

DPR MARCH 31, 2008 - ADM(FIN CS) INPUT

Portfolio Coordination

~~Portfolio coordination is a process used by Ministers to ensure that all organizations within the set of federal institutions (Department, Agencies and Crown Corporations) assigned to them work together while respecting statutory authorities, including any necessary degrees of independence. The aim is to bring greater coherence to the Government's role in a particular sphere of activity through better coordination between departments and agencies with similar missions as to ensure that the Portfolio as a whole is responsive to the Government's strategic directions.~~

A Portfolio Council was created by ADM(Fin CS) in 2007 to ensure better coordination between the portfolio organizations in response to..... Through the Management Accountability Framework, Treasury Board is placing increased emphasis on Portfolio governance and coordination. The Privy Council Office is also directing government-wide adherence to Portfolio coordination in accordance with the *Federal Accountability Act*. To address these requirements, in 2007 DND has established a Portfolio Governance and Coordination section under the Director General Shared and Corporate Services division, which is part of the Assistant Deputy Minister (Finance and Corporate Services) Group.

~~A Portfolio Council was created by ADM(Fin CS) in 2007 to ensure better coordination between the portfolio organizations.~~ Meetings of the Portfolio Council are scheduled quarterly and encourage feedback and information sharing between the organizations. The initial meeting was held in February 2008.

In 2007, the Portfolio Governance and Coordination Strategy paper was developed which outlines how the Department is moving forward to revitalize and strengthen its existing Portfolio coordination function using a more proactive approach. Major initiatives can be located at the following intranet link: include:

~~Proactively strengthening partnerships between DND and its Portfolio organizations through individual meetings between ADM(FinCS) and portfolio heads, and DM and MND offices.~~

~~Developing a draft DND Governor-in-Council appointments Code of Practice to provide a description of the appointment process and ensure greater transparency, diversity and consistency in the management of appointments.~~

~~Developing a draft departmental Portfolio handbook that has been circulated to portfolio partners for comments to raise awareness of DND Portfolio governance and coordination. Representing DND as a member of the Interdepartmental Portfolio Coordination Committee that meets regularly to discuss evolving horizontal issues in the federal government.~~

~~Sharing best practices with DND and Portfolio organizations in order to work towards common goals.~~

~~Developing a draft administrative and financial framework for portfolios.~~

~~The relationship differs between DND and each of the Portfolio organizations, therefore, the level of service provided to each will vary accordingly. Each organization has varying needs and responsibilities so they must be treated fairly but differently from one another. These reporting arrangements are designed to ensure accountability while maintaining an “arm’s length” relationship. This difference in associations is not unlike that of Portfolios in other government departments.—~~

SERIAL 72 (aligns with Serial 66d of the 2009 RPP)

Stewardship / Comptrollership/ Financial Management

The Department of National Defence progressed from the 2006 MAF from Opportunities for Improvement to an acceptable rating regarding the Financial Compliance Control Framework. The Department of National Defense~~DND~~ maintained its strong financial compliance control framework with fine-tuning of specific contract or program control frameworks or responsibility centre manager processes and procedures where the need was identified as a result of compliance and audit observations. Work progressed on the Department Audited Financial Statements Project and work-plans were approved for all activities including the three key areas of inventories, assets and general IT controls.

Corporate Submission Process

The Department revamped the DND Corporate Submissions Process in 2007 into an integrated, comprehensive end-to-end process that combines the Project Approval Process and the Corporate Submissions Process which. ~~This includes capital submissions (equipment and construction), regulatory and all other types of submissions seeking Ministerial, Treasury Board and Governor in Council approvals. The process brings a disciplined and standard approach to submissions development. This major renewal effort undertaken by the Director Strategic Corporate Services necessitated the combined efforts of various organizations and required detailed changes to processes, procedures and systems throughout the Department. It has already~~ produced a 3.3 months time savings from beginning to end. The Department will fully implement the DND Corporate Submissions Process in 2008-2009.

Access to Information

The number of requests received by National Defence under the *Access to Information Act* has quickly outpaced the resources available, resulting in a backlog and delays for applicants. The complexity and sensitivity of the subject material being requested relating to operations such as those in Afghanistan has added to the difficulty responding to requests in a timely manner, as has the limited pool of experienced ATIP employees. Additional staff have been hired and organizational changes have been implemented in the past year but it has been insufficient to keep up with demand. National Defence is committed to regaining its position as a leader in the ATIP community by addressing current shortfalls through short-term and long-term strategies. Hiring additional experienced ATIP personnel and the creation and implementation of a Professional Development Program for entry-level employees are two such strategies. ~~National Defence is also committed to the acquisition of a new software system as well as new hardware for the processing of Access requests.~~ The exploration and implementation of new strategies continues but substantial improvement to response times and backlog reduction is realistically a few years off.

Business Continuity Planning

~~In accordance with the Government Security Policy (GSP), all departments must establish a Business Continuity Planning (BCP) Program to provide for the continued availability of services and associated assets that are critical to the health, safety, security and economic well-being of Canadians, or the effective functioning of government.~~ The establishment of a DND/CF-wide BCP Program and the development of a comprehensive departmental Business Continuity Plan is a high priority and significant progress has been achieved during the past year.

The DND Corporate-Level Business Impact Analysis (BIA) was completed in May 2007 and the Level 1 BIAs were received in October 2007. The DND Corporate-level Business Continuity Plan for its critical operations and services was completed in draft form and promulgated 11 January 2008. ~~This Plan includes provisions for regular testing, evaluation and continuous maintenance. The Level 1 organizations have been instructed to submit their draft BCPs by the end of May 2008. Once these BCPs have been received they will be analyzed to account for gaps, overlaps and interdependencies. This will lead to a rationalization exercise to adjust the BCPs at both the Level 1 and Corporate levels as required, followed by a determination of BCP-related resource requirements to be eventually included in the Business Planning cycle.~~

International Financial Linkages:

International financial linkages were re-enforced and broadened. ADM(Fin CS) participated in the ongoing Defence SFO Colloquium series, co-hosted in March 2008 by New Zealand and Australia. High level bi-lateral contacts were also established with Singapore and Denmark, the latter expected to be the start of a regular high level SFO contacts among NATO members. The focus of these discussions has been around the issues of public sector accounting rules, resource allocation challenges, and accountability and governance structures. Lessons learned continue to be shared among participating nations, with increasing staff level contacts being exploited.

Financial Decision Support:

The Department has continued development of its Financial Decision Support (FDS) system to provide more up-to-date and relevant financial information to Departmental managers. ~~Prior to the introduction of FDS, Level 1 Comptrollers were provided, on a periodic basis, with a series of Departmental budget, planned spending, expenditure and trend reports. These reports were the result of manually created and labour-intensive spreadsheets. FDS now provides previously manually prepared financial reports these reports~~ on-line, on demand, and on a daily basis allowing better financial information, timelier decision-making and more effective use of time analyzing information rather than creating it.

~~FDS has also developed a means to breach a deficiency between the Departmental financial coding structure and the Department's Program Activity Architecture. It now is able to provide the inputs required for the production of the DND's monthly Trial Balance, as well as inputs into the ARLU, DPR and RPP in accordance with the Department's PAA.~~

Accrual Accounting – Jim – this does not respond to “accomplishments during the year”.
For the DPR, if we can't write what we achieved, we can't say anything.....

~~Departmental appropriations are provided on the modified cash basis used for reporting and accountability to Parliament. However, recent federal budgets have instituted a second basis of control over appropriated funds, called the accrual basis. In this second~~

~~system, control is achieved by using an expense ceiling based on accrual expenses rather than cash expenditures. Capital projects funded specifically from Budget 2005, Budget 2006 and Budget 2007 are subject to both the cash appropriation control and the accrual control.~~

~~In keeping with modified cash and accrual fiscal control and reporting, this report will present information on planned, forecast and actual spending on accrual budget capital projects for fiscal year 2007-2008 in Section X.~~