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Hosting Program and Federal Secretariat Division (2015 Pan and Parapan American Games Federal Secretariat) Audit

Office of the Chief Audit Executive
Audit and Assurance Services Directorate

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List of Acronyms and Initialisms

| | |
|-------------|--|
| ADM | Assistant Deputy Minister |
| ADMSC | Assistant Deputy Minister Steering Committee |
| CAMP | Contribution Agreement Monitoring Plan |
| DAC | Departmental Audit Committee |
| DM | Deputy Minister |
| EFS | Essential Federal Services |
| EFSWG | Essential Federal Services Working Group |
| EXCOM | Executive Committee |
| FAA | Financial Administration Act |
| Fed Sec | Federal Secretariat |
| FTE | Full Time Equivalent |
| HPFSD | Hosting Program and Federal Secretariat Division |
| INTER | Intergovernmental and Interdepartmental Coordination |
| IMMG | International Major Multisport Games |
| MPA | Multiparty Agreement |
| NCLA | Non Commercial License Agreement |
| OCAE | Office of the Chief Audit Executive |
| Pan/Parapan | Pan American and Parapan American |
| PASO | Pan American Sport Organization |
| PCH | Canadian Heritage |
| PMS | Performance Measurement Strategy |
| PMT | Project Management Toolset |
| RBAP | Risk-Based Audit Plan |

Essential Federal Services Departments and Agencies

Canada Border Services Agency
Canadian Air Transport Security Authority
Canadian Security Intelligence Service
Citizenship and Immigration Canada
Department of Fisheries and Oceans (Canadian Coast Guard)
Environment Canada
Health Canada
Industry Canada
Integrated Terrorism Assessment Centre
Public Health Agency of Canada
Public Safety Canada
Royal Canadian Mounted Police
Transport Canada

Executive Summary

Introduction

The Pan and Parapan American Games (Games) are a major international multisport event, held every four years for athletes of the 41 countries and territories from the Americas and the Caribbean. Toronto and the Greater Golden Horseshoe region will host the 2015 Games, one of the largest multisport events ever hosted in Canada. These Games provide an opportunity to showcase Canadian sport excellence and create shared and lasting sport legacies for Canada, Ontario, the city of Toronto, and the Greater Golden Horseshoe region.

The Government of Canada is a major funding party in delivering successful Games in 2015 by investing up to \$500 million, of which close to 90% is administered by Sport Canada's Hosting Program. Specifically, the Government of Canada has committed to investing up to \$377.1 million in the building and renovation of sport infrastructure, up to \$65 million in legacy funds to maintain legacy facilities, up to \$48.9 million to support essential federal services (EFS), up to \$6 million in a federal cultural strategy, and up to \$3 million in team Canada preparation.

Following lessons learned from past Major Games hosted in Canada, a new and dedicated team, the Federal Secretariat (Fed Sec or Secretariat), has been created within Sport Canada specifically to deal with the management of the federal investment for the Games.

The authority for this audit is derived from the Multi-Year Risk-Based Audit Plan (RBAP) 2013-2014 to 2015-16, which was recommended by the Departmental Audit Committee and approved by the Deputy Minister in March 2013.

The overall audit objective was to provide assurance on the adequacy and effectiveness of governance, risk management practices, and internal controls implemented by the Federal Secretariat for delivering the Government of Canada's contribution to major sporting events.

The scope of this audit covered the period from fiscal year 2012-13 to the substantial completion of the audit work in May 2014, and focused on the activities as they relate to the 2015 Pan and Parapan American Games.

Key Findings

Throughout the audit fieldwork, the audit team observed several examples of how controls are properly designed and applied effectively. This resulted in several observed strengths which are listed below:

- An Integrated Risk Management Framework has been developed and implemented to formalize the process of identifying and assessing risks as well as track associated risk mitigation strategies.
- The Federal Secretariat has developed a Project Management Toolset (PMT) which provides a consistent approach to managing all Fed Sec projects.
- The Contribution Agreement Monitoring Plan (CAMP) consists of tools that the Federal Secretariat and the International Major Multisport Games (IMMG) unit use to monitor TO2015's compliance with the terms and conditions of the contribution agreement (CA).
- The governance structure outlined in the Governance Framework for the Horizontal Elements of the Government of Canada's Contribution to the Toronto 2015 Pan American and Parapan American Games has been implemented. The purpose of the framework is to clarify roles and responsibilities of the federal organizations involved in the delivery of EFS, to outline coordination mechanisms, to support decisions and to commit organizations in ensuring reliable and timely information is available. This framework provides information on: the governance structure, financial and information management reporting; performance management; evaluation approach; and the approach to identifying, mitigating and monitoring risks.
- A number of committees and working groups have been established to support interdepartmental planning and coordination. These include but are not limited to; the Essential Federal Services (EFS) Steering Committee, which includes Assistant Deputy Ministers (ADMs) of the federal departments and agencies involved in the delivery of EFS; the Essential Federal Services Working Group, and the Federal Communicators Network.
- As the lead department in support of federal horizontal governance and coordination, PCH has representation on TO2015's two Multiparty Agreement (MPA) Coordination Committees (executive level and operating level) along with representatives from each Multiparty Agreement signatory.
- A Federal Secretariat comprising a staff contingency of 12+ full time equivalents (FTEs) has been established to help ensure continuity of operations, transfer of knowledge, coordination, efficiencies and cost savings in the management of all international sporting events hosted in Canada requiring EFS support.
- Monitoring of TO2015's compliance with the contribution agreement is completed by the International Major Multisport Games unit through regular reports as required in the CA, as well as Recipient Compliance Audits.
- A legacy fund plan has been completed and approved by all Multiparty Agreement signatories, as well as the Beneficiary Legacy Facility Owners.

Governance

The results of the audit identified that effective governance structures have been established for oversight of the federal government's investment in the Games.

Although considerable progress has been made towards formalizing the processes and procedures to support the Department in managing the horizontal coordination of the Government of Canada's commitments to the Games in regards to the provision of EFS by participating federal organizations, the audit team identified one opportunity for improvement to existing practices and processes that should be addressed by management:

1. There is no final Performance Measurement Framework in place to measure the achievement of the objectives identified for the delivery of essential federal services. While the audit team observed evidence of some monitoring and follow-up activities, a standard and consistent approach to measuring and monitoring the performance of EFS delivery partners, as required by approved documentation as well as the governance framework in support of measuring the expected results of PCH's monitoring and coordination role, would aid in providing more timely information to monitor progress on the initiative in a consolidated manner.

Internal Control and Risk Management

The audit team found that a number of internal controls have been implemented to monitor the recipient's compliance with the terms and conditions of its funding agreement.

The audit team found that effective mechanisms are in place to identify, assess, and develop mitigation plans for risks related to the 2015 Pan and Parapan American Games.

There are no recommendations for these areas.

Recommendations

Governance

1. The Director General, Sport Canada Branch, in consultation with departments and agencies involved in EFS delivery, should finalize and approve the EFS component of the Toronto 2015 Games Performance Measurement Framework.
2. In conjunction with the implementation of the Performance Measurement Framework, the Director General, Sport Canada Branch, should implement a standard and consistent process to obtain and consolidate information on the progress and performance of federal departments involved in the delivery of EFS in support of PCH's overall monitoring of EFS as they relate to the 2015 Games.

Statement of Conformance

In my professional judgment as Chief Audit Executive, the audit conforms with 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 Hosting Program and Federal Secretariat Division has effective governance and risk management practices and internal controls, but requires improvements in governance with respect to the monitoring of the results of the performance of the delivery of EFS overall.

Original signed by

Maria Lapointe-Savoie

Chief Audit Executive

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With the assistance of external resources

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 (RBAP) 2013-2014 to 2015-16 which was recommended by the Departmental Audit Committee (DAC) and approved by the Deputy Minister (DM) in March 2013.

1.2 Background

The Pan and Parapan American Games are a major international multisport event, held every four years for athletes of the 41 countries and territories from the Americas and the Caribbean. Toronto and the Greater Golden Horseshoe region will host the 2015 Games, one of the largest multisport events ever hosted in Canada.

The Pan Am Games will be held July 10 to 26, 2015, and the Parapan Am Games will take place August 7 to 15, 2015. These Games will bring together 10,000 athletes, coaches and officials, taking part in 51 sports competitions in venues across 17 municipalities. The 2015 Games also serve as an Olympic and Paralympic Games qualifier for 18 of the 28 Olympic sports and all 15 Paralympic sports leading up to the 2016 Olympic and Paralympic Summer Games in Rio de Janeiro, Brazil.

The Government of Canada is a major funding party in delivering successful Games in 2015. These Games provide an opportunity to showcase Canadian sport excellence and create shared and lasting sport legacies for Canada, Ontario, the City of Toronto, and the Greater Golden Horseshoe region.

The Government of Canada has committed to investing up to \$500 million to support the following key areas:

- **Sport Infrastructure:** The Government of Canada is investing up to \$377.1 million to renovate existing and build new sport facilities to stage the 2015 Games.
- **2015 Games Legacy:** The Government of Canada is investing up to \$65 million to help ensure that designated legacy facilities are properly maintained and accessible for both high-performance and grassroots athletes.
- **Essential Federal Services (EFS):** The Government of Canada has committed up to \$48.9 million to support four service areas:
 - Emergency preparedness;
 - Security;
 - Border security and accreditation support; and
 - Weather forecasting and environmental assessments.
- **Federal Cultural Strategy:** The Government of Canada is investing up to \$6 million in a federal cultural strategy.

- **Team Canada Preparation:** The Government of Canada is investing up to \$3 million in team preparation leading up to the 2015 Games, including athletes, coaches, and officials.

Following lessons learned from past major games hosted in Canada, a new and dedicated team, the Federal Secretariat, has been created specifically to deal with the management of the federal investment for the Games. With efficiency and effectiveness in mind, the current Federal Secretariat has been structured within Sport Canada's Hosting Program and Federal Secretariat Division for potential involvement in all major sporting events being hosted within Canada going forward. The 2015 Games is the first major event for this unit.

2 Objective

The overall audit objective was to provide assurance on the adequacy and effectiveness of governance, risk management practices, and internal controls implemented by the Federal Secretariat for delivering the Government of Canada's contribution to major sporting events, with a specific focus on the 2015 Pan and Parapan Am Games. The audit had four sub-objectives:

1. To assess the effectiveness of the Hosting Program and Federal Secretariat Division's mechanisms and practices in place to identify, manage and mitigate key risks to the Pan and Parapan American Games project, and to monitor the recipient's (TO2015) contribution agreement compliance.
2. To assess the effectiveness and efficiency of the interdepartmental governance structure and key mechanisms for the management and coordination of Essential Federal Services, including reporting and accountability.
3. To assess the effectiveness of processes and procedures to oversee the development and implementation of the Legacy Fund Plan.
4. To assess the effectiveness and efficiency of the current structure of the Hosting Program and Federal Secretariat Division to support PCH and Sport Canada priorities.

3 Scope

The scope of this audit covered the period from fiscal year 2012-13 to the substantial completion of the audit work in May 2014, and focused on the activities as they relate to the 2015 Pan and Parapan American Games.

4 Approach and Methodology

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

Audit criteria identify the standards against which an assessment is made and form the basis for the audit work plan and conduct of the audit. Audit criteria are specific to each audit's objectives and scope. The detailed audit criteria for the audit objectives for the Federal Secretariat are provided in Appendix A. Audit criteria were developed based on Treasury Board Secretariat's *Audit Criteria related to the Management Accountability Framework : A Tool for Internal Auditors (March 2011)* and policies and directives related to the *Policy on Internal Audit*.

The audit methodology included:

- A review of the unit's documentation, guidelines and procedures, Terms and Conditions, policies, and relevant legislation;
- Interview with six representatives of management, including the ADM of Sport, Major Events and Regions Sector;
- Ongoing communication with the representatives of the Hosting Program and Federal Secretariat Division;
- Review of a sample of documentation provided by TO2015 to the IMMIG unit, including interim activity reports, cash flow, business plans and financial statements; and,
- Analyzing information obtained through documentation review and interviews.

5 Findings and Recommendations

This section presents detailed findings and related recommendations for the audit. The findings are based on a combination of the evidence gathered through the examination of documentation, analysis, file testing, and interviews conducted for each of the audit criteria. Appendix A provides a summary of all findings and conclusions for each of the criteria assessed by the audit team.

The audit team identified one opportunity for improvement, resulting in two recommendations. Details of the audit's observations and recommendations are provided below.

The establishment of a staff contingency to support the Federal Secretariat in the management of the federal contribution to the Pan and Parapan Am Games has provided significant benefits to the Department. Specifically, the existence of a permanent entity for the Games would enable the Department to identify and leverage lessons learned and leading practices from previous major games hosted in Canada, thereby improving overall efficiencies. The current structure does not have permanent funding. In the absence of more permanent funding to sustain the entity, the efficiencies, expertise, and synergies of the current structure may be lost after the Games.

5.1 Governance

The results of the audit identified that effective governance structures have been established for oversight of the federal government's investment in the Games.

Analysis

Five key oversight committees have been established to oversee, provide advice on, and respond to matters related to the Games. These committees, which consist of the Executive Coordination Committee (CC1), the (operation-level) Coordination Committee (CC2), the Essential Federal Services Working Group (EFSWG), the Assistant Deputy Minister Steering Committee (ADMSC) and the Federal Communicators Network (FCN) comprise representatives of all parties involved in the delivery of the Games and meet on a regular basis. Roles and responsibilities are detailed in various documents, including the Governance Framework for the Horizontal Elements of the Government of Canada's Contribution to the Toronto 2015 Pan American and Parapan American Games, the Multiparty Agreement (MPA), and documented Terms of Reference for each committee.

The Coordination Committees were created through the MPA. The committees each consist of six members, one from each signatory party to the MPA (Government of Canada, Province of Ontario, City of Toronto, Canadian Olympic Committee, Canadian Paralympic Committee, and TO2015). These committees were created to ensure a collaborative approach and effective coordination across the Games. A number of service area/function working groups with representatives from various MPA parties exist, and are monitored by CC2, to ensure collaborative planning and service delivery in key Games areas (e.g., Accreditation, Importation Logistics, and Strategic Communications).

There are two coordination committees for essential federal services, the EFSWG and ADMSC. The membership of each committee consists of representatives from federal departments and agencies involved in the delivery of EFS. The ADMSC is composed of ADM representatives of each participating federal organizations and chaired by the ADM of Sport, Major Events and Regions Sector. The purpose of the ADMSC is to report and provide recommendations to Deputy Ministers on the provision of EFS related to the 2015 Games. The objective of the EFSWG is to provide a forum to support coordination and integrated planning and reporting across federal departments/agencies for the horizontal elements of Canada's investment in EFS. As required, sub-work groups have and will continue to be created to support specific EFS deliverables and/or for other coordination purposes to enhance or support federal collaboration and engagement. Any such sub-working groups report into the EFSWG as deemed appropriate.

The FCN's mandate is to support the coordination of Games promotion-related communications horizontally across federal departments and agencies. Its membership is consistent with the EFSWG, plus other federal departments and agencies covered by the Non Commercial License Agreement (NCLA) or other Commercial License Agreements with TO2015.

In addition to the committees mentioned above, as required by the MPA as well as approved documentation, TO2015 has established a Board of Directors consisting of twelve members to oversee the planning and delivery of the Games. Members are nominated by the MPA signatories. Of the twelve members, three are named by the Government of Canada. Meetings are held quarterly and attended by the Executive Director of the Hosting Program and Federal Secretariat Division as an observer.

5.1.1 Reporting on EFS Program Performance

Management should finalize the Performance Measurement Framework related to the EFS to support overall oversight and monitoring by senior management as well as to comply with approved documentation.

Analysis

Approved documentation and the (horizontal) governance framework specify the responsibility of PCH to implement a Performance Measurement Framework (PMF) to support the collection, storing, and internal/external sharing of information related to the delivery of EFS. As noted in the framework, the purpose of the PMF is to support decision making and the monitoring of progress on the initiative. The PMF, which will identify expected results, outputs, performance indicators, data sources, frequency and responsibility for data collection, was to be finalized in 2012-13.

The audit identified that governance committees receive updates on various aspects of the EFS through regular committee and working group meetings. Reporting that is required through the Departmental Performance Report (DPR) and the Report on Plans and Priorities (RPP) is occurring. However, there was no evidence of standardized reporting on the overall results of the status of EFS at a consolidated level.

In addition, as of the end of the audit fieldwork, a PMF for the capital (up to \$377.1 million), legacy (up to \$65 million) and EFS (up to \$48.9 million) components of the federal investment had not been finalized, and there was no evidence to support regular consolidated reporting against defined performance indicators on the progress and results of EFS to senior management. The audit team understands that management has deferred the finalization of the PMF as they are awaiting finalization of provincial plans and requests for assistance, as well as finalization of TO2015 operating plans, in order to clarify and finalize federal plans for service delivery. According to management, the third version of the TO2015 Business Plan (BP) was being developed¹ to include more robust forecasts, at the request of the Department and the Province in response to BP version 2. The timing of provincial and TO2015 plans is beyond the control of PCH. The third version of the TO2015 Business Plan, including revised operational plans and budgets, is expected to be received from TO2015 in October 2014.

¹ *TO2015 will provide three versions of its business plan, which is normal for a games cycle.

Risk Assessment

There is a risk that the lack of formal, regular, and consolidated reporting on the progress and results of the EFS, including trends and best practices identified, may limit the ability of management to monitor the overall progress of the initiative and support informed decision making. In addition, PCH may not be in compliance with the requirements of approved documentation.

Recommendation

1. The Director General, Sport Canada Branch, in consultation with departments and agencies involved in EFS delivery, should finalize and approve the EFS component of the Toronto 2015 Games Performance Measurement Framework.
2. In conjunction with the implementation of the Performance Measurement Framework, the Director General, Sport Canada Branch, should implement a standard and consistent process to obtain and consolidate information on the progress and performance of federal departments involved in the delivery of EFS in support of PCH's overall monitoring of EFS as they relate to the 2015 Games.

5.2 Internal Control

The audit team found that a number of internal controls have been implemented to monitor the recipient's compliance with the terms and conditions of its funding agreement.

Analysis

The Federal Secretariat was created within Sport Canada's Hosting Program and Federal Secretariat Division to manage the federal government's investment in the Games. The Secretariat directly involves three units with a total of 17+ FTEs dedicated to the delivery of the Games. The units consists of the Intergovernmental and Interdepartmental coordination (INTER) unit with six FTEs in charge of coordinating discussions and interactions with the TO2015 Organizing Committee and MPA parties, as well as the coordination of the EFS. The International Major Multisport Games (IMMG) unit consists of five FTEs and is responsible for the monitoring of the contribution agreement with TO2015. The Project and Information Management (PIM) unit has six FTEs responsible for the day to day management of the project. Based on the results of the audit team's interviews with representatives of Fed Sec staff, it was noted that approximately half of the Fed Sec personnel have had prior experience in major sporting events and are well aware of the risks involved in delivering the Games.

The Fed Sec has implemented a Contribution Agreement Monitoring Plan (CAMP) which consists of a master plan that breaks down all the requirements of the Contribution Agreement and lists the various tools used to monitor compliance. The CAMP is used by the IMMG unit to monitor the recipient's compliance with the requirements of the CA as well as follow-up on any issues identified.

On a quarterly basis, TO2015 provides IMMIG with regular reports on its financial and operational performance, as well as the status of each capital project. This formal reporting includes an interim activity report as well as a cash flow report. The interim activity report consists of eight sections as required by the Contribution Agreement. This report provides updates with respect to the status of capital projects, risk reports, financial controls, procurement activities, communication activities, environmental assessments, recognition and visibility, and official languages. Based on the audit team's review of a sample of activity reports by IMMIG, controls over the review and approval of activity reports are in place and operating effectively, and evidence of review was documented.

In addition to the formal reports received from TO2015, the Fed Sec receives information on and monitors the recipient's performance through a number of other mechanisms, including: recipient compliance audits performed by external parties; external reviews of the TO2015 Business Plan; PCH representation at TO2015 Board meetings; and general and ongoing discussions with TO2015 management.

5.3 Risk Management

The audit team found that effective mechanisms are in place to identify, assess, and develop mitigation plans for risks related to the 2015 Pan and Parapan American Games.

Analysis

The Federal Secretariat has implemented a number of mechanisms to identify, manage and monitor risks related to the federal government's investment in the Games as well as the overall success of the Games.

The Integrated Risk Management Framework defines the requirements for the approach to risk management for the Pan and Parapan Am Games. The tool requires the implementation of a risk registry which categorizes and ranks risks for likelihood and impact, as well as monitoring mitigating strategies.

Risks are identified through a number of means, including internal as well as third party review of TO2015's Business Plan, review of activity reports provided by TO2015, results of recipient compliance audits, quarterly meetings of the EFSWG, Fed Sec participation in key Games working groups, as well as ongoing communication between MPA parties and members of the EFSWG.

Based on the audit team's review of the risk registry, it was noted that risks related to EFS as well as operations had been identified and assessed for likelihood and impact. The team also noted that action items and follow-up had been identified as well as assigned to specific areas of responsibility.

Based on its review of the TO2015's latest Business Plan, the Department identified uncertainties in the operational costs of the Games budgeted by TO2015, which could

have a potential impact on Canada's reputation as a host for international games if the Games cannot be delivered within current funding levels. Although operational costs are the responsibility of the Government of Ontario (in fact, Ontario is the sole deficit guarantor for the Games), and Canada therefore would not be liable for any shortfall, the Minister of State (Sport) has notified the recipient of his concerns by deferring the acceptance of the Business Plan (version 2) dated July 2013. As noted above, the Department has requested that TO2015 revise its Business Plan to include more robust forecasts, among other things. The next version of TO2015's Business Plan is scheduled to be submitted to PCH in October 2014.

Appendix A – Audit Criteria

The conclusions reached for each of the audit criteria used in the audit 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"> • well managed, no material weaknesses noted; and • effective. |
| 2 | Controlled | <ul style="list-style-type: none"> • well managed, but minor improvements are needed; and • effective. |
| 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"> • 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. |
| 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"> • financial adjustments material to line item or area or to the department; or • control deficiencies represent serious exposure; or • major deficiencies in overall control structure. <p>Note: Every audit criteria 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.

| Audit Objective 1: To assess the effectiveness of the HPFSD's mechanisms and practices in place to identify, manage and mitigate key risks to the Pan Am/Parapan Am Games project, and to monitor the recipient's (TO2015) contribution agreement compliance. | | | |
|--|--|-------------------|--|
| Criteria # | Audit Criteria | Conclusion | Examples of Key Evidence / Observation |
| 1.1 | PCH's program policies and guidelines are consistent with the <i>Policy on Transfer Payments</i> and other relevant central agency requirements and are monitored on a regular basis | 1 | <ul style="list-style-type: none"> PCH's Grants and Contributions Management Policy is consistent with Treasury Board Secretariat's <i>Policy on Transfer Payments</i>. |
| 1.2 | Mechanisms are in place to monitor the recipient's (TO2015) compliance with the terms and conditions of its funding agreement. | 1 | <ul style="list-style-type: none"> The recipient's compliance with the terms and conditions of the contribution agreement is monitored by the IMMIG unit. Management receives and reviews formal and regular financial and activity reports provided by the recipient. |
| 1.3 | Senior Management of the Hosting Program and Federal Secretariat Division receives sufficient, complete, and accurate information to enable effective decision making. | 1 | <ul style="list-style-type: none"> Senior Management receives updates on an ongoing basis, including formal status reports on a bi-weekly basis. The Executive Director of HPFSD attends, as an observer, meetings of TO2015 Board of Directors. |
| 1.4 | A mechanism exists to systematically identify, assess and mitigate, monitor and report on risks to the achievement of the government's objectives, and is documented. | 1 | <ul style="list-style-type: none"> An Integrated Risk Management Framework has been implemented. A risk registry to track risks related to all aspects of the games is maintained and updated on an ongoing basis. |

| 1.5 | Expected results are clear, measurable, communicated, and directly support the achievement of the government's objectives. | 1 | <ul style="list-style-type: none"> Expected outputs and results are specified in the contribution agreement with the recipient. The recipient has complied with the reporting requirements for the period under scope. |
|--|---|------------|--|
| Audit Objective 2: To assess the effectiveness and efficiency of the interdepartmental governance structure and key mechanisms for the management and coordination of Essential Federal Services, including reporting and accountability. | | | |
| Criteria # | Audit Criteria | Conclusion | Examples of Key Evidence / Observation |
| 2.1 | An effective governance structure is in place where roles, responsibilities, and accountabilities are clearly communicated and understood to enable strategic oversight of the delivery of EFS. | 1 | <ul style="list-style-type: none"> A number of oversight committees have been established to oversee, advise on, and respond to matters related to the delivery of EFS. Roles and responsibilities of the committees are clearly communicated. |
| 2.2 | A mechanism exists to systematically identify, assess and mitigate, monitor and report on risks to the delivery of EFS. | 1 | <ul style="list-style-type: none"> A risk registry to track risks related to all aspects of the games is maintained and updated on an ongoing basis. |
| 2.3 | Expected results are monitored and communicated on a regular basis and support management decision making. | 3 | <ul style="list-style-type: none"> The EFS component of the Performance Measurement Framework has not yet been finalized. |
| 2.4 | Mechanisms are in place to identify, develop, and manage effective partnerships with other organizations with complementary objectives and goals to improve overall efficiency and effectiveness of EFS coordination. | 1 | <ul style="list-style-type: none"> The MPA identifies which federal departments and agencies are involved in the delivery of EFS, and specifies the roles and responsibilities of each party. |

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| 2.5 | Sufficient information related to the delivery of EFS is provided to the oversight bodies, management, and partners on a timely basis to enable effective decision making. | 3 | <ul style="list-style-type: none"> Reporting that is required through the Departmental Performance Report (DPR) and the Report on Plans and Priorities (RPP) is occurring. A standard and consistent process to monitor the delivery of EFS in a consolidated manner has not yet been implemented. |
| Criteria # | Audit Criteria | Conclusion | Examples of Key Evidence / Observation |
| Audit Objective 3: To assess the effectiveness of processes and procedures to oversee the development and implementation of the Legacy fund plan. | | | |
| 3.1 | A risk based approach to oversee the development of the Legacy fund plan has been developed, implemented, and is monitored on an ongoing basis. | 1 | <ul style="list-style-type: none"> The legacy fund plan was finalized in September of 2013 and approved by all parties, including the Beneficiary Legacy Facility Owners. |
| • | | | |
| Criteria # | Audit Criteria | Conclusion | Examples of Key Evidence / Observation |
| Audit Objective 4: To assess the effectiveness and efficiency of the current structure of the Hosting Program and Federal Secretariat Division to support PCH and Sport Canada priorities. | | | |
| 4.1 | The activities, schedules and resources required to host events in an effective, efficient, and fiscally responsible manner have been identified and integrated into business plans and budgets and are reviewed on a regular basis. | 1 | <ul style="list-style-type: none"> A number of studies have been completed arguing the benefits of establishing the Fed Sec within Sport Canada, including a business case in June 2011 and responses to Finance Committee in regards to resources required for an ongoing Secretariat versus specifically for the Toronto 2015 Pan and Parapan Am Games. |
| 4.2 | Roles, responsibilities, and accountabilities are clearly defined, communicated, and | 1 | <ul style="list-style-type: none"> HPFSD organizational structure was last updated in January of 2014. |

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| | understood. | | <ul style="list-style-type: none"> • Employees are aware of their roles and responsibilities as well as the risks involved with the 2015 Games. |
| 4.3 | Employees are provided with the tools and training they require performing their duties effectively with respect to hosting events. | 1 | <ul style="list-style-type: none"> • Approximately half the staff involved in the delivery of the Games has had prior experience in major events, (i.e., 2010 games). • All staff is classified in the Program Administration Group. • Required staff training is completed through annual learning plans and evaluated through employee performance reviews. |

Appendix B – Management Action Plan

Project Title: Hosting Program and Federal Secretariat Division (2015 Pan and Parapan American Games Federal Secretariat) Audit

| Management Action Plan | | | |
|--|--|---|-------------------|
| 5.1 Governance | | | |
| Recommendations | Actions | Who | Target Date |
| 1. The Director General, Sport Canada Branch, in consultation with departments and agencies involved in EFS delivery, should finalize and approve the EFS component of the Toronto 2015 Games Performance Measurement Framework. | The EFS component of the Performance Measurement Framework will be completed and approved by EFS departments and agencies (via the ADM Steering Committee), and the ADM of Sport, Major Events and Regions Sector. Further to discussions with PCH Strategic Planning, and in order to ensure the most efficient use of limited human resources, a risk-based approach will be used to identify the key outputs per Service Area for each department and agency. | Hosting Program and Federal Secretariat | December 31, 2014 |
| 2. In conjunction with the implementation of the Performance Measurement Framework, the Director General, Sport Canada Branch, should implement a standard and consistent process to obtain and consolidate information on the progress and performance of federal departments involved in the delivery of EFS in support of PCH's overall monitoring of EFS as they relate to the 2015 Games. | Progress updates on the identified EFS outputs will be sought from EFS departments and agencies during monthly EFS Working Group meetings and recorded through meeting minutes. As the identification of the outputs will be based on risk, they will be monitored, updated and mitigated as per the 2015 Games Integrated Risk Management Framework. To supplement this, progress will continue to be reported through the Departmental Performance Report process. | Hosting Program and Federal Secretariat | December 31, 2014 |