



Follow-up Audit of the CNSC Performance Measurement and Reporting Frameworks, November 2011

Office of Audit and Ethics

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Executive summary

Background

The follow-up audit of the Canadian Nuclear Safety Commission (CNSC) Audit of Performance Measurement and Reporting Frameworks in 2011 was part of the approved CNSC Risk-Based Audit Plan for 2015–16 to 2017–18.

The follow-up commenced in February 2016 and the planning phase was completed in March 2016. The planning document outlines the results of the planning phase, and includes a description of the objectives, scope, lines of audit enquiry and criteria and approach of the audit. The document was provided to the Regulatory Affairs Branch management and tabled at the Departmental Audit Committee meeting in March 2016. The audit examination phase was completed in May 2016.

During the examination phase of the audit, Regulatory Affairs Branch management asserted that it had not explicitly committed in the management action plans (MAPs) to deliver certain elements of the performance measurement regime, namely the Performance Measurement Strategies Development and Integrated In-Year Performance Reporting. The Office of Audit and Ethics audit team members considered all the factors surrounding this follow-up audit and determined that the Performance Measurement Strategies Development and Integrated In-Year Performance Reporting were necessary components of management's ongoing response to improve the process, strengthen the framework, ensure performance indicators are relevant, and provide the necessary information to support decision-making. Furthermore, the absence of these initiatives would leave significant gaps in the commitments management made in the 2011 audit report MAPs. Regulatory Affairs Branch management concurred that the Performance Measurement Strategies Development and Integrated In-Year Performance Reporting should be included in the audit scope.

During the Departmental Audit Committee meeting with the Vice-President, Regulatory Affairs Branch on July 21, 2016, the Departmental Audit Committee directed the Vice-President to address the following matters:

- Regulatory Affairs Branch to close MAPs related to the November 2011 audit.
- Regulatory Affairs Branch to provide MAPs to address the audit recommendations of the 2016 follow-up audit.

The Vice-President, Regulatory Affairs Branch provided this information to the Office of Audit and Ethics with respect to these matters:

The Office of Audit and Ethics audit team is satisfied with the information provided by the Regulatory Affairs Branch and believe the information meets the directions provided by the Departmental Audit Committee and the requirements of the audit.

Audit objective, scope and approach

The purpose of this follow-up audit is to determine whether the MAPs from the 2011 Performance Measurement and Reporting Frameworks Audit Report have been adequately implemented and address any related issues. The audit approach consists of auditing against the requirements and commitments that were in place at the time of the original audit.

The 2011 audit report concluded that the CNSC's performance measurement and reporting framework adhered to the requirements listed in the Treasury Board of Canada Secretariat's *Policy on Management, Resources and Results Structure*. The audit also found that the CNSC's performance measurement and reporting framework could be reviewed to more effectively support management decision-making processes and the management of corporate resources. The CNSC 2011 MAPs made commitments to address the following audit recommendations:

- communicate the performance measurement and reporting framework and monitor their application
- A comprehensive review of the performance measurement and reporting framework, performance indicators and performance information to adequately support management needs
- evaluate the performance measurement program to ensure the system provides relevant and useful information for decision-making while addressing performance indicator definitions and methodology to collect, consolidate, validate and report performance information

The scope of the audit included all three areas for which recommendations were made. The scope included management initiatives related to the performance measurement and reporting framework to assess the extent to which MAP commitments had been addressed, including:

- Performance Measurement Framework (PMF) evaluation
- Program Alignment Architecture (PAA) revision
- PMF update
- Performance Measurement Strategies (PMS) development
- Integrated In-year Performance Reporting (integrated reporting)

Audit fieldwork was conducted between March and May 2016, and included interviews with management and staff, review of relevant documentation and questionnaires circulated to select management personnel.

Summary of observations

There are opportunities to improve the framework to track and manage the achievement of MAP objectives. The audit found that:

- It was not clear which of the MAPs were considered by management to be closed and there was no indication of how each of the MAP commitments had been achieved.
- Management did not consider the PAA revision or any subsequent initiatives related to the enterprise-wide performance measurement and reporting framework as part of the MAP commitments. Thus, the status and outcome of subsequent initiatives were not reported in detail to the Departmental Audit Committee.
- The PMF evaluation confirmed the findings of the 2011 Performance Measurement and Reporting Frameworks Audit Report. It recommended a revision to the PAA and PMF, and the development of PMS, logic models and reporting.
- The PAA revision and PMF update were still underway, and had not yet addressed all MAP commitments in the 2011 Performance Measurement and Reporting Frameworks Audit Report, confirmed in the PMF evaluation.
- The objectives and deliverables of the PMS development and integrated reporting initiatives were clearly intended to address gaps in performance indicators and performance information to support management decision-making, consistent with the MAP commitments.
- Management should consider developing a methodology for managing the lifecycle of MAPs.

Management made efforts to communicate the performance measurement and reporting framework, and monitored the application of the framework across CNSC. Communication efforts related to the performance measurement and reporting framework were undertaken in CNSC-wide communications and reporting to senior management. However, there was no formal strategy in place to effectively structure and monitor communication efforts. The performance measurement and reporting framework was monitored to ensure alignment with CNSC objectives and priorities, including ongoing monitoring of each of the performance measurement and reporting framework initiatives.

Management should create and implement a comprehensive, approved communication strategy to effectively structure and monitor communication efforts. Further, management

should consider a comprehensive, forward-looking plan to monitor and report on the ongoing implementation of the performance measurement and reporting framework and include a roadmap that articulates resource requirements to transition the framework to a mature state.

Management's evaluation of the performance measurement and reporting framework and subsequent initiatives was intended to ensure that performance indicators and performance information support management needs. The ongoing nature of these initiatives was such that a comprehensive review of the framework had not yet been undertaken.

- Management had undertaken a series of initiatives, collectively constituting the continuous improvement of the performance measurement and reporting framework.
- Each performance measurement and reporting framework initiative was aligned with the PAA. The PMF update, which included performance indicators with mandated external reporting focus, was clearly aligned to the PAA. Management completed the first version of PMS development (including performance indicators focused on support of program management and decision-making) for all programs in March 2016, and introduced integrated reporting to include all programs starting in 2016–17. The PMS development and integrated reporting were clearly aligned to the PAA.
- Due to the ongoing development of PMS and integrated reporting, management had not yet undertaken a comprehensive review of performance indicators and performance information.
- It is important that management consider the conditions under which particular initiatives, projects and functions need to have performance indicators.

Management's review and documentation of performance indicators for external reporting purposes was evident. A review of PMS performance indicators (i.e., those used to support management decision-making) had yet to be undertaken. The initiatives did not fully address the MAP commitments made in the 2011 Performance Measurement and Reporting Frameworks Audit.

- The PAA revision and the PMF update focused on review and documentation of performance indicators for external reporting purposes.
- The development of PMS and integrated reporting were clearly intended to address MAP commitments to define processes to collect, consolidate, validate and report CNSC performance information.
- The development of PMS was clearly evident. However, there were gaps in the completeness, consistency and quality of the documentation. Management monitored

progress of the PMS during development, but the extent to which management had processes in place to document and report on gaps was unclear.

- There was no evidence of a comprehensive plan or defined process for PMF or PMS development and ongoing management of performance information. Furthermore, the audit found that there was no evidence that management had analyzed the risk and impact associated with the ongoing effective and efficient sustainability of the framework.

There are opportunities to improve the ongoing process to adequately collect, consolidate, validate and report performance information. The audit team strongly recommends management develop a comprehensive methodology to effectively and efficiently sustain the framework. Management should also develop standard operating procedures for performance indicators and performance information.

Overall conclusion

The audit assessed the adequacy of the implementation of the MAPs resulting from the recommendations made in the 2011 Performance Measurement and Reporting Frameworks Audit Report and found that they had not been adequately implemented. This fact was confirmed in an email sent by the Vice-President, Regulatory Affairs Branch on May 17, 2016: “We first re-designed our PAA and then re-did the PMF. Once completed, we had in effect met the *spirit* of the recommendations and management action plans.”

The Regulatory Affairs Branch management took the appropriate actions to close the MAPs related to the November 2011 audit, and accepted the audit recommendations from this follow-up audit, and developed MAPs accordingly. The Office of Audit and Ethics believes that this will help the Regulatory Affairs Branch in the implementation of the new *Policy on Results*. Detailed information is included in appendix D.

The audit team is satisfied with the actions taken, and would like to thank management and staff for their support.

Statement of conformance

This audit conforms with the *Internal Auditing Standards for the Government of Canada*, as supported by the results of the Office of Audit and Ethics quality assurance and improvement program.

Introduction

1.1. Background

The conduct of the follow-up audit of the 2011 Performance Measurement and Reporting Frameworks was approved by the Canadian Nuclear Safety Commission (CNSC) Audit Committee as part of the organization's Risk-Based Audit Plan for 2015–16 to 2017–18.

In 2010–11, the Office of Audit and Ethics conducted the [Audit of Performance Measurement and Reporting Frameworks](#). The audit report was approved by the President in November 2011 and included three audit recommendations, for which management made commitments in the management action plans (MAPs). For more information, see appendix C.

The audit concluded that the CNSC's performance measurement and reporting framework adhered to the requirements described in the Treasury Board of Canada Secretariat's [Policy on Management, Resources and Results Structure](#). The audit also found that the CNSC's performance measurement and reporting framework could be reviewed to more effectively support management decision-making processes and the management of corporate resources.

The Office of Audit and Ethics prepares a report of approved audits titled *Management Action Plans Status Report*, and tables the document at each of the CNSC's Departmental Audit Committee meetings. Management of the audited area provides a written update to the Office of Audit and Ethics with respect to MAP implementation. The Office of Audit and Ethics assesses what was written with a view to providing perspective to the Departmental Audit Committee should questions be asked regarding management's assertions. The *Management Action Plans Status Report* states clearly that Office of Audit and Ethics does not audit the implementation of the action plan. Based on management's written submission and the discussion at the Departmental Audit Committee meeting, which usually involves a depth of questions to management, the members of the Departmental Audit Committee decide whether to close items.

The follow-up audit began in February 2016. The planning phase was completed in March 2016. The planning document outlines the results of the planning phase, and describes the objectives, scope, line of audit enquiry, and audit criteria and approach. The document was provided to the Regulatory Affairs Branch management and tabled at the Departmental Audit Committee meeting in March 2016. The audit examination phase was completed May 2016.

During the examination phase of the audit, Regulatory Affairs Branch management asserted that it had not explicitly committed in the MAPs to deliver certain elements of the performance measurement regime, namely the Performance Measurement Strategies Development and

Integrated In-Year Performance Reporting. The Office of Audit and Ethics audit team members considered all the factors surrounding this follow-up audit and determined that the Performance Measurement Strategies Development and Integrated In-Year Performance Reporting were necessary components of management's ongoing response to improve the process, strengthen the framework, ensure performance indicators are relevant, and provide the necessary information to support decision-making. Furthermore, the absence of these initiatives would leave significant gaps in management commitments made in the 2011 audit report MAPs. Regulatory Affairs Branch management concurred that the Performance Measurement Strategies Development and Integrated In-Year Performance Reporting should be included in the audit scope.

The Treasury Board of Canada Secretariat issued the *Policy on Management, Resources and Results Structure* in 2005 to set the overall frameworks for planning and performance reporting for federal departments and agencies. The policy's objective is to ensure that the Government of Canada and Parliament receive integrated financial and non-financial program performance information to support improved allocation and reallocation decisions in individual departments and across the government.

In fiscal year 2007–08, the CNSC's performance measurement and reporting framework was introduced in response to the *Policy on Management, Resources and Results Structure* of 2005.

1.2. Authority

The follow-up audit of CNSC's performance measurement and reporting framework was part of the approved CNSC Risk-Based Audit Plan for 2015–16 to 2017–18.

1.3. Audit objective, scope and approach

The purpose of this follow-up audit is to determine whether the MAPs have been adequately implemented and address any related issues. The audit approach consists of auditing against the requirements and commitments that were in place at the time of the original audit. In particular, the audit assessed the adequacy of management's:

- processes for tracking and managing the achievement of the MAPs' objectives
- communication and monitoring of CNSC's performance measurement and reporting framework
- review of the PMF and change management
- review and communication of performance indicator definitions and documentation
- process for defining, collecting, consolidating, validating and reporting CNSC's performance information, including information for decision-making

The scope of the audit focused on recommendations and resulting MAPs from the audit report, in the context of the subsequent evaluation of the performance measurement and reporting framework and changes to the Program Alignment Architecture (PAA) undertaken by management.

The audit approach was conducted in conformance with the *Internal Auditing Standards for the Government of Canada* and was supported by the Office of Audit and Ethics quality assurance and improvement program. The audit approach included:

- interviews with CNSC managers and staff responsible for evaluating and implementing the performance measurement and reporting framework
- a review of relevant documents and reports since the audit report, with a focus on more recent documentation and reporting
- an analysis of information and evidence gathered to assess whether MAPs are adequate and implemented

1.4. Lines of enquiry and audit criteria

Appendix A provides a list of the lines of enquiry and related audit criteria used to achieve the audit objectives.

1.5. Conformance with professional standards

This audit conforms with the *Internal Auditing Standards for the Government of Canada*, as supported by the results of the Office of Audit and Ethics quality assurance and improvement program.

Audit observations and recommendations

2.1. Line of enquiry 1 – An adequate framework exists to track and manage the achievement of MAP objectives

2.1.1 Oversight is in place to monitor progress against MAPs

To assess the framework for tracking and managing the status of the CNSC MAPs, the audit examined the oversight practices for monitoring progress, the processes used to support timely and accurate reporting of information to management, and the tools used to support information tracking and reporting.

The MAP commitments included an evaluation of the Performance Measurement Framework (PMF). The evaluation recommended a revision to the PAA, which was not contemplated in the original MAPs. The revision to the PAA impacted the timing of subsequent management commitments. Specifically, it delayed the implementation of a performance measurement system that would provide relevant and necessary information to support decision-making.

Management's commitment to improve the performance measurement system was monitored through a series of five initiatives, which constitute the performance measurement regime:

- PMF evaluation
- PAA revision
- PMF update
- Performance Measurement Strategies (PMS) development
- Integrated In-year Performance Reporting (integrated reporting)

Each MAP status was reported to the Departmental Audit Committee until each MAP was noted as closed in the Departmental Audit Committee Annual Report for the year ending March 31, 2014. It was not clear which of the MAPs were closed and there was no indication of how each of the MAP commitments had been achieved. The completion of two of three MAPs coincided with the completion of the PMF evaluation and the commencement of the PAA revision in the third quarter of 2013–14. Management did not consider the PAA revision and subsequent initiatives related to the performance measurement and reporting framework to be part of the MAP, thus the status of initiatives was not reported to the Departmental Audit Committee. However, it was evident that the progress of each initiative was monitored by the Management Committee.

Management asserted that the PMF evaluation sufficiently fulfilled commitments in the MAP, and further that the MAPs did not include PMS and integrated reporting initiatives. The PMF evaluation confirmed the findings in the 2011 Performance Measurement and Reporting Frameworks Audit

Report, but was not intended to evaluate the gaps in information for decision-making. The evaluation, therefore, did not address all MAP commitments. The PAA revision and the PMF update were developed based on requirements described in the *Policy on Management, Resources and Results Structure*, however, the scope and deliverables did not address all the MAP commitments, as contemplated in the 2011 Performance Measurement and Reporting Frameworks Audit Report and confirmed in the PMF evaluation. The objectives and deliverables of the PMS development and integrated reporting were clearly intended to address gaps in performance indicators and performance information to support management decision-making, consistent with the MAP commitments. The PMF evaluation and the initiatives that followed are considered in-scope for the purposes of this audit to assess the extent to which MAP commitments had been addressed.

The Regulatory Affairs Branch retained accountability for the performance measurement regime since the 2011 Performance Measurement and Reporting Frameworks Audit Report. Accountabilities and responsibilities for the regime were delegated to the Strategic Planning Directorate and Corporate Planning Division. The Regulatory Affairs Branch leveraged the Regulatory Research and Evaluation Division and the Directorate of Regulatory Improvement and Major Projects Management and managers across the CNSC to execute the initiatives, and assign responsibilities for the development of the framework, performance indicators and reporting.

There was continuity at the Management Committee level and among the core working group members, and engagement with managers from across the organization during the execution of the initiatives.

2.1.2 Information reported to management is accurate and timely

Management oversight of each of the initiatives was through Management Committee and Operations Management Committee meetings. MAP status reporting to the Departmental Audit Committee concluded with the completion of the PMF evaluation. Management did not provide status reports on any of the subsequent performance measurement initiatives to the Departmental Audit Committee.

Management of performance measurement initiatives consisted of formally establishing action items (in terms of reference and project plans) and reporting high-level progress of initiatives. Members of the Management Committee, Operations Management Committee and the Regulatory Affairs Branch did not adopt a formal structure for governing and managing risks and controls associated with the individual performance measurement initiatives and the broader performance measurement regime.

Management Committee reporting consisted primarily of a presentation of initiative kick-off and deliverables, and limited status updates related to achievements and next steps. There was no indication management reported on resource requirements, risks and impacts associated with the

initiatives to any oversight bodies (i.e., Management Committee, Operations Management Committee or the Departmental Audit Committee). The integrated reporting initiative included challenges and mitigation strategies associated with performance reporting, which provided an indirect assessment of risks associated with the broader performance measurement regime.

MAP status reporting to the Departmental Audit Committee did not provide an indication of which MAPs were completed, their objectives or how these were achieved. The MAP committed to evaluating the PMF by March 31, 2013, but this was not completed until October 2013. The status report for this action item was inconsistent, and there was no indication of a mitigation plan. The timing of the PMF evaluation delayed the commencement of the PAA revision, which delayed the potential implementation of a revised PAA from 2014–15 to 2015–16. There was no evidence management had undertaken efforts to formally assess the risk and impact of the delay in issuing the final PMF evaluation.

Recommendation 1

It is recommended the Regulatory Affairs Branch develop a methodology for managing the lifecycle of MAPs that includes:

- i. assessment of MAP governance, risk management and controls, defining accountability and responsibilities
- ii. the need to formalize a strategy to execute the MAP, including resources, timelines and deliverables
- iii. reporting requirements (such as the Implementation Status Update to capture key MAP details for Departmental Audit Committee consideration)
- iv. demonstrate how MAPs have been achieved relative to MAP objectives and obtaining formal sign-off of completion

Management response and action plan

Agreed – Regulatory Affairs Branch management will develop a process and tracking mechanism in line with Recommendation 1, I-IV. This will include associated controls to ensure that the status of audit related actions are visible to Regulatory Affairs Branch management, and that that the completed actions reflect the scope of audit findings. Target completion date: March 2017.

2.2. Line of enquiry 2 – There is an adequate plan to communicate the CNSC’s performance measurement and reporting framework and monitor the application of those frameworks across the organization

2.2.1 Performance measurement and reporting frameworks are communicated across the CNSC

Synergy articles, information sessions and lunch and learn sessions were the primary tools used to communicate the PMF and PAA to the broader CNSC community. Information about the PAA and PMF was readily available on BORIS and e-Access.

Communication was undertaken through the delegation of responsibilities to the Management Committee and working group members associated with each of the performance measurement initiatives, which were representative of the organization. Each initiative engaged management across the CNSC at the director level. Management team members responsible for contributing to the development of the system of performance measurement were aware of the significance of the initiatives, and the need for their contribution.

The integrated reporting initiative resulted in Integrated In-Year Performance Reporting for Operations Programs (PAA Programs 1.1 to 1.4) starting in the second quarter of 2015–16, which articulated the framework for reporting PMS. The development of the report template/dashboard was ongoing. Management planned to incorporate all PAA program areas in the 2016–17 Integrated In-Year Performance Reporting, including Internal Services (PAA Program 1.5) and Scientific, Technical, Regulatory and Public Information (PAA Program 1.6).

Management had not adopted a formal communication strategy for the performance measurement initiatives since the 2011 Performance Measurement and Reporting Frameworks Audit Report. Management had incorporated a high-level plan and maturity model as part of the implementation of integrated reporting in presentations to Management Committee.

Management noted that the Treasury Board Secretariat’s draft *Policy on Results* was expected to be issued in June 2016. Management had not analyzed the potential risk and impact on the performance measurement regime.

2.2.2. Communication and monitoring efforts are evident in CNSC-wide messaging and reporting to senior management

PAA and PMF were evident in CNSC-wide messaging and reporting to senior management. Each of the performance initiatives was tabled at Management Committee during the respective kick-off phase, and it was evident that Management Committee had an opportunity to provide input. Deliverables for each initiative were also tabled at Management Committee, with the exception of PMS. Informal communication was evident through the engagement of management from across the CNSC in the development and reporting of PMS, reflected in the integrated reporting dashboards.

Accountability for communication clearly resided with the Strategic Planning Directorate, with responsibilities delegated to the Corporate Planning Division throughout the period in scope. Managers who contributed to the development of performance indicators were clear about their roles and responsibilities.

Performance updates were reported to Management Committee throughout the period in scope. Prior to the second quarter of 2015–16, reporting of performance indicators to Management Committee aligned to the prior PAA. The integrated reporting initiative resulted in Integrated In-Year Performance Reporting for Operations Programs (PAA Programs 1.1 to 1.4) in the second and third quarter of 2015–16, which aligned with the PMF update. Clear expectations had been set for integrated reporting for all PAA Programs 1.1 to 1.6 starting in the second quarter of 2016–17.

2.2.3. Performance measurement and reporting frameworks are monitored on a regular basis to ensure alignment with CNSC objectives and priorities

Management's efforts to monitor the performance measurement and reporting regime were evident in the PMF evaluation and the performance measurement initiatives that ensued. The PMF update, PMS development and integrated reporting reflected the structure of the PAA. BORIS included the 2015–16 and 2016–17 Reports on Plans and Priorities, which aligned with the revised PAA and updated PMF. The 2014–15 Departmental Performance Report aligned with the previous version of the PAA and PMF. Management documented the alignment between the CNSC strategic planning framework and the PAA, for which there were no gaps.

The Strategic Planning Directorate used a strategy to ensure alignment of objectives and priorities with the framework by co-sponsoring the development of Operations Programs PMS with the Directorate of Regulatory Improvement and Major Projects Management. This approach leveraged the directorates' familiarity with operational branches. The Directorate of Regulatory Improvement and Major Projects Management developed PMS for Operations Programs (PAA Programs 1.1 to 1.4), which were substantially complete in March 2015. The Corporate Planning Division supported the PMS Development of Scientific, Technical, Regulatory and Public Information and Internal Services (PAA Programs 1.5 and 1.6), which were substantially complete in March 2016. Resource limitations and management's decision to prioritize the development of PMS for Operations Programs accounted for the difference in timing. There was continuity in the management teams tasked with supporting the performance measurement initiatives. Managers from across the CNSC were engaged in providing input.

Management asserts that PMS and integrated reporting were works-in-progress that required improvement. Management did not have an aggregate view or assessment of PMS, however, gaps in the quality, consistency and completeness of the PMS were evident. Management had not formalized an approach to monitor and update the PMS and the PMF. Management had not

reported any risk and impact associated with this gap, including the level of effort and timeline required to advance the PMS from work-in-progress to complete.

The Strategic Planning Directorate's Implementation and Continuous Improvement plan for integrated reporting articulated a maturity model, including high-level objectives. Management collaborated with Management Committee for input into the integrated reporting dashboard templates, and provided assurance of alignment of reporting with CNSC objectives and priorities. Management's Implementation and Continuous Improvement plan and maturity model were not accompanied by a roadmap or blueprint, including associated monitoring activities as the performance measurement regime transitions through development into steady state.

Recommendation 2

It is recommended that the Regulatory Affairs Branch create and implement a comprehensive, approved communication strategy that encompasses:

- i. the current integrated reporting Implementation and Continuous Improvement plan and the evolution of the performance measurement regime
- ii. the new communication strategy and actions to comply with the *Policy on Results* and related directives

Management response and action plan

Agreed – Regulatory Affairs Branch management will develop a communication strategy to communicate the requirements of the proposed CNSC *Policy on Performance Measurement and Evaluation* (which will be subject to the Management Committee approval). Target completion date: December 2017.

Recommendation 3

It is recommended that the Regulatory Affairs Branch develop a comprehensive, forward-looking plan to:

- i. monitor and report on the ongoing implementation of the performance measurement regime, including governance, risk management and controls. This plan should describe human, financial and technical enabling resource requirements and report against their use
- ii. develop a roadmap to transition the performance measurement and reporting framework to a mature state (i.e., when all performance indicators are established and the framework is in maintenance mode). The transition component of the plan should include an assessment of the state of existing indicators

Management response and action plan

Agreed

With regard to Recommendation 3(i):

- 3(i) is now a required part of the *Policy on Results*, and the *CNSC Policy on Performance Measurement and Evaluation* will outline governance and other monitoring requirements as tailored to CNSC needs (subject to Management Committee approval).
- A plan for monitoring and reporting on the regime will be developed based on requirements that will be included in CNSC policy documents. This plan may be integrated with other documents (e.g., a combined annual performance measurement and evaluation plan). Target completion date: December 2017.

With regard to Recommendation 3(ii):

- Under the *Policy on Results*, the performance measurement and reporting framework will consist of a Departmental Results Framework (DRF) and Program Information Profiles (PIP). An implementation plan (the “roadmap”) will be developed for the DRF and the PIP production. As part of this plan, an assessment of the relevance, validity and reliability of all proposed indicators will be conducted. Target completion date: December 2017.

2.3. Line of enquiry 3 – A comprehensive review of the CNSC’s performance measurement framework ensures that the resulting performance indicators and performance information adequately support program management needs

2.3.1. Reviews of the CNSC’s performance measurement and reporting frameworks are undertaken to ensure alignment with the Program Alignment Architecture

In effect, management reviewed and monitored the framework by virtue of the ongoing development of the framework, however formal review had not been undertaken. It was evident that members of the Management Committee and managers from across the CNSC contributed to the performance measurement initiatives.

A PMF evaluation was undertaken, commencing in August 2012, consistent with MAP commitments. The PMF evaluation was presented at the Management Committee meeting in October 2013. Its findings were consistent with the 2011 Performance Measurement and Reporting Frameworks Audit Report, and recommended:

- the Strategic Outcome, PAA and PMF should be changed by focusing on improving its utility to CNSC management and staff, as well as integration of performance information in decision-making

- Strengthen performance measurement across the CNSC
- Integrate performance measurement into a larger enterprise-wide framework

Based on these recommendations, an initiative was undertaken in November 2013 to revise the PAA. Management Committee approved the revised PAA structure in May 2014, with approval by the President in June 2014 for the 2015–16 fiscal year.

Management commenced work on the PMF update in conjunction with the PAA revision. Consultations with management began in March/April 2014 with a series of Operations Management Committee and Management Committee presentations. The update ended with the President's approval of the PMF update in November 2014.

The PMF update performance indicators were consistent with the PAA revision. Management illustrated alignment between the strategic planning framework and the PAA, which supported external reporting requirements of the Treasury Board of Canada Secretariat (e.g., the Report on Plans and Priorities and the Departmental Performance Report).

Management had not formally reviewed the PMS due to the short period of time that elapsed since the PMS development was completed. The Operations Programs were substantially complete in March 2015 and Scientific, Technical, Regulatory and Public Information and Internal Services were substantially complete in March 2016. The PMS development approach and resulting documentation was structured consistent with the PAA.

The integrated reporting initiative resulted in Integrated In-Year Performance Reporting for Operations Programs in the second and third quarter of 2015–16, which articulated the framework for reporting performance and status of strategic and Report on Plans and Priorities commitments. Integrated reporting in the second and third quarter of 2015–16 was aligned to the PAA structure. Management planned for 2016–17 integrated reporting that was to incorporate all PAA program areas. Management collaborated with Management Committee to obtain input into the integrated reporting dashboard templates to provide assurance on alignment of reporting needs with the PAA.

Performance indicators were developed from a programmatic perspective. The framework for the development of PMF and PMS performance indicators aligned with the PAA. Performance indicators for initiatives and projects that span program areas (i.e., certain harmonized plan initiatives and other significant cross-cutting projects and initiatives) were not explicitly in the scope of the PMF update and not evident in the details of the PMS at a sub-program level. It was not clear how the framework defined and accounted for the performance of individual projects in order to ensure alignment with the PAA and support for management decision-making needs.

PMS were not developed for the Directorate of Safety Management. The description of the Directorate of Safety Management's support role for Operations Programs had similarities to Internal Services. The directorate was not an explicit PAA sub-program, nor did it align with specific Strategic Planning Framework priorities and initiatives. The rationale for the decision to exclude the Directorate of Safety Management from the scope of PMS development was not clearly documented.

2.3.2. Program management needs from across the CNSC are adequately defined in the review and align with the resulting performance indicators and performance information

Terms of reference were prepared for the PMF evaluation and PAA revision, which included branch and directorate responsibilities in support of the initiatives. There was a less formally defined structure for the PMF update, however, interviews with management clarified that working groups for the PMF update comprised similar individuals as those who had performed the PAA revision.

The Strategic Planning Directorate and the Directorate of Regulatory Improvement and Major Projects Management co-sponsored the Harmonized Plan Initiative Operational Measures for Managing Regulatory Performance for PMS development of operational programs. The Harmonized Plan Initiative commenced in June 2014, designating two individuals to work with management across operational branches to develop the respective PMS.

The Corporate Planning Division sponsored the PMS development for Scientific, Technical, Regulatory and Public Information and Internal Services PMS starting in July 2015, taking a differentiated approach, on an as-needed basis, from use of a working group with formal terms of reference to a minimal number of facilitated sessions for certain sub-programs.

Management did not undertake a formal review of PMS. Management also did not maintain an aggregated report on the progress or status of PMS development, making it unclear how needs from across the CNSC were identified and aligned during the development of PMS and subsequently. Audit procedures included a determination of whether there was completeness in the development of PMS for all sub-program areas (with exceptions noted in section 2.3.1). Managers responsible for contributing to the development of the system of performance measurement confirmed their engagement with the process, noting concerns with reporting resource requirements and system limitations going forward.

Integrated reporting had disclosed challenges and mitigation strategies, providing some indication that management performance information needs were being identified and addressed.

2.3.3. The review includes a continuous improvement plan, which ensures change management processes are adequate

The PMF evaluation recommendations resulted in a series of successive, discrete initiatives, namely the PAA revision, PMF update, PMS development and integrated reporting. Collectively, these initiatives constituted the continuous improvement plan for the performance measurement regime. Each initiative had clear roles and responsibilities, defined objectives and timelines. Governance, risk management and change management controls were not prescribed for the individual performance measurement initiatives.

The Strategic Planning Directorate presented a maturity model of performance reporting to Management Committee as part of the Implementation and Continuous Improvement plan in the Integrated In-Year Performance Report for Operations Programs, the second and third quarter of 2015–16. Management had not developed a detailed roadmap or blueprint including change management processes to complete the performance measurement regime and transition into a mature state.

Recommendation 3

See Recommendation 3, above.

Recommendation 4

It is recommended that the Regulatory Affairs Branch formalize and document the process for including or excluding significant CNSC initiatives, projects and functions from the performance measurement and reporting framework. In doing so it would be advisable to specify the conditions under which particular initiatives, projects and functions would not be represented in the performance measurement and reporting framework.

Management response and action plan

Agreed – As per management’s response to Recommendation 3, the Regulatory Affairs Branch will propose a new internal CNSC *Policy on Performance Measurement and Evaluation* to the Management Committee. This policy will describe the scope of corporate performance measurement efforts. The policy will articulate the purpose and nature of performance information to be captured and monitored as part of the policy, and by definition, what purposes/activities will fall outside the scope of the CNSC policy. It will specify the process by which activities/initiatives may be added to the performance measurement regime. Target completion date: December 2017.

2.4. Line of enquiry 4 – The definition of CNSC performance indicators are reviewed and documented, and there is a defined process to adequately collect, consolidate, validate and report CNSC performance information

2.4.1. An evaluation of the performance indicator framework was undertaken, and the scope included definitions and documentation of performance indicators and information for decision-making

Management completed a PMF evaluation between September 2012 and December 2013. There had been no subsequent formal evaluations of the framework, either internally by management or by the Regulatory Research and Evaluation Division, for the purposes of assessing definitions and documentation of performance indicators and information for decision-making. The absence of a formal evaluation was consistent with management's assertion that the development of PMS and integrated reporting were works-in-progress. Management Committee provided oversight with each of the initiatives, primarily at the kick-off and deliverable stages.

The objective of the PMF evaluation was "to strengthen the current performance measurement framework in order to meet the needs of senior management in terms of decision-making while balancing effective support for performance and accountability reporting and evaluation. The Performance Measurement Framework Evaluation was a comprehensive assessment of the current PMF." The findings of the PMF evaluation confirmed the findings in the 2011 Performance Measurement and Reporting Frameworks Audit Report. They recommended a continuation of work on the performance measurement regime. The scope and content of the PMF evaluation did not include definitions and documentation of performance indicators and information for decision-making.

The scope and intent of the resulting PAA revision and PMF update were focused on external reporting requirements, and did not include definitions and documentation of performance indicators and information for decision-making.

PMS were not evaluated, as there was insufficient time since the PMS development and integrated reporting initiatives were complete. It was clear that the intent and results of the PMS development and integrated reporting were to define and document performance indicators and information for decision-making.

The scope and timing of the Harmonized Plan Initiative to develop PMS for Operations Programs was extended from the original March 2015 date to continue work on developing a common understanding of the definitions of indicators. Recent completion of the PMS for Scientific, Technical, Regulatory and Public Information and Internal Services, and recent implementation of integrated reporting accounted for the lack of formal evaluation of the framework. Management collaborated

with the Management Committee for input into the integrated reporting dashboard templates to ensure relevance of performance indicators and information for decision-making.

Consistent with management's assertion that PMS was a work-in-progress, information contained in the evaluation section for each PMS was incomplete and inconsistent. The responsibility for development of the evaluation strategy for each PMS was delegated to the evaluation function of the CNSC (i.e., the Regulatory Research and Evaluation Division). The risk and impact of PMS (and the broader performance measurement regime) was not formally assessed.

Management monitored the PMS development. The status and progress of efforts, including management's assessment of the completeness, consistency and quality of documentation supporting performance indicators, was not evident. It was not clear the extent to which management had a process in place to document and report on gaps that existed in the completeness, consistency and quality of PMS documentation. Management reporting did not include resource and time requirements within the Strategic Planning Directorate and from management across the CNSC (e.g., performance indicator owners, system owners and support functions such as data owners and planners, etc.) to complete the PMS development.

2.4.2. Performance indicators are adequately defined, documented, communicated and accessible, and include performance indicators from across the CNSC

It was evident there was a managed approach to the performance measurement initiatives, to work with managers across the CNSC to define, document and communicate performance measures, with noted exceptions in section 2.3.1. Accessibility of performance indicators was confirmed through discussions with performance indicator owners and in the integrated reporting.

Management disaggregated the development of the performance measurement regime (i.e., PMF work was undertaken in a separate initiative from the PMS development and integrated reporting). Management structured its approach such that the process to collect, consolidate, validate and report performance measurement for decision-making was embedded in the PMS development and integrated reporting. A similar level of rigour was not evident in the documentation and processes associated with PMF performance indicators and information. The definitions and documentation associated with PMF were limited to use of an Excel document.

Information contained in the PMS was incomplete and inconsistent. There were gaps in the sub-program PMS performance indicator tables and in the information (i.e., the resources, data source, baseline, target, system and evaluation) at a summary level. It was not clear whether the knowledge repository was adequate. Furthermore, it was not always clear how the information from the tables correlated with the integrated reporting. Accountability and responsibility was not consistent among directors and directorates. It was not evident in the PMS which information was considered key. The evaluation component of the PMS was delegated to the Regulatory Research and Evaluation Division

(which is a direct report to the Strategic Planning Directorate), and was to be performed at an unspecified future date.

There was no indication whether management had a process to document and report on the status of the PMS or individual performance indicators, nor to document and report on the level of effort and time necessary to complete the PMS or to assess the risks posed to reporting and decision-making. The potential impact of any work-in-progress on PMS on the reliability of integrated reporting was unclear. The extent to which management relied on PMS for decision-making was also unclear. Integrated reporting had disclosed challenges and mitigation strategies, and provided some indication that the definitions, documentation, communication and accessibility of performance information were prioritized.

The performance measurement regime was managed manually, using Word, Excel and PDF documents, and in eDocs and emails. Systems were explicitly scoped-out of PMS development for the operational branches (PAA Programs 1.1 to 1.4). The Directorate of Regulatory Improvement and Major Projects Management used index cards to manage the workflow process for PMS development for operational branches. The Corporate Planning Division used a less formal means of developing PMS for Scientific, Technical, Regulatory and Public Information and Internal Services, including document versioning, emails and e-Access. Management used e-Access as a document repository and to a lesser extent a workflow tool. Most of the documents were accessible and could be edited by the CNSC community.

2.4.3. The process and accountability for defining, collecting, consolidating, validating and reporting performance information is clearly documented and communicated

It was evident there was a managed approach to the performance measurement initiatives, to work with managers across the CNSC to develop, capture and report performance measures, with noted exceptions in section 2.3.1. Roles, responsibilities and objectives for the performance measurement initiatives were defined through formal (i.e., terms of reference) and informal means (i.e., continuity in core working groups). Initiative committees and core working group members engaged management from across the organization during the execution of the initiatives. The Directorate of Regulatory Improvement and Major Projects Management and the Strategic Planning Directorate co-sponsored the PMS development for Operations Programs, and the Corporate Planning Division sponsored the PMS development for Scientific, Technical, Regulatory and Public Information and Internal Services. There was oversight from Management Committee, Operations Management Committee and the Regulatory Affairs Branch for each of the initiatives, including informal structures for governing and managing risks and controls.

Management did not prepare a comprehensive plan or defined process for developing and managing performance information, nor a detailed blueprint or roadmap and timeline to transition the

management of performance indicators and performance information into a mature state, linked to the integrated reporting maturity model.

Moreover, management had did not develop a strategy or formal methodology to manage information associated with the performance measurement regime in the future. Management did not analyze the risk and impact of the ongoing effective and efficient sustainability of the framework. Process and system responsibilities and accountabilities for supporting the performance measurement regime in the future were unclear. Process documentation did not address the risk and potential impact associated with reliance on key stakeholders (e.g., system application owners, data owners and process owners such as planners) who were not directly accountable to the owner of the performance indicator.

The content of the PMS was not structured to adequately capture the process to define, collect, consolidate, validate and report the performance indicators and performance information. PMS were structured to articulate the information that was to be collected and reported, but did not clarify the process for collecting the information. The PMS were not accompanied by standard operating procedures to ensure consistent, complete and accurate reporting of performance indicators and performance information. PMF process documentation was not developed with the same rigour as the PMS, and there was no methodology or standard operating procedure to consistently compile, validate and report PMF indicators.

PMF and PMS documents were managed manually (i.e., in Word, Excel and PDF documents, and in eDocs and emails), using e-Access as a document repository and to a lesser extent a workflow tool. Documents were readily accessible and could be edited by the CNSC personnel. Document version controls were not contemplated in any of the initiatives.

System applications were explicitly excluded from the scope of initiatives aimed at improving the performance measurement regime. System applications were identified by management as an area of risk, both in terms of the data upon which the reports were built and in terms of applications to manage and retain performance information. Performance indicator owners raised concerns about the resource requirements necessary to maintain the performance measurement regime. Management had not analyzed the cost-benefit of a manual-intensive process.

Recommendation 3

See Recommendation 3, above.

Recommendation 5

It is recommended that the Regulatory Affairs Branch design a comprehensive methodology for the ongoing development, review and updating of performance indicators and performance information as appropriate. This methodology should:

- i. include a cost-benefit review of related workflow management to ensure appropriate investment vis-à-vis expected results by the Regulatory Affairs Branch and the broader CNSC
- ii. be constructed such that PMF, PMS and subsequent changes to reporting requirements are managed through a single, consistent process

Management response and action plan

Agreed – To support the DRF and PIPs, Regulatory Affairs Branch management will produce a single, consistent methodology for the lifecycle management for indicators and related information. This methodology will be outlined in a document that will include direction on selecting indicators for relevance, validity, reliability/quality assurance and availability/cost effectiveness/benefit. Target completion date: December 2017.

Recommendation 6

It is recommended that the Regulatory Affairs Branch augment PMF and PMS documentation with standard operating procedures to ensure adequate knowledge retention and clarity of performance measurement accountabilities and responsibilities.

Management response and action plan

Agreed – Regulatory Affairs Branch management will develop a standard operating procedure to ensure adequate knowledge retention and clarity of performance measurement accountabilities and responsibilities. Target completion date: December 2017.

Overall conclusion

The audit assessed the adequacy of the implementation of the MAPs that resulted from the recommendations made in the 2011 Performance Measurement and Reporting Frameworks Audit Report. The audit found that the MAPs had not been adequately implemented. This fact was confirmed in an email sent by the Vice-President, Regulatory Affairs Branch on May 17, 2016: “We first re-designed our PAA and then re-did the PMF. Once completed, we had in effect met the spirit of the recommendations and management action plans.”

The Regulatory Affairs Branch management took the appropriate actions to close the MAPs related to the November 2011 audit, and accepted the audit recommendations from this follow-up audit, and developed MAPs accordingly. The Office of Audit and Ethics believes that this will help the Regulatory Affairs Branch in the implementation of the new *Policy on Results*. Detailed information is included in appendix D.

The audit team is satisfied with the actions taken, and would like to thank management and staff for their support.

Appendix A: Lines of Enquiry and Audit Criteria

The following lines of enquiry and audit criteria were developed with reference to the audit report recommendations and MAPs.

1. An adequate framework exists to track and manage the achievement of MAP objectives.

1.1 Oversight is in place to monitor progress against MAPs.

1.2 Information reported to management is accurate and timely.

2. There is an adequate plan to communicate the CNSC's performance measurement and reporting frameworks and monitor the application of those frameworks across the organization.

2.1 Performance measurement and reporting frameworks are communicated across the CNSC.

2.2 Communication and monitoring efforts are evident in CNSC-wide messaging and reporting to senior management.

2.3 Performance measurement and reporting frameworks are monitored on a regular basis to ensure alignment with CSNC objectives and priorities.

3. A comprehensive review of the CNSC's performance measurement framework ensures that the resulting performance indicators and performance information adequately support program management needs.

3.1 Reviews of the CNSC's performance measurement and reporting frameworks are undertaken to ensure alignment with the Program Alignment Architecture.

3.2 Program management needs from across the CNSC are adequately defined in the review and align with the resulting performance indicators and performance information.

3.3 The review includes a continuous improvement plan, which ensures change management processes are adequate.

4. The definition of the CNSC's performance indicators are reviewed and documented, and there is a defined process to adequately collect, consolidate, validate and report CNSC performance information.

4.1 An evaluation of the performance indicator framework was undertaken, and the scope included definitions and documentation of performance indicators and information for decision-making.

- 4.2 Performance indicators are adequately defined, documented, communicated and accessible, and include performance indicators from across the CNSC.
- 4.3 The process and accountability for defining, collecting, consolidating, validating and reporting performance information is clearly documented and communicated.

The audit criteria were developed based on an assessment of the inherent risks associated with this audit, and draw upon the Office of the Comptroller General's *Audit Criteria Related to the Management Accountability Framework*.

Appendix B: List of Interviewees

The following table presents the individuals interviewed during the audit.

Regulatory Affairs Branch	Jason Cameron, Vice-President, Regulatory Affairs Branch and Chief Communications Officer
Strategic Planning Directorate, Regulatory Affairs Branch	Liane Sauer, Director General, Strategic Planning Directorate
	Michael Albert, Director, Corporate Planning Division
	Keith Dewar, Director, Regulatory Research and Evaluation Division
	Deanna McFarlane, Corporate Planning Advisor, Corporate Planning Division
Directorate of Regulatory Improvement and Major Projects Management, Regulatory Operations Branch	Daniel Tello, Senior Research Program Officer, Regulatory Research and Evaluation Division
	Haidy Tadros, outgoing Director General, Directorate of Regulatory Improvement and Major Projects Management
	Raoul Awad, incoming Director General, Directorate of Regulatory Improvement and Major Projects Management
	Roy Edwards, Senior Project Officer, Internal Quality Management Division
	Pasqualina Cesario, Senior Project Officer, Internal Quality Management Division
	Tetyana Panichevska, Senior Project Officer, Regulatory Operations Coordination Division
Directorate of Nuclear Cycle and Facilities Regulation, Regulatory Operations Branch	Hugh Wilson, Senior Project Officer, Regulatory Operations Coordination Division
	Karine Glenn, Director, Wastes and Decommissioning Division
Finance and Administration Directorate, Corporate Services Branch	Nancy Sigouin, Director, Financial Resources Management and Systems Division
	Chantale Dault-Beausoleil, Senior Financial Advisor, Financial Resources Management and Systems Division

Appendix C: 2011 Performance Measurement and Reporting Frameworks Audit Report Recommendations and Management Action Plans

The following table provides the recommendations, management response and timeline from the 2011 Performance Measurement and Reporting Frameworks Audit Appendix C – Overview of Audit Recommendations and Management Action Plans.

Recommendation	Management response	Timeline
<p>1. The Vice-President, Regulatory Affairs Branch should:</p> <ul style="list-style-type: none"> • communicate the CNSC’s performance measurement and reporting framework, including their purposes and implementation/use and provide information sessions, as required, on their use to management and staff • continue to monitor the application of the performance measurement and reporting framework across the organization 	<p>As part of the full implementation of the Treasury Board of Canada Secretariat’s <i>Policy on Management, Resources and Results Structures</i>, the CNSC developed a performance measurement framework (PMF), with indicators for all levels of the Program Activity Architecture (PAA). These indicators are published in the Report on Plans and Priorities (RPP) each year and reported on in the Departmental Performance Report (DPR). Both reports are posted on our intra and external Web sites and are communicated to all employees via a message from CNSC’s President. The PMF fulfills a Treasury Board of Canada Secretariat requirement but is more importantly used as a management tool during quarterly performance reviews to monitor performance and measure results. The Strategic Planning Directorate agrees that the current frameworks could be further integrated and communicated across the organization; as such it will lead a complete review of the performance measurement and reporting framework by the Management Committee during fiscal year 2012-2013. In addition, the PMF will be published on BORIS and communicated by Management. Information sessions will also be provided, as required, on the PMF use to management and staff.</p>	<p>Completion date: December 31, 2012</p>
<p>2. The Vice-President, Regulatory Affairs, in consultation with CNSC’s Management Committee should initiate a comprehensive review of the PMF to ensure that the resulting performance indicators and</p>	<p>The CNSC’s PMF defines expected results, indicators, outputs, targets, data sources and frequencies of data collection. The expected results, indicators and targets are published in the RPP and are monitored via the Quarterly Performance Reports for the Management Committee, and then finally published</p>	<p>Completion date: November 30, 2010 (<i>sic</i>)</p>

Recommendation	Management response	Timeline
<p>performance information adequately support program management needs</p>	<p>in the DPR at year-end. The Quarterly Performance Reports for the Management Committee also include progress made against performance and against priorities presented in the RPP. In addition, the PMF is used regularly to support organizational decision-making, and has resulted in the solicitation of additional performance-related information on the part of the organization's Management Committee, such as the addition of information around inspection types and frequencies, as evidenced in our Quarterly Performance Reports. SPD will continue to monitor the application of the performance measurement and reporting framework across the organization and continue to improve the process and strengthen the framework.</p>	
<p>3. The Vice-President, Regulatory Affairs Branch should:</p> <ul style="list-style-type: none"> • initiate a review of the CNSC's performance indicator definitions and documentation • initiate a comprehensive process for collecting, consolidating, validating and reporting CNSC performance information 	<p>The CNSC reviews its PAA and the supporting PMF each year to ensure that they adequately reflect the work of the organization and captures the organization's performance. In the spring of 2011, the CNSC updated its PMF for fiscal year 2012-2013 through the Treasury Board of Canada Secretariat's <i>Policy on Management, Resources and Results Structures</i> amendment process.</p> <p>SPD does agree with the above recommendation and will address it during the full PMF review. A full review of the performance and reporting framework will allow management to review each indicator to ensure that they are relevant and provide the necessary information to support decision-making. In addition, the CNSC will be undertaking an evaluation of the performance measurement program later in Fiscal 2011-2012. The objective is to ensure that the system provides relevant and useful performance information to aid management in decision-making.</p>	<p>Completion date: March 31, 2013</p>

Appendix D: Audit Recommendations and Management Action Plans – 2016 Follow-up Audit

The following table presents recommendations made in *Audit observations and recommendations* (i.e., section 2 of this report), the associated MAPs provided by the Regulatory Affairs Branch as well as a management response context overview.

Regulatory Affairs Branch management response context overview

The Regulatory Affairs Branch management responses take into consideration the new *Policy on Results*, which came into effect on July 1, 2016. This policy replaced the previous *Policy on the Management Resources and Results Structure* and *Policy on Evaluation*. This policy significantly changes the landscape of performance measurement for federal departments and agencies. For example, PAAs, PMFs and PMSs no longer exist and have been replaced with requirements relating to a Departmental Results Framework (DRF), Program Inventory, and Program Information Profiles (PIP).

To address the new Government of Canada policy requirements and audit recommendations, Regulatory Affairs Branch management, on behalf of the CNSC, will:

- Propose, for the Management Committee acceptance, an internal CNSC Performance Measurement and Evaluation Policy that will address the requirements of the Treasury Board of Canada Secretariat's *Policy on Results*, tailored for the CNSC. The policy will describe governance, risk management and controls and clearly delineate the scope of performance measurement activity applicable to the policy. As now required by the *Policy on Results*, this will include direction for monitoring and reporting on the state of performance measurement within the CNSC. As part of the policy recommendation made to Management Committee, a rough assessment of CNSC resource requirements and any incremental information management or information technology support necessary to meet policy requirements will be made.
- Lead development of a new CNSC DRF, Program Inventory and associated PIPs for Ministerial approval under the *Policy on Results*. This will include an "implementation approach" for CNSC Management Committee, which will describe the DRF and the proposed Program Inventory. The implementation approach may, or may not, depending on schedule considerations, be presented to Management Committee at the same time as the draft CNSC Policy. Once the implementation approach is approved by Management Committee, the Regulatory Affairs Branch management will work with CNSC program officials to review the suitability of existing PMF/PMS indicators and then develop the new DRF and PIPs. The DRF

and PIPs will be complete (for submission to the Treasury Board of Canada Secretariat) by late spring 2017 (pending the Management Committee scheduling). For clarity, the assessment of existing indicator suitability will be done as each PIP is developed; i.e., there will not be a single, stand-alone assessment (or “road-map”) of suitability. Until such time as the DRF/PIPs are formally approved, the CNSC will continue to report on performance using the current PAA and PMF, and current in-year corporate performance quarterly reporting, which are deemed satisfactory until transition to the new policy occurs.

- To support the DRF and PIPs, the Regulatory Affairs Branch will produce a document to guide selection, development and lifecycle management of indicators. This will include direction on selecting indicators for relevance, validity, reliability/quality assurance and availability/cost effectiveness.
- Develop a formal communication strategy to support implementation of the actions above, after Ministerial approval of the DRF, Program Inventory and PIPs is achieved; and a “Standard Operating Procedure” will be developed to ensure adequate knowledge retention and clarity of performance measurement accountabilities and responsibilities.

Recommendations	Management response and action plan	Target completion date
<p>1) It is recommended the Regulatory Affairs Branch develop a methodology for managing the lifecycle of MAPs that includes:</p> <ul style="list-style-type: none"> i. assessment of MAP governance, risk management and controls, defining accountability and responsibilities ii. the need to formalize a strategy to execute the MAP, including resources, timelines and deliverables iii. reporting requirements (such as the Implementation Status Update to capture key MAP details for Departmental Audit Committee consideration) iv. demonstrate how MAPs have been achieved relative to MAP objectives and obtaining formal sign-off of completion 	<p>Agreed.</p> <p>Regulatory Affairs Branch management will develop a process and tracking mechanism in line with Recommendation 1, I-IV. This will include associated controls to ensure that the status of audit related actions are visible to Regulatory Affairs Branch management, and that that the completed actions reflect the scope of audit findings. Target completion date: March 2017.</p>	<p>March 2017</p>

Recommendations	Management response and action plan	Target completion date
<p>4) It is recommended that the Regulatory Affairs Branch formalize and document the process for including or excluding significant CNSC initiatives, projects and functions from the performance measurement and reporting framework. In doing so it would be advisable to specify the conditions under which particular initiatives, projects and functions would not be represented in the performance measurement and reporting framework.</p>	<p>Agreed.</p> <p>As per management’s response to Recommendation 3, the Regulatory Affairs Branch will propose a new internal CNSC <i>Policy on Performance Measurement and Evaluation</i> to the Management Committee. This policy will describe the scope of corporate performance measurement efforts. The policy will articulate the purpose and nature of performance information to be captured and monitored as part of the policy, and by definition, what purposes/activities will fall outside the scope of the CNSC policy. It will specify the process by which activities/initiatives may be added to the performance measurement regime.</p>	<p>December 2017</p>
<p>5) It is recommended that the Regulatory Affairs Branch design a comprehensive methodology for the ongoing development, review and updating of performance indicators and performance information as appropriate. This methodology should:</p> <ul style="list-style-type: none"> i. include a cost-benefit review of related workflow management to ensure appropriate investment vis-à-vis expected results by the Regulatory Affairs Branch and the broader CNSC ii. be constructed such that PMF, PMS and subsequent changes to reporting requirements are managed through a single, consistent process 	<p>Agreed.</p> <p>To support the DRF and PIPs, Regulatory Affairs Branch management will produce a single, consistent methodology for the lifecycle management for indicators and related information. This methodology will be outlined in a document that will include direction on selecting indicators for relevance, validity, reliability/quality assurance and availability/cost effectiveness/benefit.</p>	<p>December 2017</p>
<p>6) It is recommended that the Regulatory Affairs Branch augment PMF and PMS documentation with standard operating procedures to ensure adequate knowledge retention and clarity of performance measurement accountabilities and responsibilities.</p>	<p>Agreed.</p> <p>Regulatory Affairs Branch management will develop a standard operating procedure to ensure adequate knowledge retention and clarity of performance measurement accountabilities and responsibilities.</p>	<p>December 2017</p>

Appendix E: Acronyms

The following table presents acronyms used in this document.

CNSC	Canadian Nuclear Safety Commission
DRF	Departmental Results Framework
MAP	Management Action Plan
PAA	Program Alignment Architecture
PIP	Program Information Profiles
PMF	Performance Measurement Framework
PMS	Performance Measurement Strategies
RPP	Report on Plans and Priorities

Appendix F: Audit Timeframe and Team Members

The following is the timeline for the planning, examination and reporting for the audit.

Audit milestones	Completion dates
Planning phase – audit planning report and audit program	March 21, 2016
Examination phase	May 4, 2016
Audit findings and recommendations to program management – first draft	June 7, 2016
Draft report and management action plans	July 14, 2016
Departmental Audit Committee tabling	July 18, 2016
Revised draft report and management action plans	November 15, 2016
Re-tabling at the Departmental Audit Committee	November 22, 2016

The audit team is composed of the following members of the Office of Audit and Ethics.

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