

Management Action Plan
Core Control Audit of the Military Grievances External Review Committee

Military Grievances External Review Committee's Opinion of the Audit Report:

The Military Grievances External Review Committee (Committee) has reviewed the findings and recommendations of the Core Control Audit conducted by the Office of the Comptroller General for the fiscal year 2014-2015. The Committee is of the view that these statements accurately reflect the Committee's internal control for financial management, contracting, travel & hospitality and human resources.

The Chairperson and Chief Executive Officer and Committee senior management take this report very seriously. As indicated in the following pages, the Committee has already implemented process changes in a number of areas identified for improvement. In addition, follow-up actions have been planned for 2016-2017 and subsequent years to implement and monitor the Report's recommendations.

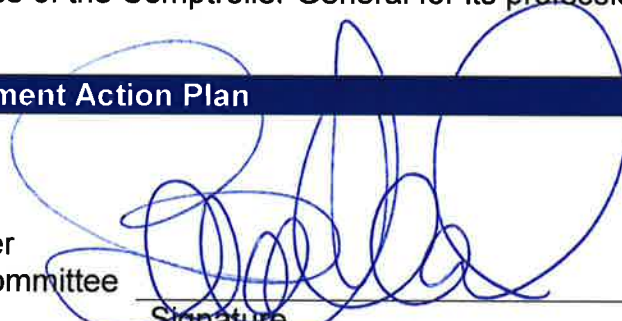

The Committee wishes to thank the Office of the Comptroller General for its professional services.

Audit Entity Sign Off on the Management Action Plan

Bruno Hamel
Chairperson and Chief Executive Officer
Military Grievances External Review Committee

Signature

Date

Recommendations	Priority	Response and Planned Actions	Responsibilities (Position title responsible for the action)	Timelines
<p>1. The MGERC should ensure that:</p> <ul style="list-style-type: none"> ▪ Appropriate approval authorities for travel in accordance with the Treasury Board <i>Directive on Travel, Hospitality, Conference and Event Expenditures</i> are stated on the specimen signature cards and reflect the travel authorities in the Financial Delegation Chart; and ▪ Employees who are on acting assignments and who have been delegated financial authorities receive mandatory training before they exercise their delegated authority. 	M	<p>Response: The Committee accepts the recommendation.</p> <p>Planned Actions: Completed</p> <p>In January 2016, the Committee modified its organizational structure. As a result, the Director, Operations and General Counsel position now reports directly to the Chairperson and CEO and is therefore in line with the <i>Treasury Board Directive on Travel, Hospitality, Conference and Event Expenditures</i>, which requires that only Senior Departmental Manager level positions can be delegated approval authorities for travel. The Committee's Delegation of Authorities for Financial Administration Instrument and the specimen signature cards have been updated to reflect the changes.</p>	Chief Financial Officer (CFO)	Completed

Priority Legend
L – Low; M – Medium; H – High

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		<p>Specimen signature cards are now reviewed and updated on an annual basis, at the end of March, as part of the Committee's budget approval business process.</p> <p>All managers have attended the Authority Delegation Training provided by the Canada School of Public Service.</p> <p>To ensure compliance with the <i>Policy on Learning, Training and Development</i>, Human Resources must confirm that the acting manager is up-to-date with Authority Delegation Training, and specimen signature cards are updated accordingly.</p>		
<p>2. The MGERC should ensure that business processes are improved and consistently performed in compliance with the Treasury Board <i>Contracting Policy</i> and that documentation</p>	<p>H</p>	<p>Response: The Committee accepts the recommendation.</p> <p>Planned Actions: Short term: Completed</p>	<p>CFO</p>	<p>March 2017</p>

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<p>is retained on file to ensure that:</p> <ul style="list-style-type: none"> ▪ Statements of work are developed and explicitly defined prior to contract award; ▪ Non-competitive contract files include sole-source justification in accordance with section 6 of the <i>Government Contracts Regulations</i>; ▪ Best-value analysis is performed prior to contract award; ▪ Appropriate procurement vehicles are chosen and used in compliance with their terms and conditions; ▪ Clarification is sought with respect to its authority to enter into contracts for legal services; ▪ Bid evaluation criteria are 		<p>To reduce the risk of non-compliance with the <i>Contracting Policy</i>, the Chief Financial Officer (CFO) now approves contracts.</p> <p>The DCFO is now responsible for ensuring that that all documentation supporting the issuance of a contract is retained on file and that:</p> <ul style="list-style-type: none"> ▪ Statements of work are developed and explicitly defined prior to contract award; ▪ Non-competitive contract files include sole-source justification in accordance with section 6 of the <i>Government Contracts Regulations</i>; ▪ Best-value analysis is performed prior to contract award; ▪ Appropriate procurement vehicles are chosen and used in compliance with their terms and conditions; ▪ Bid evaluation criteria are on RFP documents and are used for contractor selection in an open, fair and transparent 		

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<p>on RFP documents and are used for contractor selection in an open, fair and transparent manner for competitive contracts;</p> <ul style="list-style-type: none"> ▪ Contracts and amendments are approved by an appropriate delegated authority before the goods and services are received; ▪ Contract amendments are properly justified and substantiated; and ▪ Contracts valued at over \$10,000, specifically, call-ups against standing offers and applicable contract amendments, are publicly disclosed. 		<p>manner for competitive contracts;</p> <ul style="list-style-type: none"> ▪ Contracts and amendments are approved by an appropriate delegated authority before the goods and services are received and; ▪ Contract amendments are properly justified. <p>The DCFO has developed a verification checklist to support CFO contract approval. The checklist ensures that all proper documentation is on file.</p> <p>Long term: By the end of March 31, 2017, the Committee will:</p> <ul style="list-style-type: none"> ▪ Document the commonly-used procurement instruments, including the acquisition card, purchase orders, call-ups against standing offers, supply arrangements, contracts and MOUs; 		

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		<ul style="list-style-type: none"> ▪ Review and update its procurement guidelines, procedures, tools and templates; ▪ Clarify roles and responsibilities between managers, administrative assistants and the procurement officer; ▪ Provide training on the <i>Contracting Policy</i> to managers and administrative assistants – employees of the Financial Services Division will also attend the training session. <p>Clarification is being sought to determine the impact of section 29.19 (2) of the <i>National Defence Act</i> with respect to the Committee's authority to enter into contracts for legal services.</p>		
3. The MGERC should ensure that business processes are improved and consistently	M	<p>Response: The Committee accepts the recommendation.</p>	CFO	September 2016

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<p>performed in compliance with the National Joint Council <i>Travel Directive</i>, and that documentation is retained on file to ensure that:</p> <ul style="list-style-type: none"> ▪ Justification for post-authorization of travel requests is obtained; and ▪ Accommodations are selected from a pre-approved government supplier list or within the city rate limit, where applicable, and justification and/or manager's approval is kept on file when the limit identified in the Government Accommodation Directory is exceeded or when the hotel is not included on the list. 		<p>Planned Actions:</p> <p>In March 2016, all employees were informed by email of:</p> <ul style="list-style-type: none"> ▪ the importance of the requirement to obtain authorization prior to travel, or to include documentation with the travel claim to justify the post-authorization of travel; ▪ the requirement to select accommodations from the pre-approved government supplier list or within the city rate limit, or to include documentation with the travel claim to justify not having done so. <p>To reduce the risk of non-compliance with the National Joint Council <i>Travel Directive</i>, the process of issuing a travel authorization number has been centralized to the DCFO position until the travel business processes are updated.</p>		

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		<p>By the end of September 2016, travel business processes including guidelines, procedures, tools and templates will be updated to ensure cost-efficiency and compliance with the National Joint Council <i>Travel Directive</i>.</p> <p>In September 2016, training on the <i>Directive on Travel, Hospitality, Conference and Event Expenditures</i> will be provided to managers and administrative assistants. Employees of the Financial Services Division will also attend the training session.</p>		
<p>4. The MGERC should ensure that documentation supporting hospitality events is retained on file, more specifically, that:</p> <ul style="list-style-type: none"> ▪ Planning documentation reasonably justifies the operational need for the hospitality expenditures, especially in situations 	H	<p>Response: The Committee accepts the recommendation.</p> <p>Planned Actions: In March 2016, all employees were informed by email of:</p> <ul style="list-style-type: none"> ▪ the requirement to complete the new travel, 	DCFO	September 2016

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<p>where hospitality is extended to a gathering of public servants only, in accordance with the Directive; and</p> <ul style="list-style-type: none"> ▪ The most efficient and economical alternatives for hospitality events have been considered in the approval process and are appropriately documented. 		<p>hospitality, conference and event expenditures authorization form to obtain pre-authorization for hospitality/events and to maintain this documentation on file;</p> <ul style="list-style-type: none"> ▪ the requirement to justify the operational need for hospitality expenditures and to demonstrate that the most efficient and economical alternatives for hospitality events have been considered. <p>By August 2016, to address both parts of this recommendation, a new travel, hospitality, conference and event expenditures authorization form will be developed to ensure compliance with the Directive on <i>Travel, Hospitality, Conference and Event Expenditures</i>.</p> <p>By September 2016, training on the <i>Directive on Travel, Hospitality, Conference and Event Expenditures</i> will be provided to managers and administrative assistants. Employees of the</p>		

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		Financial Services Division will also attend the training session.		
<p>5. The MGERC should ensure that:</p> <ul style="list-style-type: none"> ▪ Funds commitment availability is documented, performed prior to expenditure initiation and recorded in a timely manner. ▪ For overtime pay, funds commitment availability is certified by someone with the proper delegated authority, prior to the expenditure initiation and at the value expected to be incurred. 	H	<p>Response: The Committee accepts the recommendation.</p> <p>Planned Actions: Completed</p> <p>To reduce the risk of non-compliance with the <i>Directive on Expenditure Initiation and Commitment Control</i>, expenditure initiation has been limited to the Chairperson & CEO, the Executive Director, Corporate Services & CFO, the Director, Operations and General Counsel, and the DCFO.</p> <p>In March 2016, training sessions were provided to responsibility centre managers and administrative assistants. The training session covered the <i>Directive on Expenditure Initiation</i></p>	CFO	Completed

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		<p><i>and Commitment Control</i> and the importance of documenting expenditure initiation.</p> <p>In March 2016, all employees were informed by email of the procedure to request and document overtime prior to the execution of the overtime. Requests and approval of this nature are filed electronically, enabling monitoring.</p>		
<p>6. The MGERC should ensure that the performance of account verification is always supported with proof of execution and cost.</p>	<p>M</p>	<p>Response: The Committee accepts the recommendation.</p> <p>Planned Actions: Completed</p> <p>In March 2016, an email was sent to responsibility centre managers and administrative assistants to inform them that performance of account verification must always be supported with proof of execution and cost.</p>	<p>CFO</p>	<p>Completed</p>

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Recommendations	Priority	Response and Planned Actions	Responsibilities <i>(Position title responsible for the action)</i>	Timelines
		<p>In March 2016, training sessions were provided to responsibility centre managers and administrative assistants. The training session covered the <i>Directive on Delegation of Financial Authorities for Disbursements</i>, the <i>Directive on Account Verification</i> and <i>Directive on Acquisition Cards</i>.</p> <p>The number of critical errors will be used as a performance indicator in managers' PMPs related to the certification of expenditures (section 34 of the FAA).</p>		

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