

CANADA MORTGAGE AND HOUSING DETAILED ACTION PLAN
to the recommendations of the Special Examination Report of the Fall 2018 Reports of the Auditor General of Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
Para 25	The Canada Mortgage and Housing Corporation should continue to engage with its Minister to ensure that directors appointed to the Board have the critical and desirable competencies as provided in the Board's competency matrix.	Agreed. The Canada Mortgage and Housing Corporation will continue to offer advice and support to the Minister on Board appointments by identifying competency and experience gaps and by working to ensure that future Board appointments address outstanding needs. The new Governor in Council appointment process guides appointments to the Corporation's Board of Directors. The process is standardized across all government and Crown corporations, and allows for limited involvement from the organization. The selection approach is designed to identify qualified and diverse candidates. A selection committee, of which the Chair of the Board is the Corporation's only representative, provides a list of recommended candidates to the Minister, who then recommends appointments to the Governor in Council. In December 2017, a number of appointments were announced to the Corporation's Board, which will enhance the breadth and depth of knowledge on the Board.	<p>Enhance the annual review process that includes the annual review of board competencies to ensure they continue to be relevant and addressing any gaps through training and/or external consultants as required. CMHC will identify gaps and recommend appropriate training to board members.</p> <p>Board learning menu will be updated quarterly to include courses which are directly relevant to the board members' role and duties and ensure that the board is aware of, and has access to, all available internal and external learning opportunities.</p> <p>On an annual basis a list of suggested deep-dive topics will be prepared and presented to the board and committees.</p>	Jan 2019 due date. COMPLETED	NA	<p>Anik Génier, Chief of Staff, Office of the President and CEO (613)748-2932</p> <p>Lynne Vézina Senior Corporate Secretary, Corporate Secretariat (613) 748-2641</p>	
Para 26	The Canada Mortgage and Housing Corporation should ensure that the Board of Directors seek additional training or external expertise in areas where gaps in competencies and knowledge are identified, particularly in IT, where a significant transformation is taking place and a significant part of the operations is being outsourced to a service provider.	Agreed. The Canada Mortgage and Housing Corporation will continue to provide new Board members with relevant training information. All members have been provided with suggestions of appropriate courses designed to enhance competencies with respect to fulfilling their responsibilities on specific Board committees. The Corporation will further enhance its existing Board training menu and regularly identify suggested seminars and courses related to specific functional areas, hot topics, corporate priorities, and activities.	Update and approval of the Charter for the board's Corporate Governance and Nominating Committee to require the annual review of the board competency matrix. When board vacancies arise, the matrix will be provided to the Minister along with the Notice of Opportunity. As part of the board appointment process CMHC will continue to proactively offer advice and				

			support to the Minister in the selection of board members.				
Para 27	The Board of Directors should play a more active role in setting the Canada Mortgage and Housing Corporation's strategic direction and monitoring performance in the area of assisted housing.	27 Agreed. The Canada Mortgage and Housing Corporation will assist the Board in fulfilling its responsibilities related to oversight and monitoring of performance with respect to the effective implementation and application of assisted housing policies, programs, and initiatives, including the National Housing Strategy. It will do this through its newly formed Assisted Housing Committee and through the new, qualified Board members appointed by the Minister in late 2017. The Corporation will provide regular related updates to the committee, including both reports to the federal government and a quarterly Assisted Housing Business Supplement that was introduced in the third quarter of 2017. The Corporation will also provide regular updates on activities for First Nations housing, including its support of initiatives being led by the Department of Indigenous Services Canada.	Affordable Housing Committee will be provided with quarterly updates on relevant matters, including copies of status reports provided to the federal government, performance reports and First Nations housing activities.	Dec 2018 COMPLETED	NA	Anik Génier, Chief of Staff, Office of the President and CEO (613)748-2932 Lynne Vézina Senior Corporate Secretary, Corporate Secretariat (613) 748-2641	
Para 28	The Board of Directors should ensure that it receives regular and comprehensive information on all aspects of the Corporation's mandate as well as on all significant initiatives under way.	Agreed. The Canada Mortgage and Housing Corporation will continue to assist the Board with its corporate governance responsibilities by ensuring that it receives comprehensive, relevant progress reports, including opportunities and issues, on key initiatives and other significant activities, on a regular basis. The Corporation will also continue to ensure that the Board is satisfied with the information provided to do its work.	Comprehensive and relevant reporting on key initiatives such as transformation initiatives and IT outsourcing activities, and other significant activities will be provided to the board regularly. This will be in line with the reporting framework referenced in relation to the recommendation in paragraph 62.	Q3 2019 – Progress on track	A new oversight Board committee has been established (Housing and Capital Projects Committee) and will meet for the first time in May 2019. This new Committee replaces the Affordable Housing Committee. This committee will oversee NHS and capital spending including all Technology and Business Transformation projects, Future of Work projects and any other projects with an expected cost in excess of \$10M. Dashboard for reporting have been prepared for initial meeting. PMO will be preparing reporting to this Committee. Significant risks related to large projects will also continue to be reported to CMHC's Risk Committee.	Anik Génier, Chief of Staff, Office of the President and CEO (613)748-2932 Lynne Vézina Corporate Secretary, Corporate Secretariat (613) 748-2641	
Para 34	The Canada Mortgage and Housing Corporation should enhance its assessment and documentation with respect to the capital it requires to cover	Agreed. The Canada Mortgage and Housing Corporation will continue to enhance its Own Risk and Solvency Assessment documentation to include its	The Chief Risk Officer (CRO) sector will develop a process and procedures to assess reputational and strategic	Q3 2018 COMPLETED	NA	Steven Mennill, Chief Risk Officer, Office of	

	all material risks, including its reputational and strategic risks.	assessment of capital requirements for reputational and strategic risks. This work will be completed for inclusion in its 2018 Own Risk and Solvency Assessment report, which will be finalised by the end of the fourth quarter of 2018.	<p>risks and embed this process in the annual Own Risk and Solvency Assessment (ORSA) exercise.</p> <p>As part of the process, the Chief Risk Officer sector, in consultation with appropriate business lines, will develop scenarios which could directly impact CMHC's reputational and strategic risks. Scenarios will be selected based on severity and for each of the selected scenarios, the Chief Risk Officer sector with the help of relevant stakeholders and the economic capital tools, will quantify the loss exposure and respectively assess capital requirements.</p> <p>The risk assessment of the scenarios and the capital requirements (if any) for reputational and strategic risks will be included in CMHC's Own Risk and Solvency Assessment report which will be approved by the board.</p>			<p>the Chief Risk Officer (613)748-7227</p> <p>Pascale Harvey, Director, Compliance and Governance (613) 748-2729</p> <p>Ivy Ou, Senior Manager, Stress Testing and ORSA (613) 748-2031</p>	
Para 39	The Canada Mortgage and Housing Corporation should define additional ad hoc stress tests to further explore its main vulnerabilities, better understand its risk profile in the event of extreme crisis, and ensure that management actions could be deployed to respond proactively to such extreme scenarios.	Agreed. The Canada Mortgage and Housing Corporation will continue the work that is already underway to enhance its stress testing capabilities to support additional ad hoc stress tests. As part of this work, the Corporation will continue to strengthen its documentation with respect to management actions and readiness plans to proactively respond to extreme scenarios. This work will be completed by the end of the fourth quarter of 2018.	<p>In consultation with various business lines, the Chief Risk Officer sector will develop ad hoc stress testing scenarios (e.g., Reputational, Operational).</p> <p>For the selected scenarios, the Chief Risk Officer will assess and document plausibility and impact (strategic, financial and reputational) on the various business lines and overall mandate.</p> <p>For each scenario, the Chief Risk Officer will assess and document the respective</p>	Q3 2019 COMPLETED	NA	<p>Steven Mennill, Chief Risk Officer, Office of the Chief Risk Officer (613)748-7227</p> <p>Pascale Harvey, Director, Compliance and Governance (613) 748-2729</p> <p>Ivy Ou Senior Manager, Stress Testing and ORSA (613) 748-2031</p>	

			<p>management actions and playbooks.</p> <p>A Readiness Crisis Plan, containing scenarios (ad hoc stress tests), management actions and playbooks, will be presented to the Board.</p> <p>Develop a process to update the readiness plan on a periodic basis, and include process in corporate risk policy documentation (Enterprise Risk Management framework or Operational Risk policy).</p>				
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Para 60	The Canada Mortgage and Housing Corporation should manage its transformation initiatives in an integrated way, have a project management team to oversee overall transformation project and change management activities, and report to the Board on the overall state of transformation initiatives.	Agreed. The Canada Mortgage and Housing Corporation will leverage its existing enterprise portfolio management and organizational change management functions, both of which reside in a newly formed Strategy and Organizational Excellence Division, to provide project and change management oversight and facilitate reporting to senior management and the Board on the transformation projects, as identified by the Corporation's Executive Committee. The new Strategy and Organizational Excellence Division will act as a conduit for all applicable business transformation offices (for example, the IT Transformation Office) to facilitate comprehensive transformation reporting.	<p>In consultation with the Office of the Chief Information officer (CIO), Strategy and Organizational Excellence (SOE) to review and define existing reporting commitments to support corporate governance committees.</p> <p>In consultation with the Office of the CIO, SOE to define enterprise-wide integrated performance metrics in support of an integrated project management approach and oversight, including change management activities, for all governance committees.</p> <p>SOE to define integrated reporting guidance and processes for sectors to support monitoring and reporting of high complexity projects based on agreed upon metrics.</p> <p>SOE to develop reporting framework along with associated reports for high-complexity projects so that overall status of projects is shared with corporate governance committees and the board on a quarterly basis.</p>	Q2 2019 In progress	<p>In consultation with the Office of the CIO, SOE defined enterprise-wide integrated performance metrics in support of an integrated project management approach and oversight, including change management activities, for new Housing and Capital Board committees and CMHC management committees.</p> <p>SOE also defined integrated reporting guidance and processes for sectors to support monitoring and reporting of high complexity projects based on agreed upon metrics.</p> <p>On track to complete by end of Q2 2019.</p>	<p>Marie-Claude Tremblay, Senior Vice-President, People & Strategy (613) 748-2178</p> <p>Sharon Ross, Senior Manager, EPM - PMO, Corporate Strategy Development (613) 748-2176</p>	
Para 62	The Canada Mortgage and Housing Corporation should clearly define objectives, outcomes, performance measures, and expected benefits for each of its transformation projects and regularly report on its achievements.	Agreed. The Canada Mortgage and Housing Corporation will include critical and high-complexity transformation projects as part of its initiative prioritization and assessment process, commencing in the first quarter of 2018. This process documents project	In collaboration with Finance, Strategy and Organizational Excellence (SOE) to develop a project intake form and revised business case template that includes clearly defined project objectives,	Q2 2019 In progress	In consultation with the Office of the Chief Information officer (CIO), SOE developed enterprise benefits realization methodology and supporting benefits reports for high complexity projects, including transformation projects, as identified by CMHC's project size and complexity tool.	Marie-Claude Tremblay, Senior Vice-President, People & Strategy (613) 748-2178	

		<p>objectives and expected outcomes for all major business projects. It also requires the development and approval of a full business case, including the identification of the anticipated project value and benefits. As these projects progress, project value realization will be regularly reported to senior management and the Board, as appropriate.</p>	<p>outcomes, total costs, performance measures, degree of change and expected measurable benefits.</p> <p>CMHC to hire a third party and provide Evidence Based Leadership training for all Management Committee and IPAC Members and performance measurement training to employees that are actively involved in performance measurement.</p> <p>In consultation with the Office of the Chief Information officer (CIO), SOE to develop enterprise benefits realization methodology and supporting benefits reports for high complexity projects, including transformation projects, as identified by CMHC's project size and complexity tool.</p> <p>SOE to develop benefit realization guidance and process for sectors as part of a project performance management framework to support monitoring and reporting of benefits/value realization for transformation projects.</p> <p>SOE to develop a reporting framework along with associated reports for high complexity projects (including transformation projects) based on agreed upon methodology so that status of outcomes and benefits are shared with corporate governance committees and the Board of Directors on a quarterly basis.</p>		<p>SOE also developed benefit realization guidance and process for sectors to support monitoring and reporting of benefits realization for transformation projects.</p> <p>Training on performance measurement (PUMP training) delivered enterprise wide to resources involved with KPI activities.</p> <p>On track to complete by Q2 2019.</p>	<p>Sharon Ross, Senior Manager, EPM - PMO, Corporate Strategy Development (613) 748-2176</p>	
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