintenance and management of program assets. Under this responsibility, the program should determine when an asset should be disposed of. The decommissioning and/or disposal process was assessed for three asset categories: non-moveable assets, moveable assets, and chemicals.

Non-moveable assets

The audit team found that non-moveable assets were assessed as part of the 2012 and 2019 BCRs. Each of the respective BCRs detailed timelines for the decommissioning and/or disposal of non-moveable assets. The team found that the relevant Government of Canada procedures were in place and working as expected and that the Real Property and Accommodation Directorate's responsibility for decommissioning and/or disposal of non-moveable assets was well communicated and understood.

Moveable assets

CCI has established and implemented a process to identify and declare obsolete assets. The process has been formally documented in the PCH Directive for the Management of Moveable Assets. Per the process, once an asset is identified for decommissioning and disposal by the program, CMMD is responsible for writing the asset off in SAP. The Material Management Unit within CMMD is responsible for handling the disposal of any identified asset into an approved surplus account, in alignment with Government of Canada procedures.

Chemicals

Chemicals are used in the laboratories to facilitate the research and conservation work performed by CCI experts. The audit team found that processes and controls related to the safe use and management of chemicals are documented in the *CCI Policy on Inventory, Storage and Labelling of Controlled Products* and functioning as required. Upon acquisition, chemical products are tagged with a Quick Response (QR) code and are recorded in a specific system: Material Safety Data Sheet. Chemicals are kept in their respective laboratories where they are used, and extras are stored in a restricted storage room. Further, the audit team

found that PSPC is responsible for the collection and disposal of CCI chemicals. Overall, the controls and procedures were found to be well established and functioning as expected.

Recommendation:

No recommendation required.

3.6 Health and Safety

Appropriate health and safety procedures are in place, including an established procedure for the safe storage, handling and disposal of chemicals, and the conduct of air quality assessments.

The audit focused on two key health and safety elements specific to the CCI program; the first being the storage, handling and use of chemicals, and the second pertaining to the conduct of regular air quality assessments. Regarding chemical products used in the laboratories, it was found that the program has established formal procedures related to the storage, handling and use of such products. The audit team found that safety protocols and procedures were well established and being adhered to by all employees. In addition, CCI and CHIN have their own Occupational Health and Safety Committee. Concerning the conduct of air quality assessments, the audit team observed that three air quality assessments were performed for the 2012 BCR, as well in 2014, 2016 and 2018 respectively. None of the reports found air quality concerns.

Recommendation:

No recommendation required.

4.0 Conclusion

In conclusion, processes and controls in place to support the end-to-end lifecycle management of CCI and CHIN assets were generally found to be functional, with key opportunities for improvement noted in the areas of investment planning and inventory management.

In the context of the Laboratories Canada Initiative and a potential future move to co-locate with Parks Canada Agency Conservation Laboratories, the audit team found a strong governance framework and a transition plan established to collaborate and oversee the decision-making process. Further, it was noted that CCI and CHIN had a “way forward” plan for the implementation of this initiative that included change management.

Appendix A — Assessment Scale and Results Summary

The conclusions reached for each of the criteria used in the audit were developed according to the following definitions.

CONCLUSION	DEFINITION
Well Controlled	Well managed, no material weaknesses noted; and effective.
Controlled	Managed with controls working somewhat as expected; improvements are needed.
Moderate Issues	Requires management focus (at least one of the following criteria are met): <ul style="list-style-type: none"> Control weaknesses, but exposure is limited because likelihood of risk occurring is not high. Control weaknesses, but exposure is limited because impact of the risk is not high.
Significant Improvements Required	Requires immediate management focus (at least one of the following three criteria are met): <ul style="list-style-type: none"> Financial adjustments material to line item or area or to the Department. Control deficiencies represent serious exposure. Major deficiencies in overall control structure.

AUDIT CRITERIA	CONCLUSION
1. Roles and Responsibilities Roles, responsibilities related to the lifecycle management of assets are clearly defined, documented and communicated.	Controlled
2. Investment Planning Processes and controls are in place to define business requirements in advance of planning, designing and acquiring assets. These processes are linked to investment planning activities.	Moderate Issues
3. Inventory Management Processes and controls are in place to identify, categorize, track, validate and report on inventory.	Moderate Issues
4. Maintenance and management The useful life and performance of assets is managed through processes that ensure assets receive regular, scheduled maintenance and/or calibrations, in alignment with manufacturer specifications or best practices, and warranty requirements.	Well-Controlled
5. Decommissioning / Disposal Processes and controls related to the decommissioning and disposal of assets are in place and include understanding operational, financial and/or other impacts of decommissioning and/or disposal.	Well-Controlled
6. Health and Safety Appropriate health and safety protocols and controls (personal protective equipment, training, etc.) are in place to protect CCI employees from personal injury.	Well-Controlled

Appendix B — Management Action Plan

Recommendations	Management Assessment and Actions	Responsibility	Target Date
1. The Director General, Heritage Branch, in collaboration with the Director General, Human Resources and Workplace Management Branch, should put into place a memorandum of understanding detailing the specific work performed by the Building Operations and Maintenance team in supporting the needs of CCI.	<p>Agreed.</p> <p>CCI-CHIN and Human Resources and Workplace Management Branch will develop a Memorandum of Understanding which defines the roles and responsibilities of each partner, and outlines the unique mix of services and support required of the Building Operations and Maintenance team to ensure program delivery. Particular consideration will be given to the tasks that are beyond the typical scope of real property management activities. Building Operations and Maintenance work descriptions will be updated as required.</p>	Director General, Heritage Branch	March 31, 2020
2. The Director General, Heritage Branch should formalize the operational and capital planning process that includes options analysis for the capital requests as well as justification for the request prior to planning, designing or acquiring the asset.	<p>Agreed.</p> <p>CCI-CHIN, in consultation with the Citizenship, Heritage and Regions Sector's Resource Management Directorate, will identify asset criteria and value thresholds for which an enhanced operational and capital planning process will be developed and adopted. Efforts will be made to ensure the process is both robust and efficient.</p>	Director General, Heritage Branch	January 31, 2020

Recommendations	Management Assessment and Actions	Responsibility	Target Date
<p>3. The Director General, Heritage Branch, and the Director, Contracting and Material Management Directorate should ensure the inventory counts are aligned, the inventory list is up to date and accurate, and that the asset data in STAR is accurate and complete.</p>	<p>Agreed.</p> <p>The Contracting and Materiel Management Directorate (CMMD), along with CCI-CHIN staff, have initiated the undertaking of a complete CCI-CHIN inventory. The physical inventory was completed, data has been reconciled and CMMD is in the process of cleaning up the data elements in SAP. Future complete program inventories will be in accordance with the department's inventory 3-year cycle, when a physical inventory of all equipment is done. In addition, verification and validation of departmental capitalized assets is undertaken on a yearly basis. CMMD will coordinate any data corrections affecting capital assets with colleagues in the Accounting Operations, Financial Policies and Systems Directorate in charge of updating the department's Public Accounts.</p>	<p>Director of Contracting and Materiel Management, Financial Management Branch</p>	<p>October 31, 2019</p>