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# **Audit of PCH Responsibilities related to the Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities**

**Office of the Chief Audit Executive  
Audit and Assurance Services Directorate**

**March 2015**



*Cette publication est également disponible en français.*

This publication is available in accessible PDF format on the Internet at:  
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Catalogue No. CH6/32/2015E-PDF  
ISBN: 978-1-100-25926-0

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# Executive summary

## Introduction

The Government of Canada has specific responsibilities regarding official languages that are derived from the *Official Languages Act* (the Act).

The purpose of the Act is to:

- ensure respect for English and French as the official languages of Canada and ensure equality of status and equal rights and privileges as to their use in all federal institutions, in particular with respect to their use in parliamentary proceedings, in legislative and other instruments, in the administration of justice, in communicating with or providing services to the public and in carrying out the work of federal institutions;
- support the development of English and French linguistic minority communities and generally advance the equality of status and use of the English and French languages within Canadian society; and
- set out the powers, duties and functions of federal institutions with respect to the official languages of Canada.<sup>1</sup>

The Government of Canada renewed its commitment to official languages by developing in 2003 an action plan demonstrating its willingness to work with Canadians to support and promote the two official languages in our society, as it adapts to an increasingly globalized world.

As the next phase of the 2003 *Action Plan for Official Languages*, the Government of Canada launched, in 2008, the *Roadmap for Canada's Linguistic Duality 2013-2018*, a pan-governmental strategy reaffirming the promotion of Canada's two official languages and its support of the vitality of official-language minority communities as priorities.

In 2013, the strategy was renewed with the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities (Roadmap 2013-18)*. *Roadmap 2013-18* is a platform for 28 official languages initiatives implemented by 14 federal partners contributing to three new pillars: education, immigration and communities.

*Roadmap 2013-18* is a renewed investment of \$1.12 billion over five years for its specific initiatives, with an added \$29.94 million for official languages coordination and governance functions.

Canadian Heritage (PCH) supports the Minister of Canadian Heritage and Official Languages in her role to encourage and promote a coordinated approach to the implementation by all federal institutions of the Government commitment under Part VII

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<sup>1</sup> *Official Languages Act*, s. 2

of the Act, with a view to enhancing the vitality of the English and French linguistic minority communities in Canada and supporting and assisting their development and to fostering the full recognition and use of both English and French in Canadian society.

Accordingly, PCH has a dual role to play concerning the *Roadmap 2013-18* for official languages. PCH is responsible for the coordination of *Roadmap 2013-18* and, as a partner, is accountable for 10 of the 28 initiatives. They are: Support to minority-languages education, Support for second-language learning, Summer language bursaries, Official-language monitors, Intergovernmental cooperation, Support to official-language minority communities, Community Cultural Action Fund, Exchanges Canada, Music Showcase Program for Artists from Official-Language Minority Communities; and National Translation Program for Book Publishing.

The objective of this audit is to provide assurance that governance, risk management and internal control structures and processes for *Roadmap 2013-18* are adequate and effective.

The authority of this audit is derived from the Multi-Year Based Audit Plan for 2014-2015 that was recommended by the Departmental Audit Committee (DAC) and approved by the Deputy Minister (DM) in June 2014.

## Key findings

Through the audit work, the audit team observed the following examples of good practices in the management and administration of the *Roadmap 2013-18* initiatives and horizontal coordination:

- As a result of the *2008-13 Roadmap* Evaluation, the following actions were undertaken to address the report recommendations:
  - an horizontal governance structure has been put in place where roles, responsibilities and meeting schedules for the governance committees are well defined;
  - a review of the governance and pan-governmental coordination of official languages is currently underway; and
  - significant changes were made to the Official Languages Branch (OLB), such as the restructuring of the Interdepartmental Relations and Accountability Directorate.
- The template (fiches) for collecting financial and non-financial data from partners of the *Roadmap 2013-18* has been developed to support PCH's commitment in its role as coordinator. In addition, there is a requirement to obtain approval of the fiche from the Assistant Deputy Minister (ADM) and Chief Financial Officer (CFO).

- Information from the *Roadmap 2013-18* partners is incorporated in the PCH Departmental Performance report under the Supplementary Information Tables for the Roadmap initiatives.
- Reference to *Roadmap 2013-18* information is required in the Memorandum of Understanding (MOU) with the Canada Council for the Arts for The National Translation Program for Book Publishing (NTPBP).
- Adequate financial controls exist for PCH initiatives falling under the Official Languages Support Programs (OLSP), the Canada Music Fund, Exchanges Canada and the Canada Book Fund.
- Findings from the OLSP testing showed the following:
  - Procedures and processes are being followed. All files reviewed are structured under standard and defined filing protocols;
  - Program guidelines, including those on eligible expenditures, evaluation criteria and the schedule of submission deadlines are made available to Canadians on PCH websites and to eligible recipients;
  - Program objectives and performance indicators are clearly stated in all agreements reviewed; and
  - Payments are consistent with the terms and conditions of the agreement in all the selected files reviewed. The interim and annual reports on results are reviewed and approved.

The following areas for improvement were identified through the audit:

## **Governance and risk management**

As defined in the *Roadmap 2013-18* Governance Structure, the Committee of Assistant Deputy Ministers on Official Languages (CADMOL) and the CADMOL Executive Sub-Committee (EX-CADMOL) have specific decision-making responsibilities for *Roadmap 2013-18* activities that are not reflected in the committees' Terms of Reference (ToRs). As a consequence, there is no evidence to demonstrate that decisions pertaining to the *Roadmap 2013-18* are being made.

1. *The Assistant Deputy Minister of the Citizenship and Heritage Sector, as President of the EX-CADMOL, should modify the Terms of Reference of the Governance committees (CADMOL and EX-CADMOL) to clarify their responsibilities towards the Roadmap 2013-18 and recommend its approval by the two committees.*

Follow-up on certain elements identified in the *Roadmap 2013-18* Risk Management Strategy should be undertaken.

For PCH *Roadmap 2013-18* initiatives, the risk management framework to support the identification and monitoring of risks is mostly based on existing PCH programs and not on the *Roadmap 2013-18* initiatives.

2. *The Director General, Official Languages Branch, should formalize annual monitoring activities of risk mitigation strategies addressing the Roadmap 2013-18 Risk Management Strategy.*

## **Internal control**

Except for PCH initiatives, the templates (fiches) used to collect financial and non-financial information from the *Roadmap 2013-18* partners are approved by senior management.

3. *The Director General, Official Languages Branch, should request approval from senior management and the Chief Financial Officer on information pertaining to PCH Roadmap 2013-18 initiatives collected through the templates (fiches).*

For the PCH *Roadmap 2013-18* initiatives, activities are not separated from the existing program.

4. *The Director General, Official Languages Branch, and the Director General, Citizens and Participation Branch should:*
  - *work with the Chief Financial Officer to reassess the cost-benefit of putting in place a mechanism to identify Roadmap financial information; and*
  - *evaluate the approach to collect non-financial information related to the Roadmap 2013-18 initiatives.*

Grants and contributions management processes in place have appropriate key controls. However, there are inconsistencies related to compliance with the *Roadmap 2013-18* visibility requirements across key documents.

5. *The Director General of Official Languages should perform a follow up on the communication plan to ensure consistency in messages linked to the visibility of the Roadmap 2013-18.*

## **Statement of conformance**

In my professional judgment as Chief Audit Executive, the audit conforms to the Internal Auditing Standards for the Government of Canada as supported by the results of the quality assurance and improvement program.

## **Audit opinion**

In my opinion, the Audit of PCH Responsibilities related to the *Roadmap 2013-18* has moderate issues in the following areas: for governance, the committees' role and responsibilities identified in the Terms of Reference have to be clarified with those identified in the Roadmap Governance Structure; and under risk management, the risks identified in the *Roadmap 2013-18* Risk Management Strategy need to be monitored and updated.

For PCH, as a partner in its initiatives, moderate issues were raised with low risk to internal controls. There is a need to analyze and justify the decision to keep reporting of the *Roadmap 2013-18* initiatives within existing programs.

Signed by

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**Maria Lapointe-Savoie**  
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# 1 Introduction and context

## 1.1 Authority for the project

The authority for this audit is derived from the Multi-Year Risk-Based Audit Plan for 2014-2015 that was recommended by the Departmental Audit Committee (DAC) and approved by the Deputy Minister (DM) in June 2014.

## 1.2 Entity background

The Government of Canada has specific responsibilities regarding official languages that are derived from the *Official Languages Act* (the Act).

The purpose of the Act is to:

- ensure respect for English and French as the official languages of Canada and ensure equality of status and equal rights and privileges as to their use in all federal institutions, in particular with respect to their use in parliamentary proceedings, in legislative and other instruments, in the administration of justice, in communicating with or providing services to the public and in carrying out the work of federal institutions;
- support the development of English and French linguistic minority communities and generally advance the equality of status and use of the English and French languages within Canadian society; *and*
- set out the powers, duties and functions of federal institutions with respect to the official languages of Canada.<sup>2</sup>

As the next phase of the *Action Plan for Official Languages* (March 2003), the Government of Canada launched the *Roadmap for Canada's Linguistic Duality 2008-13: Acting for the Future* (June 2008), a pan-governmental strategy reaffirming the promotion of Canada's two official languages and its support of the vitality of official language minority communities as priorities. This is described by the Government as the most comprehensive investment in official languages in Canada's history.

In 2013, the strategy was renewed with the *Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities (Roadmap 2013-18)*. *Roadmap 2013-18* stems from the Government's commitment (in Budget 2012) to continue to protect, celebrate and strengthen our official languages across Canada and to enhance the vitality of official-language minority communities.

*Roadmap 2013-18* represents an investment of \$1.12 billion over five years for its specific initiatives, with an added \$29.94 million for official languages coordination and

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<sup>2</sup> *Official Languages Act*, s. 2

governance functions.<sup>3</sup> As the federal government's strategy for official languages, *Roadmap 2013-18* showcases 28 official languages initiatives implemented by 14 federal partners contributing to three new pillars: education, immigration, and communities.

Accordingly, PCH has a dual role vis-à-vis the *Roadmap 2013-18* for official languages. Canadian Heritage is responsible for the coordination of *Roadmap 2013-18*, while recognizing that partner institutions are ultimately responsible for their initiatives' design, implementation and achievement of results. PCH is directly accountable for 10 of the 28 initiatives representing more than 50% of the \$1.12-billion total investment. Of these 10 initiatives, seven fall under the Official Languages Branch (OLB), two under the Cultural Industries Branch and one under the Citizen Participation Branch (see Appendix A).

Within PCH, the Official Languages Branch (OLB) plays a central role in the development and implementation of Canada's official languages policy. The OLB supports the Minister of Canadian Heritage and Official Languages in her role to encourage and promote a coordinated approach to the implementation by all federal institutions of the Government commitment under Part VII of the *Official Languages Act*, with a view to enhancing the vitality of the English and French linguistic minority communities in Canada and supporting and assisting their development and to fostering the full recognition and use of both English and French in Canadian society.

On an annual basis, the OLB collects information from other government institutions to prepare its annual report on official languages. The OLB is also responsible for the broader pan-governmental coordination for official languages, including the coordination of *Roadmap 2013-18*.

The OLB is a recent organization resulting from the merger, on April 1, 2013, of the former Official Languages Secretariat and the Official Languages Support Programs Branch. The OLB now has three directorates: Operations and Regional Coordination, Policy and Research, and Interdepartmental Relations and Accountability.

## **Governance**

The following governance mechanisms were established to support horizontal coordination for *Roadmap 2013-18*.

### **Committee of Assistant Deputy Ministers on Official Languages (CADMOL)**

CADMOL is chaired by the Deputy Minister of Canadian Heritage and supports the Minister of Canadian Heritage and Official Languages. CADMOL is accountable for advising and supporting Official Languages issues and for making decisions on broad strategic directions.

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<sup>3</sup> The \$29.94 million for official languages coordination and governance functions of Roadmap is shared between Canadian Heritage (\$10.44 million), the Treasury Board Secretariat (\$17.00 million) and Justice Canada (\$2.50 million). Treasury Board is also responsible for Parts IV, V and VI of the *Official Languages Act*, while the Minister of Justice is charged with guiding the federal government in interpreting language rights, formulating the government's position in disputes involving language rights, and fulfilling specific responsibilities with respect to legislative drafting and access to justice in both official languages.

## **CADMOL Executive Committee (EX-CADMOL)**

The Executive Committee acts as management board by providing strategic direction and decision-making related to the official languages issues across the government of Canada. The EX-CADMOL provides a forum for information sharing on challenges and for better understanding of respective realities. More specifically, the EX-CADMOL provides a venue to share or develop strategies to address government wide issues (horizontal in scope), strengthen collective leadership and find ways to work collaboratively.

## **Directors General Forum**

The Directors General (DG) Forum reports to EX-CADMOL and supports the work of CADMOL. The DG Forum is chaired by the DG, Official Languages Branch (OLB), Citizenship and Heritage Sector, Canadian Heritage. The DG Forum is responsible for reviewing, supporting, approving and providing leadership on the development of strategic directions and issues related to official languages, in addition to ensuring horizontal coordination of official languages initiatives.

As part of its official languages responsibilities, the DG Forum develops policies on implementation of the OL; coordinates federal policies and programs; coordinates consultation activities organized by Committee members; ensures consistency between priorities and reports; and implements accountability and reporting mechanisms with rules in effect including the management coordination of *Roadmap 2013-18*.

## **Horizontal Coordination of *Roadmap 2013-18***

The services provided by the OLB for horizontal coordination are intended to promote sound and effective management of *Roadmap 2013-18*. This includes planning and accountability based on making official languages partners aware of their obligations under the Act; the shared commitment to achieve tangible results for Canadians; and the creation of partnerships with departments, governments and stakeholders. The coordination is carried out on the basis of an explicit recognition of the accountability of all *Roadmap 2013-18* partners for the design, implementation and achievement of results of their respective initiatives.

## **2 Objective**

The objective of this audit is to provide assurance that governance, risk management and internal control structures and processes for *Roadmap 2013-18* are adequate and effective.

## **3 Scope**

The scope covered the period from the beginning of fiscal year 2013-14 to the substantial completion of the work for the PCH responsibilities related to the *Roadmap 2013-18* horizontal coordination and the 10 PCH initiatives.

## 4 Approach and methodology

The audit was conducted in accordance with the Treasury Board's *Internal Auditing Standards for the Government of Canada* and *Policy on Internal Audit*.

The audit methodology included, but was not limited to the following:

- a review of documentation, guidelines and procedures, Terms and Conditions, policy and legislation relevant to the organization;
- a collection of data through interviews and observations with related personnel to examine processes, procedures and practices;
- a mapping of the controls identified during the audit to the Office of Controller General Audit Criteria related to the Management Accountability Framework;
- a review of a sample of PCH initiatives contributions agreements files/MOUs;
- walkthroughs of key controls and processes; and
- analysis of financial and non-financial information.

## 5 Observations and recommendations

This section outlines the findings and recommendations with respect to the *Roadmap 2013-18* audit. The findings are based on a combination of the evidence gathered through documentation review, analyses, testing and interviews conducted for each audit criteria. In addition to the findings presented in the audit report, observations of the conditions that were non-systematic and of lower materiality and risk were communicated separately for management's consideration and action.

### 5.1 Governance and risk management

#### 5.1.1 Roadmap 2013–18 governance

As defined in the Roadmap Governance Structure, CADMOL and EX-CADMOL committees have specific decision-making responsibilities for Roadmap activities that are not reflected in the committees' Terms of Reference. As a consequence, there is no evidence demonstrating that decisions pertaining to the Roadmap 2013-18 are being made.

#### Horizontal coordination

The audit team expected to find effective oversight committees with clear mandates, roles and responsibilities, reporting level of participants in order to facilitate decision-making, as described in the Roadmap Governance Structure. The *Roadmap 2013-18* Governance Structure includes three committees: CADMOL, EX-CADMOL and DG Forum.

The audit team conducted a review of the Terms of Reference (ToRs), the agendas and the records of decision of CADMOL, EX-CADMOL and DG Forum.

The ToRs reviewed by the team show that:

- the role of CADMOL is to support the Minister responsible for Official Languages in the official languages file and to develop and make decisions on broad strategic directions on official languages;
- EX-CADMOL acts as a governance management board by providing strategic direction and decision-making on official languages issues across the Government of Canada. EX-CADMOL also provides a forum for information sharing on common challenges and for promoting a better understanding of respective realities; and
- the DG Forum's role is to review, support, approve and provide leadership on the development of strategic directions and issues relating to official languages, in addition to ensuring horizontal coordination of official languages initiatives.

The agendas and records of decision reviewed indicate that discussions, recommendations and actions are generally well documented and reflect, as previously described, the role and responsibilities of the Terms of Reference of each committee.

As a consequence, CADMOL and EX-CADMOL committees are not, as requested in the Roadmap Governance Structure, making specific decisions on the *Roadmap 2013-18*.

The audit team was informed that a comprehensive review of overall governance and coordination of official languages, including the *Roadmap 2013-18*, is currently underway, with the objective of streamlining and better aligning the roles of key stakeholders, thereby eliminating any possible duplication.

### **Risk assessment**

Without clear decision-making structure, there is a risk that the structure will not fulfill its purpose of enabling effectively coordinating and monitoring the implementation of *Roadmap 2013-18*.

### **Recommendation**

*The Assistant Deputy Minister of Citizenship and Heritage Sector, as President of the EX-CADMOL, should modify the Terms of Reference of the Governance committees (CADMOL and EX-CADMOL) to clarify their responsibilities towards the Roadmap 2013-18 and recommend approval by the two committees.*

### **5.1.2 Risk management strategy**

Follow-up on certain elements identified in the Roadmap 2013-18 Risk Management Strategy should be undertaken.

### **Horizontal coordination**

The auditors were expecting to find risk management processes that applied to the horizontal coordination of *Roadmap 2013-18*. Such processes ensure that risks related to *Roadmap 2013-18* are systematically identified, assessed, reviewed and reported to make sure that Roadmap activities meet their objective.

In the development of the *2013-18 Roadmap* renewal, the partners developed a Risk Management Strategy with the identification and description of risks and the actual mitigation strategy. Based on the results of the implementation of the mitigation risk management strategy measures, an update was requested to identify, if any, the needs for additional measures.

The Risk Management Strategy identified the following five risks for the horizontal coordination of *Roadmap 2013-18*: the inability to show progress in the status of OL in Canada; ineffective communication in promoting OL and *Roadmap 2013-18*; lack of coordination in Roadmap implementation; lack of expertise in OL, limiting the ability to implement; and inability to obtain reliable data on official languages at a reasonable cost.

The audit team obtained evidence on action for risk mitigation pertaining to some of those risks. For example:

- The risk of ineffective communication to promote the Government of Canada commitment to official languages and *Roadmap 2013-18* was mitigated. It was agreed that PCH, in its role as coordinator, would provide some tools to partners. A Visibility toolkit to address such a risk was developed and shared with partners;
- Risk mitigation action was also initiated to address the lack of coordination in the implementation of *Roadmap 2013-18*. A review of the overall governance and coordination of official languages and *Roadmap 2013-18* is now underway and being discussed at committee meetings. This review is expected to be completed in March 2015.

Notwithstanding the two risks mitigations described above, the auditors were not able to identify a mechanism for supporting the status of the monitoring over the five risks.

### **PCH initiatives**

For PCH Roadmap 2013-18 initiatives, the risk management frameworks to support the identification and monitoring of risks are mostly based on existing PCH programs and not on the Roadmap 2013-18 initiatives.

The audit team assessed the risk mechanisms for the PCH *Roadmap 2013-18* initiatives. The PCH Integrated Business Plan (IBP) has a section on risk, where risks are identified and addressed by mitigation and strategies. The IBP is updated and managed annually.

The risks identified in the IBPs for the ten initiatives were reviewed for concurrence with the Risk Management Strategy for *Roadmap 2013-18*. The results indicate that risks identified in the IBP are not specific to the Roadmap, but rather to the existing programs.

### **Risk assessment**

Monitoring an update of the risk management strategy enables management to reflect accountability and ensure achievement of outcomes. Without an appropriate risk monitoring specifically developed for the *Roadmap 2013-18* initiatives, there is a risk that the initiative outcomes will not be effectively identified to make it possible for partners to ensure that results are achieved within the set timeframe.

### **Recommendation**

The Director General, Official Languages Branch, should formalize annual monitoring activities of risk mitigation strategies addressing the *Roadmap 2013-18 Risk Management Strategy*.

## **5.2 Internal control**

### **5.2.1 Horizontal coordination and PCH initiatives**

Except for PCH initiatives, the templates (fiches) used to collect financial and non-financial information from the Roadmap 2013-18 partners are approved by senior management.

Following the evaluation report on the *Roadmap 2008-13* and a commitment by PCH, the audit team expected to find the use of a robust mechanism to collect financial and non-financial information on PCH initiatives to be provided for the preparation of the Summary Report on the Results and Progress. As specified in the given instructions for gathering information from the partners, approval is required from the Associate Deputy Minister (ADM) responsible for the initiative and the Chief Financial Officer (CFO) in their department.

Based on the information collected from partners, PCH, as coordinator of *Roadmap 2013-18*, prepares the following annual reports:

- The 2013-2014 Summary Report prepared for the Committee of Assistant Deputy Ministers on Official Languages (CADMOL), November 2014; and
- The *PCH Annual Report on Official Languages* – Section on Roadmap progress and outcomes.

The audit noted that templates (fiches) for collecting data from partners were developed by PCH to support the collection of information on *Roadmap 2013-18*. The templates (fiches) completed by the partners contain information on the design, implementation and results of the initiatives under their responsibility. The fiches are reviewed upon reception by the OLB and a follow up is undertaken if necessary to obtain additional information. Also, all the templates (fiches) from external partners are approved by their

ADM responsible for the initiative and their CFO. This level of approval is to confirm that the information submitted has been verified. For PCH initiatives, the audit team noted that templates (fiches) do not contain any evidence of approval by the respective ADM or CFO.

Moreover, the audit noted that the report on the progress and outcomes 2013-14 was prepared and presented as requested to CADMOL in November 2014. However, it was not possible to determine how the information from this report will be integrated into the *Annual Report on Official Languages – Section on Roadmap progress and outcomes*. Discussions on the presentation of this information in the annual report are currently underway.

### **Risk Assessment**

There is a risk of misleading in respect of the information on PCH *Roadmap 2013-18* activities, that the fiches are not approved, as is mandatory for all partners, by the required level of approval.

### **Recommendation**

The Director General, Official Languages Branch, should request approval from senior management and the Chief Financial Officer on information pertaining to PCH *Roadmap 2013-18* initiatives collected through the templates (fiches).

### **5.2.2 PCH initiatives Information**

For the PCH Roadmap 2013-18 initiatives, information on activities is not separated from the existing program.

The audit team expected to find operational plans including priorities and budgets to be developed, monitored and communicated to support the 10 PCH *Roadmap 2013-18* initiatives.

The actual structure of PCH initiatives differs from one program to another. With the exception of Canada Music Fund and the Canada Book Fund, financial and non-financial information for the OLSP and Exchanges Canada, is not differentiated as a specific component of *Roadmap 2013-18*. Interviews and testing results confirmed that there is no specific financial coding associated to the *Roadmap 2013-18* for the OLSP and Exchanges Canada.

Out of the ten initiatives, seven are under the programs managed by the OLB. The audit examined the budget process of the Branch and noted that the funding allocated to *Roadmap 2013-18* activities is integrated in the OLSP's budget. Through the interviews, the audit team was informed that one third of the total OLSP budget is allocated to the seven *Roadmap 2013-18* initiatives. This also applies to Exchange Canada as there is no distinction between funds identified in the Roadmap and the ones assigned to the



program. The audit also noted that the \$10.44 million allocated to PCH for its coordinating role has been integrated in the OLSP's budget.

Auditors reviewed the following documentation to identify information related to the *Roadmap 2013-18* initiatives: the operational plans, Integrated Business Plans (IBPs) and the Report on Plans and Priorities (RPP) of 2013-14 and 2014-15, and the DPR of 2013-2014.

Some of the plans contain information on *Roadmap 2013-18*. For example:

- RPP 2014-15 states that for the priority of investing in our communities, PCH provides “Bringing Canadians Together: Investing in our Communities”;
- Citizenship and Heritage Sector 2014-15/2016-17 Integrated Business Plan identifies key initiatives and expected results that will support the priority; and
- DPR 2013-2014: Education activities are integrated with reported results of existing programs – summary of 2013-14 key accomplishments and results.

The audit also reviewed the financial data of the 10 *Roadmap 2013-18* initiatives, which are included in the following reports:

- The *2013-2014 Roadmap Summary Report* prepared for the Committee of Assistant Deputy Ministers on Official Languages (CADMOL), November 2014;
- The *PCH Report on Plans and Priorities* (RPP–List of Supplementary Information Tables); and
- The *PCH Departmental Performance Report* (DPR–Supplementary Information Tables).

The analysis of the reports listed on supplementary information the tables previously mentioned shows that the funds allocated to the *Roadmap 2013-18* activities are evenly distributed (1/5)<sup>4</sup> over the five years.

Based on the interviews, testing and analysis results, the audit team confirmed that the *Roadmap 2013-18* activities, as well as those of the previous Roadmap (2008-2013), are incorporated in existing programs. The auditors were also informed that this was because, in most cases, the funding increases granted to support OLSP initiatives under the 2003 Action Plan had been designed as permanent increases for existing programs and not separate initiatives. The auditors were also informed that it could be very difficult to separate the Roadmap initiatives from regular activities without creating an administrative burden.

### **Risk assessment**

PCH plans, priorities, and budgets support the decision-making process by providing accurate financial and non-financial information for specific activities. Without mechanisms in place to ensure the collection of information related specifically to the

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<sup>4</sup> Except for the funding allocated to the initiative under the Cultural Action Fund.

*Roadmap 2013-18* initiatives, there is a risk that PCH, as a partner, will not be able to fulfill its engagement on the progress and results of PCH initiatives.

### **Recommendation**

The Director General, Official Languages Branch, and the Director General, Citizens and Participation Branch should:

- work with the Chief Financial Officer to reassess the cost-benefit of putting in place a mechanism to identify financial information; and,
- evaluate the approach to collect and report non-financial information related to the *Roadmap 2013-18* initiatives.

### **5.2.3 PCH initiatives: Grants and contributions project management**

Grants and contributions management processes in place have appropriate key controls. However, there are inconsistencies related to compliance with the *Roadmap 2013-18* visibility requirements across key documents.

Grants and contributions agreements are to be in compliance with *Transfer Payment Policy*, with the program's terms and conditions and with PCH policies and directives.

The 10 PCH *Roadmap 2013-18* initiatives are delivered in three branches: Official Languages (7), Citizen Participation (1) and Cultural Industries (2).

In order to assess compliance with policy and program terms and conditions, a sample of 32 grants and contributions from OLSP, including PCH Roadmap initiatives funds, were reviewed for the fiscal years 2013/2014 and 2014/2015. These selected files are divided between six agreements with provinces and territorial governments, and 26 agreements with non-profit organizations (NPOs), delivered through the regions. The review included the assessment of applications, approval of payments and production of reports on results.

The audit noted that in addition to the participation of the Centre of Expertise, there is support from an internal unit within the OLB known as Operations Practices and Planning. This unit is responsible for implementing effective and efficient business practices to ensure consistent and standard procedures on file management practices. The test results for the management of grants and contributions agreement files for OLSP initiatives have shown that operational controls and practices are effective.

The audit also reviewed the three other initiatives that include the three contribution agreements for the Canada Music Fund and Exchanges Canada and the MOU for the Canada Book Fund. The results of audit testing<sup>5</sup> of Management Control Frameworks of

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<sup>5</sup> This audit was conducted in 2012-13 by the PCH Audit and Assurance Services Directorate

third party delivery programs were also taken into consideration to validate the test findings showing that controls are adequate.

To ensure that funding allocated to *Roadmap 2013-18* Roadmap is properly identified, a communication tool was developed and shared with partners. The tool provides that agreements should include a specific clause stating that “part of the funding is provided through the *Roadmap for Canada’s languages 2013-18: Education, Immigration, Communities*”.

The audit results showed that the clause pertaining to the identification of *Roadmap 2013-18* activities is not used consistently. A reference to the Music Showcases initiative for Artists from Official Languages Minority Communities is mentioned in the contribution agreement and in the Minister of Canada Music fund Approval Letter.

The Memorandum of Understanding between Canada Book Fund and the Canada Council of Art for the National Translation Program for Book Publishing had a reference to *Roadmap*. However, the agreements reviewed for the OLSP and Exchanges Canada Program had no requirements for reference to *Roadmap 2013-18*. Furthermore, the Minister Approval Letters for the 26 recipient NPO agreements, as well as for two of the six FPT agreements of the OLSP, and for Exchange Canada failed to mention the requirement to refer to the *Roadmap 2013-18* activities.

### **Risk assessment**

One of the risks identified in the *Roadmap 2013-18* Risk Management Strategy is the ineffective communication to promote the Official Languages and *Roadmap 2013-18*. In the absence of a communication strategy with standardized messages in official key documents, there is a risk of not providing optimal outreach for *Roadmap 2013-18* results and therefore failing to meet the Government’s commitment to official languages.

### **Recommendation**

The Director General, Official Languages, should perform a formal follow-up on the communication plan to ensure consistency in messages linked to the visibility of *Roadmap 2013-18*.

## Appendix A – Initiatives of the Canadian Heritage Roadmap 2013-18

Lead Directorate	Initiatives	Funding (millions)	Program
Official Languages Branch	Support to minority-language education	\$265.02	Development of Official-Language Communities
	Support for second-language learning	\$175.02	
	Summer language bursaries	\$36.60	
	Official-language monitors	\$18.60	
	Intergovernmental cooperation	\$22.26	
	Support to official-language minority communities	\$22.26	Enhancement of Official Languages
	Community Cultural Action Fund	\$10	
Citizen Participation Branch	Exchanges Canada	\$11.25	Exchanges Canada – Youth Exchanges Canada (YEC)
			Exchanges Canada – Youth Forums Canada (YFC)
Cultural Industries Branch	Music Showcase Program for Artists from Official-Language Minority Communities	\$5.75	Canada Music Fund
	National Translation Program for Book Publishing	\$4.0	Canada Book Fund (CBF)
Roadmap Coordination <sup>6</sup>			
Official Languages Branch	PCH horizontal coordination	\$10.44	

<sup>6</sup> The \$29.94 million for official languages coordination and governance functions of Roadmap is shared between Canadian Heritage (\$10.44 million), the Treasury Board Secretariat (\$17.00 million) and Justice Canada (\$2.50 million). Treasury Board is also responsible for Parts IV, V and VI of the *Official Languages Act*, while the Minister of Justice is charged with guiding the federal government in interpreting language rights, formulating the government's position in disputes involving language rights, and fulfilling specific responsibilities with respect to legislative drafting and access to justice in both official languages.

## Appendix B – Audit Criteria

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

Numerical Categorization	Conclusion on Audit Criteria	Definition of Conclusion
1	Well controlled	<ul style="list-style-type: none"> <li>• Well managed, no material weaknesses noted; and</li> <li>• Effective.</li> </ul>
2	Controlled	<ul style="list-style-type: none"> <li>• Well managed, but minor improvements are needed; and</li> <li>• Effective.</li> </ul>
3	Moderate issues	<p>Has moderate issues requiring management focus (at least one of the following two criteria need to be met):</p> <ul style="list-style-type: none"> <li>• Control weaknesses, but exposure is limited because likelihood of risk occurring is not high;</li> <li>• Control weaknesses, but exposure is limited because impact of the risk is not high.</li> </ul>
4	Significant improvements required	<p>Requires significant improvements (at least one of the following three criteria need to be met):</p> <ul style="list-style-type: none"> <li>• Financial adjustments material to line item or area or to the department; or</li> <li>• Control deficiencies represent serious exposure; or</li> <li>• Major deficiencies in overall control structure.</li> </ul> <p>Note: Every audit criterion that is categorized as a “4” must be immediately disclosed to the CAEE and the subjects matter’s director general or higher level for corrective action.</p>

The following are the audit criteria and examples of key evidence and/or observations noted which were analyzed and against which conclusions were drawn.

Criteria #	Audit Criteria	Conclusion on Audit Criteria	Examples of Key Evidence / Observation
1.1	Effective oversight and decision-making bodies are established to support PCH responsibilities related to <i>Roadmap 2013-18</i> horizontal coordination and the 10 PCH initiatives.	3	<ul style="list-style-type: none"> <li>• The <i>Roadmap 2013-18</i> Governance Structure includes three committees: CADMOL, EX-CADMOL, and DG Forum.</li> <li>• As described in the <i>Roadmap 2013-18</i> Governance Structure, the role of the committee for decision-making is described in the Terms of Reference (ToR). However, there is no evidence that decisions pertaining to <i>Roadmap 2013-18</i> are being made.</li> <li>• The audit noted that a review of the government-wide official languages governance is underway. The objective of this review is to clarify, simplify and better communicate a revised and more effective and efficient governance approach.</li> </ul>
1.2	Operations plans and priorities have been established and roles, responsibilities and accountabilities are clearly defined, communicated and understood.	2	<ul style="list-style-type: none"> <li>• Auditors reviewed the following documentation to identify information relating to <i>Roadmap 2013-18</i>: the operational plans, integrated business plans (IBPs), and the report on plans and priorities (RPP) 2013-14 and 2014-15. Some of the plans contain information related to <i>Roadmap 2013-18</i>.</li> </ul>

<p><b>1.3</b></p>	<p>Senior management receives sufficient, reliable, relevant, complete, timely financial and non-financial information to inform decision making bodies.</p>	<p><b>3</b></p>	<ul style="list-style-type: none"> <li>• The templates (fiches) for collecting data from partners were developed to support the collection of <i>Roadmap 2013-18</i> information.</li> <li>• The fiches are reviewed upon reception and a follow-up is undertaken if necessary to obtain additional information.</li> <li>• All the fiches from external partners are approved by the ADM responsible for the initiative and their CFO.</li> <li>• For PCH initiatives, the audit team noted that the template (fiches) does not contain CFO and ADMs' approval.</li> <li>• Financial and non-financial information when reporting on some PCH initiatives is difficult to obtain.</li> </ul>
<p><b>1.4</b></p>	<p>A documented mechanism exists to systematically identify, assess, mitigate, and report on risks to the achievement of PCH responsibilities related to Roadmap 2013-18.</p>	<p><b>3</b></p>	<ul style="list-style-type: none"> <li>• Five risks identified were related to the <i>Roadmap 2013-18</i> initiatives.</li> <li>• Evidence on action for risk mitigation pertaining to some of those risks.</li> <li>• No mechanism in place for supporting the status of the monitoring of those risks at the time of the audit.</li> <li>• Internal PCH <i>Roadmap 2013-18</i> risk management: <ul style="list-style-type: none"> <li>○ A documented mechanism exists to systematically identify and assess risks at the directorate level,</li> </ul> </li> </ul>

			<p>but not specifically for the <i>Roadmap 2013-18</i> initiatives.</p> <ul style="list-style-type: none"> <li>○ Risks identified annually in the Integrated Business Plan (IBP) are not specific to <i>Roadmap 2013-18</i>, but to the existing programs.</li> </ul>
1.5	<p>Budgets for funding in relation to PCH responsibilities for <i>Roadmap 2013-18</i> horizontal coordination and the 10 PCH initiatives are appropriately developed, monitored and communicated on a regular basis to ensure PCH <i>Roadmap 2013-18</i> objectives are met.</p>	3	<ul style="list-style-type: none"> <li>● The budget processes under OLSP are developed and are regularly supervised by the DG office, but there is no allocation to the <i>Roadmap 2013-18</i> activities.</li> <li>● Through the interviews, the audit team was informed that one third of the total OLSP budget is allocated to the seven <i>Roadmap 2013-18</i> initiatives.</li> <li>● This also applies to Exchange Canada as there is no distinction between funds identified in the Roadmap and the ones assigned to the program.</li> <li>● The audit also noted that the \$10.44 million allocated to PCH for its coordinating role has been integrated into the OLB budget.</li> <li>● Following the approach adopted in 2003, additional funds provided to PCH are seen as permanent increases to existing programs and not as separate initiatives. This</li> </ul>



			<p>approach was used for the 2008-13 and 2013-18 Roadmap budgets, as no new funding was announced as part of the roadmaps.</p> <ul style="list-style-type: none"> <li>• Canada Music Funds and the National Translation Funds use a specific financial coding for the <i>Roadmap 2013-18</i> initiatives.</li> </ul>
<b>1.6</b>	PCH senior management is informed of the consolidated results and progress related to Roadmap 2013-18.	2	<ul style="list-style-type: none"> <li>• As coordinator of <i>Roadmap 2013-18</i>, PCH prepares the following annual reports: <i>Roadmap 2013-18</i> Summary Report on the Results and Progress Achieved by the Roadmap, PCH Report on Official Languages–Section on <i>Roadmap 2013-18</i> progress and outcomes, PCH Report on Plans and Priorities (RPP–List of Supplementary Information Tables), and PCH Departmental Performance report (DPR–Supplementary Information Tables). The audit noted that the 2013-2014 Summary report on <i>Roadmap for Canada’s official languages 2013-2018</i> was prepared and presented to CADMOL in November 2014 as requested.</li> </ul>
<b>1.7</b>	Management assesses and monitors PCH recipients to ensure compliance with the Transfer Payments Policy, and the	2	<ul style="list-style-type: none"> <li>• Tests results demonstrated that controls and operational practices are efficient to ensure compliance with the Policy on Transfer Payments</li> </ul>

	Program's Terms and Conditions/MOUs.		<ul style="list-style-type: none"><li>• However, the requirement to highlight PCH initiatives related the <i>Roadmap 2013 - 18</i> is not reflected in contribution agreements and some of the Minister's approval letters.</li></ul>
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## Appendix C – Management Action Plan

Recommendations	Measures	Lead	Target date
<b>5.1 GOVERNANCE AND RISK MANAGEMENT</b>			
<b>5.1.1 Governance of Roadmap 2013-18</b>			
1. The Assistant Deputy Minister of Citizenship and Heritage Sector, as President of the EX-CADMOL, should modify the Terms of Reference of the Governance committees (CADMOL and EX-CADMOL) to clarify their responsibilities towards the Roadmap 2013-18 and recommend its approval by the two committees.	<p>The Official Languages Branch (OLB) agrees with this recommendation.</p> <p>The OLB will, in consultation with CADMOL and EX-CADMOL members, propose changes to clarify decision making responsibilities for <i>Roadmap 2013-18</i> in the terms of reference of both committees and have them approved by members of these committees.</p>	Director, Interdepartmental Relations and Accountability, OLB	December 2015
<b>5.1.2 Risk management strategy</b>			
2. The Director General, Official Languages Branch, should formalize annual monitoring activities of risk mitigation strategies addressing the Roadmap 2013-18 Risk Management Strategy.	<p>The OLB agrees with this recommendation. The OLB will include the <i>Roadmap 2013-18</i> Risk Management Strategy in the risk management chart of its 2016-17 Integrated Business Plan.</p> <p>In addition, the OLB will develop a</p>	Senior Director, Policy and Research, OLB	October 2015
		Senior Director,	August 2015

	<p>new results-based management accountability framework (RMAF) for the Official Languages Coordination sub-program (2.3.3 in the PCH PAA), which will be included in the <i>Roadmap 2013-18</i> Risk Management Strategy.</p> <p>The OLB will ensure that risk evolution and mitigation are discussed during its annual review of the Roadmap implementation by governance committees.</p>	<p>Policy and Research, OLB</p> <p>Director, Interdepartmental Relations and Accountability, OLB</p>	<p>December 2015</p>
<b>Recommendations</b>	<b>Measures</b>	<b>Lead</b>	<b>Target date</b>
<b>5.2 Internal control</b>			
<b>5.2.1 Horizontal coordination and PCH initiatives</b>			
<p>3. The Director General, Official Languages Branch, should request approval from senior management and the Chief Financial Officer on information pertaining to PCH Roadmap 2013-18 initiatives collected through the templates (fiches).</p>	<p>The OLB agrees with this recommendation and will ensure that it is implemented.</p>	<p>Director, Interdepartmental Relations and Accountability, OLB</p>	<p>December 2015</p>

<b>5.2.2 PCH initiatives: Plans, priorities, budget and information</b>			
<p>4. The Director General, Official Languages Branch, and the Director General, Citizen Participation should:</p> <ul style="list-style-type: none"> <li>• work with the Chief Financial Officer to reassess the cost-benefit of putting in place a mechanism to identify financial information; and</li> <li>• evaluate the approach to collect and report non-financial information related to the Roadmap 2013-18 initiatives.</li> </ul>	<p>The OLB agrees with this recommendation. The OLB will initiate discussions with the Chief Financial Officer and the other branches involved to assess the relevance and feasibility of implementing a mechanism to identify financial information, as well as the approach to collecting non-financial information on <i>Roadmap 2013-18</i> initiatives.</p>	<p>Senior Director, Policy and Research, OLB</p>	<p>December 2015</p>
<b>5.2.3 PCH initiatives: Grants and contributions project management</b>			
<p>5. The Director General, Official Languages Branch, should follow up on the communications plan to ensure consistency in messaging related to <i>Roadmap 2013-18</i> visibility.</p>	<p>The OLB agrees with this recommendation. The OLB will begin including clauses in contribution agreements for fiscal 2015-16 to ensure that recipients of official languages support programs acknowledge the funding granted under <i>Roadmap 2013-18</i>.</p>	<p>Director, Operations and Regional Coordination, OLB</p>	<p>April 2015, April 2016 and April 2017 (<i>Some multi-year contribution agreements cover three years</i>)</p>