

MANAGEMENT RESPONSE AND ACTION PLAN
Audit of Procurement and Contracting at Health Canada and the Public Health Agency of Canada

Recommendations	Management Response and Planned Actions	Deliverable	Completion Date*	Accountability Responsibility
<p>Recommendation 1 The Chief Financial Officer, Health Canada, should conduct regular analysis of contract types not meeting service standards to identify underlying issues and take appropriate actions to address them, including working with management as necessary.</p>	<p>Management agrees with the recommendation. As the report acknowledges, the Client Cost Centre Manager, Procurement Officer, and Security Division all have a role to play in the procurement process. The Material and Asset Management Division (MAMD) has the ability to identify the status and responsibility of any given file by type at any given time, all of which culminate in the service reports discussed herein. A regular analysis of this information will be provided to the Director General, Financial Operations Division (DG FOD) and CFOs, and shared with both ECs.</p>	<p>1.1 CFOB will post quarterly service standard reports on its intranet webpage</p>	<p>October 31, 2019</p>	<p>DG FOD</p>
		<p>1.2 FOD/MAMD will conduct an analysis of various contract types and issues that affect the ability for MAMD and management to meet service standards.</p>	<p>December 31, 2019</p>	<p>DG FOD</p>
		<p>1.3 FOD/MAMD will use the results of the report to work with management teams and develop improvement plans, including training and tools.</p>	<p>March 31, 2020</p>	
		<p>1.4 FOD/MAMD will work with management to determine the appropriateness of the various standards and focus on adjusting some standards if/where appropriate.</p>	<p>September 30, 2020</p>	

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<p>Recommendation 2 The Chief Financial Officer, Health Canada, should identify the underlying reasons why all low dollar value (LDV) contracts were not picked up in a timely manner and take corrective action.</p>	<p>Management agrees with the recommendation.</p> <p>While there is always room for improvement, 98.3% of LDV requests were picked up within the service timeline (with 59.2% of those having a contract in place in less than half of the standard time). Management will ensure that supervisors confirm all requests are picked up within 72 hours or returned to the client if incomplete.</p> <p>Additionally, it should be noted that MAMD has regular discussions with branches to determine the relative priority of their files. This helps ensure that the most critical and urgent procurement needs are addressed in the most expedient fashion. This means that during busy periods, some of the LDV contracts that are in many cases less important to the branch may be delayed.</p>	<p>2.1 Verification of requisition pick-up will be added to the assurance, analytics, and reporting team's regular worklist.</p> <p>2.2 Review service standards for LDV requests and present results of analysis and advice/options (Rec 1) to governance tables for input and advice.</p>	<p>December 31, 2019</p> <p>November 30, 2019 for advice; March 31, 2020 implement recommendations.</p>	<p>DG FOD</p> <p>DG FOD</p>

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<p>Recommendation 3</p> <p>The Chief Financial Officer and the Assistant Deputy Minister, Corporate Service Branch, should ensure that clear direction is communicated to Cost Centre Managers and Procurement Officers on the mandatory requirements of completing the Security Requirement Checklist for all Health Canada and Public Health Agency of Canada contracts.</p>	<p>Management agrees with the recommendation.</p> <p>CSB will collaborate with MAMD to assist with guidance on the use of Security Requirement Checklist;</p> <p>CSB will collaborate with MAMD on a training and awareness package for both HC and PHAC Cost Centre Managers.</p>	<p>3.1 Question and answer package for SRCLs</p> <p>3.2 Training and awareness package</p>	<p>November 30, 2019</p> <p>December 31, 2019</p>	<p>Executive Director (ED) & Departmental Security Officer (DSO) HC in consultation with DG FOD.</p> <p>ED&DSO HC in consultation with DG FOD.</p>
<p>Recommendation 4</p> <p>The Chief Financial Officer, Health Canada, should ensure that the quality assurance process is followed and that monitoring is based on acceptable risk tolerance.</p>	<p>Management agrees with this recommendation.</p> <p>MAMD will review the QA process and ensure that risk tolerance is adequately addressed.</p> <p>MAMD will review options for risk-based approaches to the procurement function. Options will review what is being done in</p>	<p>4.1 Review of options and opportunities to implement risk based approaches.</p> <p>4.2 Perform analysis on impacts and present options to CFOs for consideration.</p>	<p>November 30, 2019</p> <p>December 31, 2019</p>	<p>MAMD</p>

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	other government departments, considerations, impacts, and risks; options should be presented to CFOs and deputy heads to consider.	4.3 Present options and choices, including risks and impacts, to deputy heads	March 31, 2020	
Recommendation 5 The Chief Financial Officer should ensure that the Tier I Contract Review Committee (CRC) Terms of Reference are updated to include all contract types that the CRC does not review. In addition, a process to record CRC transactions should be implemented to ensure complete and efficient record keeping.	Management agrees with the recommendation.			
	CFOB will revise the CRC terms of reference (ToR) to include all contract types. CRC maintains a record of decisions, which will be enhanced to include any transaction-level activities.	5.1 Update of the CRC ToR to ensure contract review types are specified.	September 30, 2019	DG FOD
Recommendation 6 The Chief Financial Officer, Health Canada, should determine how Sex- and Gender-Based Analysis Plus can be applied within the Material Assets and Management Division.	Management agrees with the recommendation.	6.1 All Procurement Officers to complete SGBA+ familiarization training.	September 30, 2019	DG FOD
	The Chief Financial Officer will consult Procurement Services and Procurement Canada and the Treasury Board Secretariat, and, at a minimum, ensure Procurement Officers have received SGBA+ training.	6.2 MAMD will confirm with clients that SGBA+ has been considered in the	September 30, 2019	DG FOD

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		development of Statements of Requirements or Work. 6.3 MAMD will consult with PSPC and TBS to seek their input and advice relative to the inclusion of SGBA+ in procurement and contracting.	March 31, 2020	DG FOD