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## Audit of Accuracy and Efficiency of Financial Coding

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## Acronyms and Abbreviations

ADM(Fin CS)	Assistant Deputy Minister (Finance and Corporate Services)
CEDI	Common Enterprise Data Initiative
CoA	Chart of Accounts
CRS	Chief Review Services
DAO	Departmental Accounting Office
DFA	Director Financial Accounting
DFPP	Director Financial Policy and Procedures
DG Fin Ops	Director General Financial Operations
DND	Department of National Defence
FY	Fiscal Year
GL	General Ledger
GL CoA WG	General Ledger Chart of Accounts Working Group
L1	Level One
NDHQ	National Defence Headquarters
O&M	Operations and Maintenance
OPI	Office of Primary Interest
SA	System Adjustment
SO	Standard Objects
TB	Treasury Board
TBS	Treasury Board Secretariat



## Results in Brief

This audit was undertaken by Chief Review Services (CRS) to assess the accuracy and efficiency of the coding in the Department of National Defence (DND) financial information system. With respect to financial coding, optimizing the level of accuracy and maximizing efficiency can be competing objectives. This audit focused on the information needs of managers at the departmental and local levels and on understanding the balance between accuracy and efficiency of financial coding.

### Overall Assessment

Although no material inaccuracies or inconsistencies in financial coding were observed at the departmental level, automated monitoring would be an efficient means to improve the level of accuracy of financial records.

## Findings and Recommendations

### Accuracy, Consistency and Efficiency of Financial Coding

At the departmental level, accuracy and consistency of financial coding did not appear to be an issue. Extensive data analysis was performed during the audit; in addition, a small sample of all transactions was selected for testing and no material<sup>1</sup> errors in coding were observed.

However, from the perspective of local managers, errors in financial coding may have a material impact on the quality of information they receive for decision making and this may affect their achievement of performance objectives. Instances of miscoding were observed that could impact the accuracy and the consistency of financial information at the local level. These errors mostly pertained to incorrect general ledger (GL) coding, coding of transactions to ambiguous “catch-all accounts” and default coding of acquisition cards to inappropriate GL accounts without the required reallocation.

From an efficiency perspective, the cost-benefit of making adjusting entries to reallocate or correct miscoding of immaterial amounts may warrant examining.

It is recommended that automated means to identify potentially inaccurate and inconsistent coding of transactions be developed and that the default coding for each acquisition card be aligned with its most appropriate GL account.

### Monitoring of Financial Transactions

The Department monitors both automated (i.e., system-generated) and manually entered financial transactions. Monitoring is performed by numerous units in the Department and takes various forms such as pre- and post-payment verification of transactions, local level monitoring by fund managers, and annual verification of year-end balances for high-risk GL accounts.

<sup>1</sup> For purposes of the audit, materiality was set at \$250,000 and was based on the threshold amount above which payments to suppliers are deemed to be high risk.

Improving the uniformity and timeliness of monitoring efforts across the Department would increase the reliability of financial information and would allow for the effective implementation of continuous monitoring initiatives. For example, the Departmental Accounting Offices' (DAO) monitoring and sampling procedures related to pre- and post-payment verifications are not standardized and in some cases lacked the timeliness to be effective.

It is difficult to monitor transactions used to correct original entries or reallocate expenses due to a lack of traceability. Specifically, there is no requirement to relate adjusting entries to original entries, thus making their verification difficult without further supporting documentation. In addition, description fields pertaining to adjusting entries are often blank or inconsistently completed. Without a clear description, it is difficult to determine whether the transactions are accurately coded.

It is recommended that the Department develop a monitoring strategy to ensure the following:

- Monitoring results are tracked by a central body to determine the need for additional training or guidelines;
- DAO transaction monitoring procedures are standardized;
- Risk-based monitoring of transactions including system adjustments (SA) is being performed;
- Continuous automated monitoring of transactions is completed to efficiently ensure timely error detection; and
- The completion of the description field for SA transactions is mandatory and that a prescribed format is developed.

### **Framework for Financial Coding**

The departmental framework for financial coding practices—including detailed guidance on financial coding, financial user certification, training resources, roles and responsibilities regarding updating the chart of accounts (CoA), and the CoA Working Group, among others—is well established and is in compliance with relevant Treasury Board (TB) directives.

Treasury Board Secretariat (TBS) has launched the Common Enterprise Data Initiative (CEDI) that has, as one of its goals, the standardization of the CoA for all government departments. To achieve this, TBS has created the Departmental Chart of Accounts and Common Line Object (GL Account) Working Group. Because of its complexity and unique information requirements, it is important that DND ensures its coding needs are reflected in the standardized CoA. The Department has been proactive in this initiative by having representation on the Working Group and by keeping DND stakeholders informed about the process.

It is recommended the Department continue its participation in the TBS Working Group and that relevant departmental stakeholders be kept informed of Working Group decisions that could affect them.

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**Note:** For a more detailed list of CRS recommendations and management response, please refer to [Annex A](#)—Management Action Plan.

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## Introduction

### Background

The accuracy and consistency of financial transaction coding affects the integrity of financial statements and reports. Ensuring that the financial information in DND’s financial system is accurate and that transactions are consistently coded is complicated by the decentralized structure of the Department, by the high number of users who enter data and by the different information needs of various organizations.

DND currently uses the CoA structure shown in Table 1. This structure is the basis for departmental financial reporting and is consistent with the structure used by other government departments.

Coding Elements	Purpose	Example
Company Code	Identifies the government agency	0180 = DND
Fund	Identifies the source and broad purpose of funding	L101 = Operating Expenditures
Fund Centre	Identifies who is providing the money	0976AA = CRS
Cost Centre	Identifies who is spending the money	0976AA = CRS
Work Breakdown Structure Element	Used instead of Cost Centers for costs identified with a capital project	00000485 = Mortar Glove
Internal Order	An optional means relating cost to activity	601880 = Operation Eclipse
Program Activity Code	Identifies the program or activity carried out	050000 = Maritime Readiness
GL Account	Identifies what the money is used on	2106 = Locally Authorized Travel

**Table 1. DND Chart of Accounts Structure.** This table gives examples and describes the purpose of all coding elements currently used by DND.

### Objectives

The objective of this audit was to assess the management control framework with respect to financial coding to ensure the accuracy, consistency and efficiency of coding practices. The criteria used to assess the objective can be found in [Annex B](#).

### Scope

The audit was department-wide in scope and included all financial transactions coded to Standard Objects (SO) 01 to 12 during fiscal year (FY) 2009/10. In addition, all transactions that originated from the Automated Cashier System and the Pay Systems, as well as all payments to vendors were included, regardless of the SO.

## Methodology

The audit team used the following methodology to complete the audit:

- Interviewed key stakeholders in Director General Financial Management and Director General Financial Operations within the Assistant Deputy Minister (Finance and Corporate Services) (ADM(Fin CS)) organization, members of the GL Chart of Account Working Group (GL CoA WG) and various comptrollers;
- Conducted a survey of randomly selected financial system users who had entered financial transactions during FY 2009/10;<sup>2</sup>
- Reviewed policies, directives and instructions;
- Performed extensive data analysis on financial transactions; and
- Reviewed source documents to validate the data analysis findings.

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<sup>2</sup> A survey was sent to 240 users with different roles in different organizations; 97 users responded to the survey.



## Findings and Recommendations

### Accuracy, Consistency and Efficiency of Financial Coding

The audit team did not observe evidence to suggest that inaccuracies in financial coding are resulting in materially misstated information at the departmental level. However, there were incidences of miscoded transactions that may have a material impact on the accuracy and consistency of financial information available to local managers. Efficiency can be improved by determining the cost-benefit of reallocating immaterial amounts.

#### Departmental Perspective

The audit team conducted extensive data analysis to determine the accuracy and consistency of financial coding from a departmental perspective. This included analyzing the coding of transactions uploaded to the financial system from the Department's pay systems, reviewing irregular system-generated transactions, examining consistency of coding for payments to vendors who operate in a specific industry, and determining whether specific services or commodities are consistently coded to specific GL accounts. In some cases, findings from data analysis were further substantiated by review of source documents relating to the sampled transactions.

The analysis did not reveal any material errors<sup>3</sup> in the financial coding of transactions in the SO within the scope of this audit. As well, transactions from systems such as the pay-related systems were posted to expected GL accounts. As a result, from a departmental perspective, there is no indication of significant inaccuracies and inconsistencies in financial coding.<sup>4</sup>

#### Local Manager Perspective

Local managers within the Department have a lower materiality threshold as they operate with smaller budgets, thus miscoding which is immaterial at the departmental level may have a significant impact at the local level. The data analysis found indications of transactions being coded inaccurately or inconsistently. As a result of miscoding of transactions, local managers could be making decisions based on inaccurate information. As well, inconsistently coded transactions at the local level can affect the comparability of information between fiscal periods or between organizations. It can also impede departmental initiatives to reduce or monitor spending in particular areas because baseline information is inaccurate.

Based on the data analysis conducted on GL accounts within SO 01-12, there are opportunities to enhance the accuracy and consistency of financial coding at the local level. For example:

<sup>3</sup> The materiality applied was based on the Department's definition of high-risk financial transactions, which are transactions over \$250,000.

<sup>4</sup> Due to the planned Audit of Financial System Adjustment Entries and the extensive resources required in providing high-level assurance to the accuracy and consistency of the posting of SA transactions, there was limited testing performed on these transactions. However, the SA transactions that were tested were appropriately coded.



- Some expenses were intentionally coded to unrelated GL accounts so that they could be more easily tracked. Although correcting entries were made to transfer most of these expenses to the correct GL accounts, not all entries were reallocated. The data analysis revealed that some travel expenses had been inaccurately coded to scarcely used GL accounts such as Urea, Banking Services, Radar Equipment and Experimental Animals.
- Some acquisition cards were also intentionally default-coded to incorrect GL accounts. One of the results of this practice was that the Property Tax Expense account was overstated by approximately \$156,000 for FY 2009/10 as unrelated expenses were not reversed at year end. In fact, default coding of acquisition card purchases to a GL account that does not reflect the majority of purchases appears to be a common practice in the Department. Of acquisition card holders who responded to the survey, 34 percent stated that the default coding of their card was not to the most appropriate GL account. This leads to errors as some items are missed in the reallocation and it leads to inefficiencies as users must spend time entering adjusting entries to reallocate the original posted amounts.
- Transactions were coded to “catch-all” accounts such as Other Professional Services and Other Business Services when more specific accounts would provide better management information. With respect to SO 04 (Professional & Special Services), 22 percent of transactions by volume were coded to generic GL accounts. Transactions related to bookkeeping had been coded to generic accounts such as Other Professional Services or Other Business Services when the Accounting and Audit Services GL account might have been more suitable. Similarly, transactions related to Computer Training courses were coded to Other Professional Services when use of GLs such as Purchasing Training Packages/ Courses or Educational Consulting Services would have been more precise.
- Industry or commodity specific vendors’ transactions were coded to GL accounts for goods and services that these vendors do not normally provide. There were instances where transactions from a telecommunication company were coded to 11 GL accounts not related to telecommunication services or equipment. For example, some of these transactions were coded to GL accounts related to Tuition, School Supplies, Personal Computers and Office Furniture. Also, transactions related to a rental car company were coded to five GL accounts besides those related to travel or car rentals. For example, some transactions were charged to GL accounts such as Assessment of Potentially Contaminated Sites, and Repair, Maintenance and Modification of Airframes.

### Accuracy Versus Efficiency of Coding

Miscoding of transactions creates inefficiencies because adjusting entries then have to be made. For FY 2009/10, there were 4,095,584 transaction lines (for example, invoices, adjusting entries, etc.) entered manually in the Department’s financial accounting system of which, 1,165,318 or 28.5 percent were adjusting entries. Specifically, 95,169 or 8.2 percent of these manually entered SA transaction lines were made to improve cost allocation of transactions less than \$100 in value. The sole purpose of these entries was to move funds between Fund Centres or Cost Centres with no change in the GL coding. Examples of such transactions include instances where long distance telephone charges of 83 cents and postage charges of 54 cents were transferred from one cost centre to



another. Although the costs involved in processing these low dollar-value entries were not calculated, the Department should investigate whether the accuracy gained by making these small adjustments is worth the resources utilized in creating and processing such transactions.

### **Recommendation**

1. The Department should explore the use of data analysis techniques as an efficient method to identify areas of concern in terms of accuracy, consistency and efficiency of financial coding and use this information to develop value-added and risk-appropriate targeted solutions.

**OPI:** ADM(Fin CS)



## Monitoring of Financial Transactions

The uniformity and timeliness of the monitoring of financial coding could be improved and lessons learned from the results of monitoring activities should be communicated. Because of a lack of traceability and of consistency, SAs are difficult to validate.

### Current Monitoring of Coding Practices

Approximately 64 percent of all financial system transactions are automated. These transactions are either system-generated, such as amortization of capital assets, or uploaded to the financial system from other systems such as the pay systems. The remaining 36 percent of financial transactions are manually entered by individual users. A decentralized approach is used to input these transactions, as confirmed by the fact that 95 percent of individuals who entered financial transactions in FY 2009/10 averaged less than five per day. The decentralized structure and the low volumes processed by many users can increase the risk of coding mistakes or inconsistencies.

Various organizations within the Department conduct different forms of monitoring to ensure the accuracy of financial coding. Monitoring practices identified in this audit include pre- and post-payment verifications, verification of any illogical balances, and monitoring conducted by local managers.

- In accordance with the *Financial Administration Act* requirements, the DAOs perform pre- and post-payment verifications which include a review of the accuracy of financial coding. The results of these verifications are communicated to the comptroller of the unit being reviewed.
- Director Financial Accounting (DFA) completes a verification of illogical GL balances, with a focus on high-dollar value items and those displaying large variances which could impact the accuracy of external financial reporting. Sample transactions are selected based on illogical GL balances, variation from budget, and deviation from historical balances. These transactions are investigated to ensure the information is accurate.
- Managers and comptrollers at all levels monitor, to some degree, those financial transactions which impact on their budget. The reviews generally include some verification of the accuracy and consistency of financial coding. Survey respondents indicated that, when these reviews are conducted, financial transactions are monitored to ensure transactions are coded to the correct Fund, GL account and Cost Centers.

### Uniformity and Timeliness of Monitoring

As noted in the Review of Implementation of Modern Management completed by CRS in 2010, pre- and post-payment verification processes are not uniform. Although the regional DAOs monitor financial coding as part of the pre- and post-payment verification process, their monitoring and sampling procedures are not standardized. In addition, the timeliness of monitoring efforts could be improved to ensure that inaccuracies in coding are detected and corrective actions are taken in a reasonable timeframe. For example, the post-payment verification cycle for one of the examined DAOs is 18 months. As a result, financial coding errors relating to the previous fiscal year might not be corrected.



Inconsistencies in approach impact the Department's ability to effectively consolidate information obtained through DAO monitoring efforts. Currently, the findings of the individual DAOs' pre- and post-payment verifications are not compiled at the departmental level. This reduces the Department's ability to implement a department-wide continuous monitoring initiative to generate on-going improvement in coding practices.

### **Monitoring of System Adjustment Transactions**

For FY 2009/10, 66 percent of users of the Department's financial accounting system processed adjusting entries in the system and 28.5 percent of all manually posted transactions were SA transactions.

Currently, monitoring of SA transactions for accuracy and consistency can only be done by managers and comptrollers at the local level. It is difficult for the Department to centrally monitor SA transactions because of the following deficiencies in its financial accounting system:

- The financial accounting system does not require SA transactions to be linked to original entries. Therefore, it can be difficult to determine whether original transactions were subsequently re-coded to another account. Conversely, the details of the original transactions may not be apparent to users when an SA transaction is being examined.
- In FY 2009/10, 3,242 users entered SA transactions. The description field in the financial accounting system is not mandatory and not standardized and the level of detail entered into the field varies. For the SA transactions reviewed, the level of detail ranged from a clear reference to the original transaction along with a rationale for the adjustment to description fields that were left blank. For the fiscal year audited, 9.3 percent of all manually entered SA transactions had a blank description field. This lack of detail makes it difficult to determine whether the SA transaction is coded accurately.

### **Recommendation**

2. ADM(Fin CS) should develop a monitoring strategy to ensure that
  - A central body reviews the results of DAO monitoring activities to determine the need for additional training or guidelines;
  - DAO monitoring procedures are standardized;
  - A risk-based approach to monitoring SA transactions is performed;
  - Continuous automated monitoring of transactions is completed to efficiently ensure timely error detection; and
  - The completion of the description field for SA transactions be made mandatory and that a prescribed format be developed.

**OPI:** ADM(Fin CS)



## Framework for Financial Coding

DND has developed adequate guidance and training materials on financial coding, and its CoA is consistent with Central Agency requirements. However, the implementation of the Government of Canada's CEDI on the Chart of Accounts and Line Object Codes Standardization could have a significant impact on the departmental framework and its ability to meet management's information requirements.

### Consistency with External Requirements

The Department's financial coding structure is consistent with the requirements of the TB Directive on Recording Financial Transactions in the Accounts of Canada. This directive assigns responsibility and accountability to the Department for developing and maintaining a departmental CoA that is consistent with the government financial system.

The Department's current CoA, which includes various coding elements, is intricate and very structured. It allows the Department to summarize financial data for both internal and external reporting purposes and provides additional financial data for other management purposes.

#### **Departmental Chart of Accounts and Common Line Object Codes**

- Defines a Government of Canada standardized structure for departmental CoA that could result in changes to DND's current CoA.
- Implementation is expected to occur for the start of FY 2012/13.

### Maintenance of the Departmental Chart of Accounts

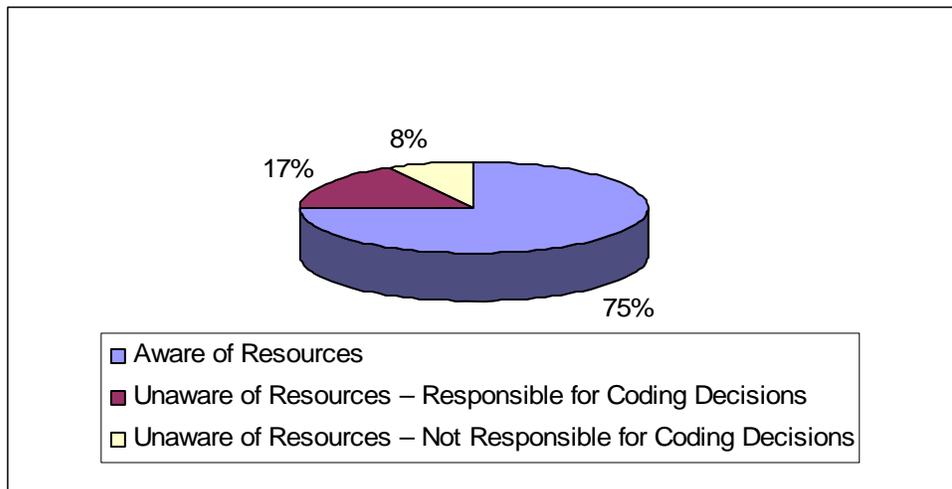
It is essential for the Department to continuously monitor and update its CoA to ensure its relevance and accuracy. Any changes should take into account the impact on comparability of information to prior fiscal years. The key players involved in the maintenance of the Department's CoA include the Director Financial Policy and Procedures (DFPP), Level One (L1) Comptrollers, DFA and the GL CoA WG. Overall, there are clear roles and responsibilities within the Department with respect to creating, deleting, renaming and defining the various coding elements within the CoA.

In particular, the GL CoA WG, created as a result of a CRS recommendation in the Audit of NDHQ O&M Expenditures (2006), provides a centralized and consultative forum for the identification and discussion of changes to the Department's GL CoA. Members of the GL CoA WG include representatives within ADM(Fin CS) and Comptrollers from 8 of the 10 highest-spending L1s. The Working Group discusses relevant and timely topics, and results from its decisions are incorporated into changes to the GLs. Part of its mandate is to create definitions for all GL accounts. The GL CoA WG, along with DFPP, has provided definitions for GL accounts in SO 01 to 04, 10 and 12. However, there is no completion timeline for the GL accounts included in the other SO.

**Training and Guidance Provided to Users**

For FY 2009/10, approximately 4,900 users entered transactions in the Department’s financial system, of which 95 percent entered five or less transactions a day.

Training and guidance with respect to departmental financial coding is available to these individuals, including the Financial Administration Manual, Financial System User Role Certification, detailed GL code descriptions sorted by SO and other information offered on the DFPP Intranet site. These resources provide clarification and guidance with respect to the coding of financial transactions. Of the survey respondents, 75 percent (see Figure 1) indicated that they were aware of these departmentally developed references regarding financial coding. An additional 19 percent consult with managers, co-workers and comptroller staff to resolve queries or concerns with respect to financial coding.



**Figure 1. Awareness of Resources on Financial Coding.** 75 percent of individuals surveyed were aware of resources. The data is summarized in Table 2.

Awareness of Resources	Percentage
Aware of Resources	75%
Unaware of Resources – Responsible for Coding Decisions	17%
Unaware of Resources – Not Responsible for Coding Decisions	8%

**Table 2. Awareness of Resources on Financial Coding.**

**Common Enterprise Data Initiative**

In June 2010, the Financial Systems Authority group within the Office of the Comptroller General initiated the CEDI. CEDI is a framework to meet stakeholder requirements for better information and improved financial management services. A component of this initiative, guidelines on Departmental Chart of Accounts and Common Line Object Codes, includes defining a Government of Canada common structure for departmental CoA which incorporates a consistent classification, recording, aggregation and reporting of financial transactions within departmental financial and material management

systems.<sup>5</sup> By establishing a common standard for coding, it is expected that consolidation and comparability of departmental financial information will be improved. The standard on the Departmental Chart of Accounts and guideline on Common Line Object Codes were completed in July 2011<sup>6</sup> and are expected to be implemented in FY 2011/12.

The standard on Departmental Chart of Accounts and guideline on Common Line Object Codes are expected to provide guidance for the departmental CoA, including the use of common line objects published by the Office of the Comptroller General. This guideline is being drafted by a working group comprised of representatives from various departments. As of April 2011, the Working Group focused on Common Line Objects that are common amongst all departments, and excluded Department Specific Line Objects from the scope of this guideline.

During FY 2010/11, when the Working Group was preparing the draft guideline, the Department was represented by an analyst from DFPP and an analyst from the Director Financial Accounting – Operations. Due to the size, variety and complexity of activities at DND, it is essential for the Department to continue to have sufficient representation to ensure the compatibility between the Common Line Objects, Department Specific Line Objects and the Department's requirement for financial information.

In order to ensure that the information needs of management continue to be met, DFPP has kept the other departmental organizations informed of the Working Group's decisions. This strategy improves the likelihood that issues that could affect the organization's information requirements will be identified as early as possible and brought to the Working Group for resolution.

### Recommendation

3. In anticipation of the implementation of CEDI's Chart of Accounts and Line Object Codes initiative by the end of FY 2011/12, the Department should continue its active involvement in the General Ledger Chart of Accounts Working Group to ensure its own information and overall financial reporting requirements are met. Also stakeholders within DND should continue to be kept informed of developments on a timely basis so that potential issues can be submitted to the Working Group as soon as possible.

**OPI:** ADM(Fin CS)

<sup>5</sup> CEDI, Standard on Departmental Chart of Accounts Concept Paper, Office of the Comptroller General of Canada, Financial System Authority Version 1, March 31, 2011.

<sup>6</sup> The standard on Departmental Chart of Accounts and guideline on Common Line Object Codes were completed in July 2011, after the conduct phase of this audit was completed. While CRS has not reviewed the changes, a DND subject matter expert has reported that there would be very little impact on the Department's CoA as DND-specific accounts dealing with the military or NATO, for example, are excluded from the guideline. The recommendation continues to be relevant until the completion of the implementation phase expected by the end of FY 2011/12.



## Annex A—Management Action Plan

### Accuracy, Consistency and Efficiency of Financial Coding

#### CRS Recommendation

1. The Department should explore the use of data analysis techniques as an efficient method to identify areas of concern in terms of accuracy, consistency and efficiency of financial coding and use this information to develop value-added and risk-appropriate targeted solutions.

#### Management Action and Target Date

- Communication will be issued to RC Managers to reinforce the alignment of default coding to the most representative general ledger (target date: March 2012)
- Complete the documentation of control activities (target date: March 2014)
- Remedial control design deficiency (target date: May 2015)
- Implement new controls (target date: March 2016)

**OPI:** ADM(Fin CS)/DG Fin Ops

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### Monitoring of Financial Transactions

#### CRS Recommendation

2. ADM(Fin CS) should develop a monitoring strategy to ensure that
  - A central body reviews the results of DAO monitoring activities to determine the need for additional training or guidelines;
  - DAO monitoring procedures are standardized;
  - A risk-based approach to monitoring SA transactions is performed;
  - Continuous automated monitoring of transactions is completed to efficiently ensure timely error detection; and
  - The completion of the description field for SA transactions be made mandatory and that a prescribed format be developed.



### Management Action

- DG Fin Ops is in the process of implementing a Central Departmental Accounting Office and a review of the Post-Payment Verification process will be a priority for the section;
- Policy will be revised as needed to ensure that it is current and relevant and complies with central agencies requirements;
- Standard processes, tools, and reporting will be developed for the use of all Regional Departmental Accounting Offices; and
- A framework will be developed to ensure results are monitored, feedback is provided through appropriate mechanisms, corrective actions are taken when required, training is modified as needed, and remediation is applied when warranted.

**OPI:** ADM(Fin CS)/DG Fin Ops

**Target Date:** March 2013

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### Framework for Financial Coding

#### CRS Recommendation

3. In anticipation of the implementation of CEDI's Chart of Accounts and Line Object Codes initiative by the end of FY 2011/12, the Department should continue its active involvement in General Ledger Chart of Accounts Working Group to ensure its own information and overall financial reporting requirements are met. Also stakeholders within DND should continue to be kept informed of developments on a timely basis so that potential issues can be submitted to the Working Group as soon as possible.

### Management Action

- DG Fin Ops will provide improved representation for the working group; and
- Through implementation of CEDI, DG Fin Ops will review and implement improvements with respect to the updating and maintenance of the CoA.

**OPI:** ADM(Fin CS)/DG Fin Ops

**Target Date:** March 2013



## Annex B—Audit Criteria

### Objective

To assess the management control framework with respect to financial coding to ensure the accuracy, consistency and efficiency of coding practices.

### Criteria

- Coding practices result in accurate, consistent information that is processed in an efficient manner in the departmental financial system.
- Monitoring of coding practices ensures coding errors are detected and communicated in a timely manner to facilitate continuous improvement of the coding process.
- A framework is in place to manage the Department's CoA and ensure compliance with central agency requirements.

