

FACT SHEET
EMPLOYMENT PROGRAMS OPERATIONS
NATIONAL POLICY DIRECTIVES
EFFECTIVE FEBRUARY 16, 2004
DEPARTMENT OF HUMAN RESOURCES AND SKILLS DEVELOPMENT

Effective February 16, 2004, the Department of Human Resources and Skills Development (HRSD) is implementing four national policy directives designed to improve the administration, management and accountability of contribution programs.

Programs affected by the national directives

- Employment Assistance Services
- Labour Market Partnerships (including Youth Awareness)
- Research and Innovation
- Targeted Wage Subsidies (agreements for multiple individuals)
- Job Creation Partnerships (agreements for multiple individuals)
- Self-Employment (agreements with organizations)
- Career Focus (agreements with organizations)
- Community Coordinators agreements (i.e.: Skills Development, Targeted Wage Subsidies, Self-Employment)
- Aboriginal Human Resources Development agreements
- Skills Link (agreements with organizations)

The Directives

- Formalize the process for selecting sponsors for projects valued at or above \$500,000
- Include a mandatory audit clause in project agreements with HRSD funding at or above \$350,000
- Institute an Internal Review Committee process for large dollar projects
- Call for a segregation of duties within the management of a project's lifecycle

While some of these processes have been standard practice in many HRSD offices, the purpose of the four policy directives is to have a national model that ensures all Canadians, communities and project sponsors receive similar, fair treatment from HRSD. The directives apply to new contribution agreements.

Note: These directives do not apply to programs that have an agreement with or for a single individual. That includes Skills Development, Self-Employment, Job Creation Partnerships, Targeted Wage Subsidies, Skills Link and Career Focus. Summer Career Placements will also be excluded from the directives regardless of the number of project participants.

Process for Selecting Sponsors

To increase transparency and give community organizations equal access to funding opportunities, a call for proposals will be mandatory for agreements with dollar values at or above \$500,000. The goal is to institute a coherent national process that will mitigate risk and ensure a logical and reasoned basis for funding decisions. Note: This directive does not apply to Aboriginal Human Resources Development Agreements, Urban Aboriginal Strategy pilot projects or Labour Market Development Agreements currently in place with provincial governments.

Mandatory Audit Clause for Agreements over \$350,000

To strengthen program integrity and public accountability, HRSD will make external audits mandatory for project agreements at or above \$350,000. This requirement will be included in the project agreement and will be an approved, refundable expense item. Such audits could examine financial and non-financial conditions of a project agreement.

Number of Audits tied to duration of Agreements

- agreements for nine months or less require a final audit,
- agreements that are greater than nine months and less than two years require at least one interim audit and a final audit, and
- multi-year agreements over two years require an internal audit every 12 months.

Internal Review Committees for Large-dollar Projects

To ensure due diligence takes place in developing and assessing large-scale projects, this directive formalizes a practice already in place in many HRSD offices across Canada and ensures its consistent application. Local internal review committees do not preclude other review committees at the regional and national levels. This directive ensures that the review committee process is used consistently. This internal review process is not intended to replace existing community-based committees that review proposals and/ or help us plan how funds can best be used in the community.

Segregation of Duties

To strengthen the integrity of programs administered by HRSD, the work of HRSD officers over the course of a project's life cycle will be clearly segregated into two main functions and set of responsibilities. In practice this means that an HRSD programs officer will be responsible for completing *either* the community relations phase of a project up to the recommendation phase *or* the agreement administration phase up to file evaluation and close-out, *but not both on the same project*.