

Summary of Proposed Forests for Tomorrow Administration & Audit Procedures Based on the Adaptation by the Ministry of Forests of the Current PricewaterhouseCoopers Administration Model

Forests for Tomorrow Program

BC Ministry of Forests and Range

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Introduction

Forests for Tomorrow (FFT) is a Ministry of Forests and Range (MFR) delivered reforestation program addressing stewardship issues created by the 2003_2004 wildfires and the Mountain Pine Beetle epidemic. It was approved by Treasury Board as a long term program in March, 2005 with an annual budget up to \$53M. In March 2009, the MFR was directed to terminate the existing FFT Administrative Services Agreement with PricewaterhouseCoopers (PwC) which provided for overall program administration of approximately 70% of the FFT annual budget. FFT delivery has been through a third party delivery model with a minimal number of MFR staff that provides program oversight and strategic direction. The executive direction to MFR is to absorb the workload previously covered by PwC via reprioritization of existing resources.

The administrative procedures implemented by PwC and approved by government enable significant efficiencies but are a departure from standard financial and contract administration procedures typically followed by MFR. Given the cost effectiveness of the PwC approach and the challenges of absorbing the new workload, the MFR has adopted the PwC administrative approach. The purpose of this document is to summarize the revised FFT administration design.

The MFR took over the role of Forests for Tomorrow Program Administrator effective June 2nd, 2009.. MFR believes that the proposed administrative framework in this document will provide the provincial government with the assurance that the FFT administration and auditing functions will continue to be carried out in a comprehensive, efficient, and accountable manner. MFR believes that the transfer of FFT administration from PwC to MFR will be most successful by transferring the current administration model in whole to the MFR Administration.

The model was developed to ensure a basic framework of control is set up with sufficient information and control for program managers to monitor and direct their program as effectively as possible. The FFT delivery model evolved from the successes of the MFR Forest Investment Account Program under a Cost / Benefit Approach that is based on intelligent risk management to deliver the provinces FFT program goals in an accountable, efficient manner.

The proposed process for MFR administration will build on PwC's proven approach to auditing, monitoring and risk management as confirmed via Ministry of Finance audits. The system has been developed with practical administrative controls. At completion of the field season, FFT will conduct a detailed review and make necessary adjustments in respect to roles and responsibilities and staff availability.

Transition Provisions

The termination date of the Administrative Agreement with PwC was June 2nd, 2009. Surviving clauses in the agreement post termination enable the extended provision of limited PwC services to facilitate the transition. The table below highlights the key services provided under the surviving clauses. A detailed transition summary is outlined in Appendix D.

	Responsibility	Allocation 1	Allocation 2	Allocation 3	Comments
Review/ Approve – Projects, Amendments, Completion Reports	PwC	√	√	*	* PwC will manage any projects initiated under allocations 1 & 2 that are being amended with additional \$'s under allocation 3. PwC will also manage all allocation 3 projects in Kamloops, Merritt, and Lillooet.
	MFR			√	
Management of Finances – Advances/ Invoices/ Final Payments	PwC	√	√	*	* PwC will manage funds for allocation 1 & 2 projects including projects amended with additional \$'s under allocation 3 and all allocation 3 projects in Kamloops, Merritt, and Lillooet.
	MFR			√	
Financial Audits	PwC	√*			PwC will complete the financial audits for allocation 1 spring planting projects.
	MFR				
Follow-up on events of default	PwC				
	MFR				

As part of the transition process the recipient agreements originally developed by PwC were revised to reflect the transition to MFR as the program administrator and to align with government financial and administration procedures. The table below summarizes the recipient agreement transition.

	Allocation 1	Allocation 2	Allocation 3
Reassigned Original PwC Recipient Agreement	√	√	*
Revised MFR recipient Agreement			√

- * The reassigned original PwC recipient agreement will also apply to PwC managed projects initiated under allocations 1 & 2 that are being amended with additional \$'s under allocation 3.

Approach

Recipient Agreement

Firms submit proposals in response to a Request for Proposal (RFP) competition. The successful proponents were given authorization to enter into a Recipient Agreement (RA) with PwC (Recipient Agreements have now been reassigned from PwC to MFR). The Recipient Agreement is a contract between the successful proponent and MFR that:

- defines the functioning of the program
- confers specific powers to the parties,
- sets out the rules that must be followed, and
- sets the remedies in the event of a default.

The term of the Recipient Agreement is five years with the first agreement to be renewed in November 2011. Request for Proposal competitions for new Recipient Agreements can be posted at any time when a need for another Recipient arises.

FFT has assigned staff roles and responsibilities under the amended RA that will be signed between the MFR and the Recipient Agreement Holder (Recipient). The reassigned recipient agreements were signed by the Ministry Designate per the original recipient agreement, now the Administrator under the new agreement. These roles include;

- Administrator (Forest Practices Branch (FPB) Program Officer and EA for FFT, supported by FFT FPB staff),
- Administrator Representative (Regional Team Leads), and
- The Ministry Representative (Regional FFT Staff).

For a detailed summary of the specific responsibilities, see Appendix B – Recipient Agreement – MFR Responsibility Matrix.

Annual Allocation Planning and Approval Cost Analysis

FFT annual allocations to Recipients are based on annual Management Unit (MU) Budgets that have been approved by the MFR in early January. This approval process goes through much iteration and is evaluated and approved by FFT staff and management and the broader FFT Strategic Planning Committee and FFT Operational Advisory Committee. This process will assess the appropriateness of the planned activities with respect to FFT priorities, scale, scope and ability to deliver along with the principle of regional equity. In addition the process includes a broad review of the proposed planned outcomes with respect to longer term benefits to FFT versus the cost to complete the proposed activities and value for money.

FFT will use the data collected from previous FFT (and LBIP) fiscal years and historical silviculture cost data to annually fine-tune the cost benchmarks utilized for the FFT approval for the MU Budget and adjudication of individual project costs. These benchmarks will be used by all program staff to evaluate whether a given project cost is reasonable and reflective of local conditions.

Investment Schedule's for the Recipient are set up in the Program Investment Entry System (PINES) which is an internet based database to manages, Investment Schedule and Project approvals by the Administrator or designate. Approval of the MU Budget sets the Investment Schedule for the Recipients for the fiscal year, that they can build projects against. It does not however, grant de facto approval for projects and proposed costs which occurs at the project screening stage.

Project Screening for Project Approvals and Project Amendments

In alignment with the approved budget, Recipients enter project details, including funding requirements, into PINES. The Ministry Representative (MR) will review, recommend approval to the Administrator Representative (AR), and monitor projects as the fiscal year progresses. Projects may not proceed unless approved in PINES. The MR initially reviews the Recipient project investment rationale and compares it against the annual MU budget. The MR for each Recipient will be responsible and accountable to complete an efficient review and assess the eligibility of all projects submitted and recommend approval to the AR per the project completion. See Appendix C – Project Approval Checklist.

The AR will be responsible to evaluate project reasonableness and adherence to FFT goals. In addition the AR will evaluate projects against regional averages and goals and either send back to MR for changes or approve the project. When a project is amended it will undergo a similar screening and a two step approval process. This type of up-front investment screening on a project by project basis is fundamental to the success of the FFT program delivery model. The project screening process documented in a checklist includes:

- Comparing the proposed project

- against the list of eligible activities and unit costs outlined in the MU budget,
 - unit and delivery costs against the FFT Cost Benchmarks, and
 - against the Scope of Practice which includes day rates for Forestry Professionals;
- Analyzing the project economic details such as return on investment (ROI), and FFT criteria for selecting projects
 - Reviewing for ways to improve economic efficiencies (e.g. delaying project to combine with other blocks in next fiscal year or allocation);
 - Reviewing the projects for timing, biological, silvicultural and operational feasibility.
 - Assessing the proposed project processes, and outputs for the current fiscal year to ensure the Recipient intends to complete all projects by the end of the fiscal year and within the FFT guidelines;
 - Reviewing the projects for adherence to FFT Standards;
 - Examining and approving the Recipient quality assurance plan and/or standards with inherent quality assurance steps to establish a level of comfort with the Recipients internal quality assurance plan.
 - Ensuring all licences and permits, and insurances are in place;
 - Confirming annual safety plans and SAFE certification status;
 - Reviewing projects for potential First Nations, public or government issues and approval confirmation
 - Accepting or declining the project and communicating with the Recipient regarding information requirements if a higher level of monitoring is required, and determining which performance measures are applicable and which will be used to measure project success.
 - Establishing the initial risk profile of the project to indicate the level of monitoring as the project goes forward.
 - Managing any adjustments through the project amendment process.

Once a project is approved in PINES the detailed process of financial administration by the FPB Finance Mgmt Service Branch (FMSB) is outlined in Section >> at the end of this document Charles to complete.

Project Completions

At the time of project completion, guided by a checklist, the Ministry Representative ensures they receive the project's completion certificate and the required project completion data is in PINES. The project completion summaries in PINES contain a financial summary, detailing direct project costs in comparison to

the approved project plan, and a summary of accomplishments in relation to the project plan. Project completions will be reviewed for any deviations from the stated objectives and budgets. Recipient will also submit a Schedule A that must contain three signatures; Financial (designated accountant), Technical (RPF, RP Bio, PEng,) and Administrative (Representative of the Company). FFT will still factor professional certification into payment decisions. For work subcontracted by the Recipient, the recipient signs as the Qualified Receiver for MFR and the MR is QR on the recipient. For work done by the recipient with in-house staff, the MR is the QR on the work completed.

The Regional MR will examine the project completion of a Recipient to ensure that all approved project plans and funding requirements have been met and that costs claimed by the Recipient are reasonable, eligible and accurate and in accordance with FFT costs policies and benchmarks. The MR will also review project completion reports, adjust the project risk rating if appropriate, and make payment recommendations to the Administrator Representative (who will review similar to the project approvals process), and work with the AM in managing remedial actions, enforcement and non conformance.

Based on the payment approval in PINES by the AR, the Administrator, coordinate payment of invoices, expense claims, and expenditure reports received from a Recipient for the costs properly incurred in completing the work, less any advances received upon approval of certified project completions report. Any funds that are to be returned to MFR due to changes in project scope, planned versus actual expenditures, or identified through an audit will managed by the Administrator.

Risk Management Process

For assurance that FFT objectives are met, FFT will use an evolving risk management and assessment process, built from PWC's procedures, that:

- allows risk to be assessed at both the Recipient and project levels,
- determines project approval or rejection and
- determines the frequency and level of detail of project monitoring.

The development of the annual performance and financial audit plans incorporates the results of Recipient and project risk profiles, continuous risk management, assessment and monitoring activities throughout the year.

Recipient Risk Assessment

Every year FFT will review and assess the performance of each Recipient to determine their appropriate Risk Rating. The Recipient risk assessment is an objective process that ranks the risk of not achieving performance requirements. These requirements are answered in either a Y/N or quantitative format and are listed below;

- Clarity, timeliness, and accuracy of PINES project submissions;
- Deliverables completed according to standards and submitted on time;
- Stakeholder complaints;
- Activities always approved by Administrator in PINES prior to initiating works;
- Project Amendments submitted according to FFT policy and, when required, according to the RA;
- Adherence to the approved amount of tendered vs. in house delivered activities;
- Actual costs submitted and competed as per the MU Budget/Benchmarks with approved variances;
- Response to MFR request for information in adherence with the required dates;
- Adherence to the Price Point / Payments Rates and Scope of Practice Policy;
- Previous year Performance and financial audit results (# of Major or Minor Non-Conformances);
- Achievement of First Nations targets for participation;
- Treatment Activities and Quality Assurance processes completed in adherence to approved standards;
- Where opportunities for improvement have been identified from previous years audits, the Recipient has taken the necessary steps to incorporate those opportunities into recent or current projects and;
- Has the Recipient shown the ability to change their management processes (i.e. adaptive management) to address new challenges or unforeseen circumstances.

Recipient risk assessment profiles are reviewed and updated annually, as part of a continuous risk management and assessment process. However, a Recipient risk rating may be updated in response to a major factor at any time during the fiscal year. This risk assessment is considered in the determination of the frequency and level of detail related to project monitoring.

Project Risk Assessment

For each project submitted by a Recipient, the project risk is assessed by the Ministry Representative and forwarded to FPB considering the following factors:

- Technical complexity of the project, proposal clarity and outputs;(linkages to completion of later projects, number of contracts, access etc)
- Timing of the project, seasonality constraints and timeline for completion by fiscal year end;
- Magnitude of the project investment (expenditure) and reasonability of budgets;
- Tendered vs. In house portions of works

- Potential for Environmental impact of the project;

Project risk is regularly reviewed by the Ministry Representatives through their review of quarterly progress reports and project progress reports which are submitted according to the project's monitoring plan.

Overall Project Risk Assessment

The Recipient and project risk assessments are then combined to determine the overall risk assessment. This final rating VH_H_M_L_VL will be used by FFT program staff:

- As an input for Ministry Representative approval or rejection of the project or to request additional information from the Recipient;
- To determine the ongoing project monitoring frequency;
- To determine audit plan.

Quarterly progress reports will be reviewed by the Ministry Representative as part of the continuous risk assessment and management process. This allows MFR to initiate escalation procedures such as:

- Updating the project risk profile which may:
 - Require the Recipient to submit additional information on the status of the project;
 - Result in a change in the frequency or level of detail of project progress reporting; or
 - Trigger an immediate financial and/or performance audit.
- Developing corrective action plans, in conjunction with the Recipient, that are similar to post-audit action plans, which include criteria, deadlines and penalties;
- Recommending sanctions or processing adjustments against the Recipient.

Quality Assurance and Monitoring of Program Implementation

Starting with the planting projects in 2009, to ensure that the payments to Recipients are appropriate, FFT program management will be shifting from a role of general due diligence to a role with a high level of accountability as Program Administrator supported by an auditing and monitoring process. To accomplish a smooth transition the auditing and monitoring procedures will be based on the previous PwC model.

Recipients are expected to deliver projects in accordance with investment schedules and approved MU budgets and their responsibilities as outlined in the Recipient Agreement. The Recipient bears the primary responsibility for Quality Assurance (QA) on all subcontracted works, and the contract between the Recipient and the subcontractor is the business of the Recipient. The Recipient is ultimately responsible to ensure the standards and commitments under their RA are met for all works completed. The FFT program compensates the Recipient for QA works based on their bid rates. In addition, professional reliance as defined by the Association of British Columbia Professional Foresters will continue to play a key role in the signing and sealing of Certificate of Project Completions. Through the ongoing QA and performance

monitoring (outlined later under the section: Performance and Financial Audits) FFT will test and validate the assessment of the effectiveness and thoroughness of project monitoring.

Activity Standards include QA protocols for planting (PL), surveying (SU), brushing (BR), overstorey removal (in development), Dangerous Tree Assessments (DTA_ - In development) and mechanical site preparation (MSP). The Recipients are responsible to carry out QA on their subcontractors to an acceptable level as defined in the standard or an approved QA plan, to ensure that services are delivered to the standards for receiving goods and services.

The role of FFT would be to approve the Recipients quality assurance plans at the project approval stage, and develop an appropriate monitoring plan that ensures the QA process is working by performing a level of checks on the implementation of a Recipient QA plan. This amounts to a target of checking or reviewing approximately 5% of the Recipient's QA plots, covering 20% of the ground for activities with QA plots (DTA, PL, SU, BR, and MSP). Other activities, such as Forest License to Cut (FLtC) planning and treatment projects, require a different level of QA checking including a post harvest type of QA process and associated FFT level of checking. In addition, a separate party (MFR or other) will perform QA on works that are completed directly by the Recipient, including activity as outlined above Surveys, or ongoing planning, project administration, return on investment (ROI) calculations, and treatment prescriptions at the 10% level or as otherwise determined through an audit or performance review.

This field monitoring will ensure the Recipients QA process is being properly applied and that the Recipient is following the standards appropriately. The result of these monitoring field checks will be incorporated into the auditing protocols on projects selected for formal performance audits. The data collected during the monitoring process provides early warning signals if the project is at risk of not meeting its intended outcome(s). MFR staff may initiate action as required, which may include:

- Requesting the recipient project manager to take specific steps to rectify issues;
- Modifying the frequency and nature of the reporting required;
- Developing corrective action plans that are similar to post-audit action plans, which include criteria, deadlines and penalties and/or
- Requesting an immediate performance or financial audit of the project.

Any further monitoring in progress would be triggered either by concerns identified in the initial monitoring that suggested a need for a follow-up or concerns raised by the MFR monitoring program. Trends, issues and risks occurring in the program will be reported to the Administrator as appropriate to assist in making program modifications and improvements.

Performance and Financial Audit

All projects could be subject to both a performance and/or financial audit. Recipients are required to ensure conformance with the RA, Investments schedules, project plans, and government standards for eligible activities. The audit program will critically evaluate the approved project and ensure that the work carried out is consistent with the approved MU Budget and investment schedule. The audit process is implemented under the principles of continuous improvement principles including discussing findings and observations with the Recipient, formally drafting an audit report with issues and recommendations, obtaining Recipient comments on issues and recommendations, and finalizing the audit report. Any identified non – conformance requires a corrective action plan and a written strategy to ensure future conformance by the Recipient. Non-conformance can result in re-payment by the recipient of funds as well as other remedies as outlined in the RA contract.

Performance Audits

Performance Audits of work completed by Recipient will be performed by the Ministry Representative or delegate. Audits may occur either before or after final project completions depending on the Recipients risk rating and type of project activity. The results of ongoing monitoring and field checks will be incorporated into the performance audits under the field portion. Ongoing performance audits of Recipients will therefore consist of monitoring select projects during the fiscal year through the QA process, observation (audit) of the completed work in the field, review of Recipient records and interviews of Recipient staff and/or contractors. FPB staff will perform audits on the MR (Regions) to assure adherence to the Audit Protocols and Government Policies

Historical performance audit coverage has been greater than 50% of FFT expenditures and 30% of the projects. Issues of major and minor non-conformance with FFT work standards and/or the Recipient Agreement were reported on annually and incorporated into the next years risk assessment process. FFT program administration will continue with these targets and accounting of the audit results into the risk assessment. FFT and the Recipient(s) will agree upon acceptable action plans to address all of the issues found. As well, opportunities for improvement and good management practices will be reported out through these audit reports. A summary of the process is outlined below

- Projects are included within the Audit Matrix. The Audit Plan will include a project mix of low to high risk, large investments/budgets, etc. However, a very high project risk rating equals automatic Audit.
- Projects will be identified for “In stream” audits based other risk ratings and type of activity (e.g., planting). Where a minor issue exists and is correctable, within the timeframe of the contract, formal written Notice of Instruction (e.g., FS242) is given to the Recipient to correct the non-conformance issue.
- Where an issue is noted and cannot be corrected within the time frame of the project (e.g., the planting contract is near completion or a non-conformance that cannot be corrected) it is recorded

as a non-conformance (minor or major). All non-conformances require Action Plans from the Recipient to correct the non-conformance (if possible) and ensure it does not re-occur.

- Completion Audits are conducted once the Recipient has submitted their PINES Project Completion. Note: Interim Office Audits can be conducted during the project. The Completion Audit reviews issues such as: First Nations info sharing, insurance, financial and activity specific issues (E.g., treatment prescriptions, seedling specifications, RESULTS reporting etc.)
- The Activity Protocols for both the In-stream and Completion Audits must be completed by the Lead Auditor (ministry Representative) . Note: Where more than one Auditor completed reviews, one Lead Auditor is assigned to ensure the Protocols are completed and write the Audit Report.
- An Audit Report is written by the Lead Auditor (Ministry Representative) outlining the audit process, projects audited, findings (if any) of the audit/s, and an Action Plan for all non-conformances (agreed upon between the Auditor and the Recipient).

The major factors that the Recipient will be audited against include:

- Environmental Damage and adherence to legislation, Wildfire Act, FPRA, and Work Safe BC.
- Projects are delivered to a high quality, in an efficient and effective manner and in accordance with quality and/or work standards.
- Agreed-upon outcomes, performance measures and milestones are met by the Recipient.
- Depending on the project, work was completed as per guidance provided to address concerns raised by stakeholders and First Nations groups
- All project completion reports are signed off by the appropriate Forest and Financial Professional.
- Projects and project delivery are cost effective.
- Recipient compliance with the provisions of the Recipient Agreement will be evaluated.
- Ensure through field checks that established policies, procedures and controls are operational, effective and are being implemented consistent with the objectives of the FFT program.
- Complied with recommendations and corrective actions identified during the monitoring phase and/or previous audits

Financial Audits

The MFR will identify and report on all issues of financial non-conformance with FFT agreements and opportunities for improvement through third party financial administration.

The objective of FFT financial audits is to ascertain through observation, enquiry and test of detailed transactions that the Recipient maintained appropriate accounting records, procedures and controls of the funds received under the FFT program and that financial reporting by the Recipient for each project is fairly stated. Specifically, the objective is to ensure that the funds are expended for their intended purpose and that such expenditures were eligible under the FFT program.

The financial protocols that are developed will evaluate the project cost statements by carrying out the following:

- Testing expenditures to ensure consistency with and applicability to the individually approved project;
- Testing that expenditures are authorized in accordance with established policies;
- Testing expenditures to ensure they are eligible costs under the FFT;
- Testing compliance with subcontractor tendering requirements; and,
- Comparing costs against benchmarks and between contractors (competitive pricing).
- Funds are spent on eligible activities and costs. Costs are valid and reasonable against Benchmarks
- Testing FFT expenditures to supporting documentation and test their eligibility, validity and reasonability.
- Compare actual expenditures against budget/expectations and review variance analysis and explanations for variances.
 - Considering adherence to tendering requirements and rationale for selecting other than low cost tenders.
 - Recipients provide accurate and timely financial and output/outcome information.
 - Understand and document Recipient internal control environment, accounting policies and methodologies and costing systems;
 - Assess and form a view as to how well management has fulfilled their responsibilities with respect to financial and performance aspects of the FFT;
 - Determine scope of audit work by considering what management procedures and methodologies are employed to manage and monitor project expenditures and compliance with performance criteria.

Management of Sanctions

The MFR recognizes that there may be instances of non-performance or material breach identified during administration of the FFT Program. The current project approval, amendment and management process ensures that there is sufficient internal documentation and reporting to facilitate any independent reviews. These situations may include:

- Incomplete or improperly completed project plans;
- Disputes over the disallowance of ineligible expenditures; and,
- Audit issues related to on-the-ground project quality and value, and financial issues.

MR and AR project approval and management process deals internally with routine issues of non-compliance (such as ineligible expenditures or work completed not completed to the approved standards). These issues have required the Recipient to re-do the work at the direction of MFR or return the funds relating to the project non-compliance. The Administrator is the ultimate responsibility for imposing sanctions pursuant to irregularities or unacceptable performance by program participants.

Financial Payments Process

Funding advances to Recipients will be subject to strict controls through dual signatories (Ministry Representative recommends approval, Administrator's representative approves) , supporting documentation and expenditure limits that meet the requirements of the MFR FAA and Core Policy and Procedures manual and Article 4 of the contract agreement with the Recipient ensure that all necessary financial controls and procedures are in place to prevent any fraudulent activity in respect to cash management.. Every project advance is for the amount specified in the approved project plan and each project is tracked individually in CAS.

Project payments will be managed by Forest Practices Branch upon receipt of an appropriately reviewed and approved project plan from the FFT Expense Authority and regional investment management team. The FPB will be responsible for tracking, and related reporting, and for disbursements against project investments that are in accordance with the FFT cost policies.

A report showing expenditures to date versus available budget will be produced quarterly or as requested.

On a project basis, quarterly funding advances from MFR are based on the Recipient's eligible and approved project costs for the quarter as shown in the PINES information and investment reporting systems. Funding advances will be monitored through quarterly reconciliation to show actual expenditures against advances. . The number and value of advances made and the number and value of completed projects by region, management unit, Recipient, component, and activity will be reported out from the PINES database by MFR HQ staff.

Funding advances are only permitted to be used in payment of or reimbursement for costs properly incurred by the Recipient in completing approved work. This clause is included in the contract agreement (clause 4.04) This will be verified by financial audits that will be planned and undertaken by a third party accounting firm each year under contract to MFR .

MFR will pay advances, based on approved distribution schedules, to a recipient who is carrying out approved Work throughout the year except for a recipient who is to be paid upon receipt and approval of expense claims provided that:

- the recipient has submitted reports satisfactorily to MFR with such information as may be required or otherwise requests by MFR from time to time
- recipient is in compliance with its approved Project Plan
- the recipient is party to and in compliance with its agreement

MFR recognizes the need for projects to be amended from time to time, including costs. FFT staff will review each amendment in a similar manner as previously described under the “Investment Screening” and “Cost Analysis” sections. Amendments are advanced (or funds returned) based on the approved eligible costs determined by the FFT Delivery Team.

Fiscal Year 2009/10 PwC Transition Provisions

The transition of administration from PwC to MFR was a complex undertaking requiring a phased in transfer of responsibilities. For a detailed summary of the transition agreement see Appendix D - FFT transition Strategy - Tasks & Responsibilities (July 22, 2009).