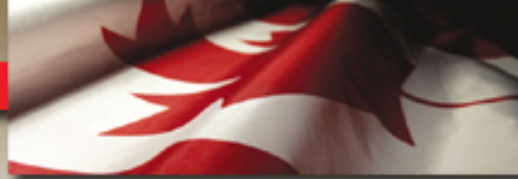


Chief Financial Officer Model Implementation at INAC

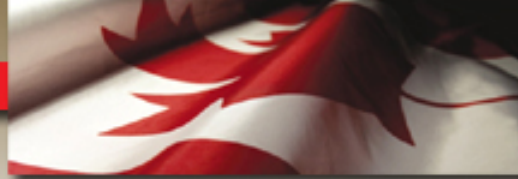
February 2007





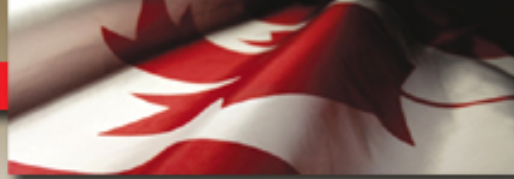
Corporate Context

- INAC's has a broad mandate that encompasses federal as well as provincial (e.g., child and family services) and municipal-like services (e.g., water)
- Approximately 85% of its \$6B budget is in the form of transfer payments (i.e., grants and contributions)
- Financial management in the department has historically been highly decentralized
- In 2005/06 INAC started examining approaches that would help strengthen its financial management and accountability practices



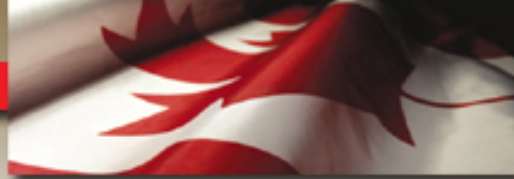
Corporate Context Cont.

- A strengthened financial management regime would ensure that:
 - Appropriate internal controls were in place
 - Administrative practices were efficient
 - All aspects of the Federal Accountability Act were respected
 - The level of accountability was similar to that now found in the private sector
 - INAC was seen as an early adopter



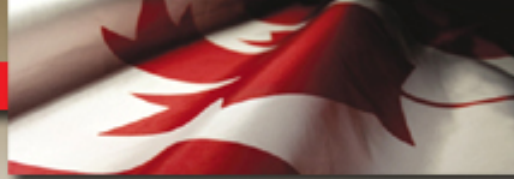
Operational Context

- INAC elected to pursue a comprehensive approach under the “banner” of a Corporate Services Renewal
- In January 2007 the Deputy announced:
 - The creation of a new Chief Financial Officer position, reporting directly to the Deputy Minister
 - The creation of a new Chief Audit and Evaluation Executive position, reporting directly to the Deputy Minister
 - The Director General, Human Resources would now report directly to the Deputy Minister
 - The realignment of Administrative Services functions



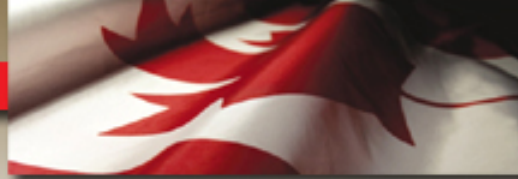
CFO Planning Approach

- Initially INAC developed an integrated flowchart which enhanced senior management's understanding of timelines, decision points and dependencies
- A comprehensive and inclusive consultative approach was adopted
- A project charter was drafted that clearly outlined the four major areas of focus including: Governance; People; Processes; and Infrastructure
- Two team leads were selected from HQ Finance and two team leads were selected from Regional Directors of Corporate Services



Four Areas of Focus

- Governance
 - Appropriate Headquarters organization
 - Optimal roles and responsibilities
- People
 - Current versus required skill sets
 - Identification of appropriate staffing and training strategies
- Processes
 - Common and efficient approaches
- Infrastructure
 - Effective use of technology (e.g., Integrated Financial System)



Ongoing CFO Activities

- The most effective “go-forward” organizational structure will be identified for the Chief Financial Officer Sector by the end of this fiscal year
- Realignment of resources and staffing of open positions will follow shortly thereafter
- The ongoing CFO work will migrate from a project basis into a continuous improvement operational context as capacity is enhanced next year