

REPORTING – AUDIT – EVALUATION GUIDELINE

CANADA – NORTHWEST TERRITORIES
MUNICIPAL RURAL
INFRASTRUCTURE FUND

PURPOSE

This guide has been prepared to assist the Management Committee (MC) in discharging its responsibilities for the annual audit of the Municipal Rural Infrastructure Fund (MRIF) program, the preparation of annual progress reports of its jurisdiction, and evaluation related activities. Annual audits will provide Canada with assurance that:

- there is compliance to the terms and conditions of the Contribution Agreement including relevant legislation;
- timely corrective action is taken on audit findings or recommendations;
- there is no fraud or misappropriation of contribution funds; and
- that administration is efficient and that value for money is obtained.

SUBMIT TO CANADA:

By **June 30th** each year:

- An Annual Audit along with action plans to address audit recommendations;
- Project Audits undertaken per previous fiscal year's audit plan; and
- Applicant audits, as applicable.

By **August 31st** each year:

- Follow-up to audit recommendations.

By **December 31st** each year:

- Audit Plan for next fiscal year.

Failure to meet these obligations will result in Canada not making further payments.

However, the Management Committee may decide that its first annual audit will cover more than twelve (12) months if there are no projects to be audited at early stages of this program implementation.

ANNUAL AUDITS

Infrastructure Canada will rely on the audits carried out by the MC to provide a national overview of the program. An annual audit of the Canada - Northwest Territories Agreement will be performed each year and the scope of this audit will include both financial and non-financial data.

Project audit activities should be recorded on the Shared Information Management System for Infrastructure (SIMSI) Audit page and will be the subject of questions on the Project Closure page. The Management Committee will ensure that all audit and review results are accessible to the public.

Accounts and records shall be maintained for a period of three years after the final settlement of accounts with respect to a Contribution Agreement.

AUDIT OBJECTIVES

The annual audit should be carried out by accredited auditors in accordance with Generally Accepted Accounting Standards (GAAS) and delivered to Canada and the Northwest Territories.

Audit objectives should be to:

- assess compliance with the terms and conditions of the CA and the Schedule for eligibility of expenses claimed;
- assess the quality of management / financial / non-financial controls and mechanism to manage risks effectively; and
- provide an independent opinion of fair presentation of financial and non-financial information including relevant legislation provided by the program / project management.

ANNUAL AUDIT PLANS

The MC is responsible to administer the audit function. To maximize the effective use of audit resources Canada / the Northwest Territories / local governments / agencies / authorities should adopt a single audit approach acceptable to all orders of government. Audit plans should be based on inter-jurisdictional collaboration to meet all funding partner's audit requirements in order to avoid duplication. An Annual Audit Plan will be prepared and submitted to Canada and the Northwest Territories by the MC.

Audit plans are to be developed based on a risk management approach and must specify:

- the audit objectives to be achieved for the year in question;
- audits done on a sampling basis of various funding and risk level;
- the audit methodology including use of audits being carried out as part of audit plans;
- the level of resources (financial and human) to be allocated to provide assurance in the soundness of the management accountability framework;
- a clear understanding with respect to access to working papers by Canada and the Northwest Territories; and
- the time frames for audits and public access to audit reports.

In some cases, there may be a requirement for a separate environmental audit to be undertaken. Audits may be posted on relevant websites of the departments/agencies and available under Access to Information legislation.

ANNUAL PROGRESS REPORT

INTRODUCTION

The introduction must provide a general description of the program focusing on major achievements to date.

PROGRAM PROGRESS TO DATE

Detailed Program Status:

- provide summary information on the program progress with respect to the number, eligible costs, project category and amendments of both project applications and approved projects;
- provide MRIF contribution agreement's green or other pre-fixed target; and
- provide description of the Management Committee's project screening and ranking process.

Environmental Issues:

- provide an overview about the status of significant unanticipated environmental issues related to approved projects and the proposed mitigation strategies to deal with these concerns.

Benefits:

- provide an update of qualitative and quantitative program benefits (environmental, economic, social, cultural, safety, etc.) along with results or successes achieved during the fiscal year.

BUDGET UPDATE

- provide a summary of “the planned and actual expenditures” for the fiscal year for both the federal and provincial/territorial governments;
- explain any variations from the notional allocation in the contribution agreement along with the intended course of action to remedy the situation; and
- state any areas of concern or new risk factors affecting the budget of the MRIF program in the Northwest Territories.

RISK MANAGEMENT

- indicate any areas of concern on risk factors affecting the schedule or the budget of the MRIF program in the Northwest Territories;
- are risks identified prior to the implementation of the MRIF program in the Northwest Territories being mitigated and monitored appropriately;
- are there any new risks being identified? If yes, the plans to mitigate these risks need to be submitted; and
- indicate any issues or risk factors that may affect completion of the program or projects as per original plans.

COMMUNICATIONS ACTIVITIES COMPLETED DURING THE FISCAL YEAR

- provide highlights of communication activities of the MRIF program in the Northwest Territories this fiscal year with related web links.

APPENDICES

The following appendices must comprise part of the report:

- APPENDIX A: News releases; and
- APPENDIX B: Copy of agenda and minutes of the Management Committee Meetings.

EVALUATION

Canada will conduct:

- formative evaluation during the 3rd year (2006-07) of the program; and
- summative evaluation at the end of the program (2009-10).

All partners will co-operate with respect to the evaluation of the MRIF program and provide relevant information. Costs associated with the national formative and summative evaluations will be borne by Canada.

Provinces/Territories or Municipalities may conduct their own evaluations but should consult Canada on evaluation design to ensure consistency in data collection, benchmarking and performance measurement Program evaluation results will be posted on the Infrastructure Canada Website (*www.infrastructure.gc.ca*)