

CAPACITY ASSESSMENT CONSIDERATIONS

The questions below serve as a guide to assess and determine the management capacity of an organization. Recognizing that agreement holders (AH) range in size and structure and serve different communities, certain questions may not apply in all cases, and other elements may be considered to determine capacity.

| FACTORS | CONSIDERATIONS |
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| <p>GOVERNANCE</p> <p>Ability to demonstrate leadership in the management of the organization and support in developing its capacity.</p> | <p>1. Organizational Structure</p> <ul style="list-style-type: none"> • Has the organization operated for a substantive number of years, e.g. 10 years? • Is the organization managed by a board of directors? • Are you associated with another government (for example, municipality or Indigenous)? <p>2. Partnerships and accountability</p> <ul style="list-style-type: none"> • Does the organization publish an annual report, including service and program outcomes, financial statements, etc.? • Does the organization have established partnerships to support their service delivery? <p>3. Policies and Procedures</p> <ul style="list-style-type: none"> • Are there established policies and procedures that are used to support service delivery (e.g. HR policies, service standards)? • Are there established planning cycles supported by operational and budget plans? |
| <p>PLANNING</p> <p>Ability to demonstrate long-term sustainability through careful planning of its operations, administration, and management.</p> | <p>1. Strategic, Operational and Budget Plans</p> <ul style="list-style-type: none"> • Are there plans and strategies in place, such as strategic, operational and budget plans to manage potential impacts on funded programs? Are foreseeable emergencies and service disruptions considered in these plans? • What are the expected outcomes and targeted results of the planned activities? What is the organization's vision and long term plans? How will these plans guide the long term skills development and employment training services provided? <p>2. Staffing</p> <ul style="list-style-type: none"> • Are staff in place to deliver services and programs, and if not, will a plan be put in place to acquire the resources needed? Are the skill sets or expertise easily available in your community to deliver the programs and services? If not, is there a plan to obtain this expertise? <p>3. Community Involvement</p> <ul style="list-style-type: none"> • Have you consulted people in the community or service area in the planning and design of your service? If applicable, have stakeholders (such as sub-agreement holders or other entities) been consulted during the planning process to ensure program delivery coverage, quality services, and that results are communicated to the community? |

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| <p>FINANCIAL MANAGEMENT</p> <p>Ability to demonstrate accountability, effective use of resources and adapt to new opportunities or changes.</p> | <p>1. Financial Certification</p> <ul style="list-style-type: none"> • Has the organization obtained financial certification by First Nations Financial Management Board (FNFMB), Aboriginal Financial Officers Association (AFOA), International Standards Organization (ISO) or another entity? <p>2. Financial controls, records, and reporting</p> <ul style="list-style-type: none"> • Does the organization have, and follow, financial operations policies and procedures? • Does the organisation have a separate bank account for the ISET program? <ul style="list-style-type: none"> a. If not, is there a separate project structure within the accounting system for the ISET program at the organisation? • How often are bank reconciliations prepared? • Who is responsible for preparing the bank reconciliation? Does this individual have access to the cash account? • Does the organisation use a separate ledger to track program costs? <ul style="list-style-type: none"> a. What system/tools are used for this purpose? • Is there a dollar threshold over which the signature of a member of senior management or Board of directors is required for a cheque, wire transfer, etc.? • Is there a procurement or purchasing policy in place that would apply for funding received through the contribution agreement? <ul style="list-style-type: none"> a. Does it include a dollar threshold for getting quotes from different suppliers for the purchase of a good or service? b. Does it include a dollar threshold for going to tender to purchase a good or a service c. Does it include a dollar threshold for review and approval of supplier invoices by a manager or equivalent (or all invoices need approval)? • Does the organisation have the ability to extract a complete and accurate detailed general ledger at the transaction level that reconciles with the summary financial report/claim with the chart of accounts used? • Does the organization have an annual audit of their financial statements prepared by a certified accountant? <ul style="list-style-type: none"> a. If yes, does a review of the statement indicate any issues to note with respect to the financial viability of the organisation that could impact compliance? <p>3. Finance Functions</p> <ul style="list-style-type: none"> • Does the organization have the personnel, with credentials, to support the financial functions of an agreement holder? For example, does the organization have a CFO, an accountant, bookkeeper, etc.? <p>Does the organisation conduct monitoring, review and reconcile sub-agreement holders' claims/expenditures to determine that the expenditures are eligible?</p> |

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| | <ul style="list-style-type: none"> • Are sub-agreements (if applicable) monitored for compliance with all stated conditions in the agreement? Are structures in place to ensure that the expenditure of funds redistributed to sub-agreement holders or services providers meet the terms and conditions of the program? • Does the organisation have the ability to extract financial information at the transaction level on a timely basis? • Have there been any issues found based on financial monitors in the last 2 years? Were these addressed and resolved or are they ongoing? <p>4. Segregation of Duties</p> <ul style="list-style-type: none"> • Does the organization have a financial system and staff in place to support the segregation of duties? • Does the organizational size allow for segregation of duties? • Have there been concerns with segregation of duties or following of internal controls in the past? |
| <p>DELIVERING RESULTS</p> <p>Ability to provide quality services that meet the needs of clients and the community on a sustained basis.</p> | <p>1. Service / Program Delivery</p> <ul style="list-style-type: none"> • How much experience does the organization have in delivering skills and employment programs (e.g. 10 years +)? Have past agreements consistently demonstrated good results? • How much experience does the organization have in delivering other federal programs or services? (e.g. 10 years +) • Does the organization have indicators to monitor and evaluate the effectiveness of services and programs delivered? Are the results published or shared? • Are service evaluations, client feedback, and data collected used to inform decisions on revisions to programs and services? • Are interviews performed with program participants or with employers to determine if programs or services are easy to access and effective? <p>2. Staff Capacity</p> <ul style="list-style-type: none"> • Does the organization have the capacity and flexibility to meet the needs of clients if they change, such as increase service volumes if demand grows? <p>3. Management of Sub-Agreements</p> <ul style="list-style-type: none"> • Does the organization have experience in managing sub-agreement holders? • How does the organization intend to monitor and manage these sub-agreements to effectively increase or improve their capacity to deliver? • Are sub-agreements monitored to report on results? |

Note:

- As part of the assessment process, in cases where considerations have not been met, a rationale or justification to support the situation (for example, size of the organization, service delivery environment, geographic location, local economic conditions, events outside of the control of the organisation, etc.) should be provided.