

Management Response and Action Plan
 Audit of Financial Resource Management
 January 2013

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
<p>Recommendation 1</p> <p><i>It is recommended that the Chief Financial Officer (CFO), in consultation with branch leads, clearly articulate and communicate the Financial Management Advisor (FMA) roles, responsibilities and the level of service provided.</i></p>	<p>Management agrees with the recommendation.</p> <p>Documentation will be prepared for Executive Committee (EC) to discuss the roles of the Office of the Chief Financial Officer (OCFO) and of the FMAs relating to the financial management of the organization and of the branches. Meetings will be set up with branches to discuss the FMA role and the services that are available. Additional information about the role and services of the FMA will need to be communicated on an ongoing basis through the development of financial management training as well as the participation of FMAs at branch management tables.</p>	<p>Document on roles and responsibilities of FMAs tabled at EC.</p>	<p>March 31, 2013</p>	<p>CFO</p>
		<p>Participation of FMAs at Branch Executive Committee (BECs), meetings with Director General (DGs) during Management Variance Report (MVR) and Agency Operational Plan (AOP) exercises.</p>		
		<p>Continued participation in tier 1 and tier 2 governance committees. Where OCFO has high visibility.</p>		
		<p>Include information about FMA role in development of financial management training.</p>	<p>Training March 31, 2014</p>	

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<p>Recommendation 2</p> <p><i>It is recommended that the Assistant Deputy Minister (ADM), Strategic Policy, Planning and International Affairs Branch (SPPIAB) work closely with the CFO and branch heads to develop and communicate an Agency-wide methodology and tools to assist managers at the centre/directorate level in the development of their operational plans that are aligned with Branch AOP submissions and financial resources.</i></p>	<p>Part 1: CFO management agrees with the recommendation as it relates to the financial portions of the AOP exercise. The AOP is relatively new and a complete mapping of financial resources to the new Program Alignment Architecture (PAA) is being done with the branches for the 2013-14 AOP exercise.</p>	<p>Part 1: Completed and costed branch AOP submissions ready in time for budget allocation to branches by April 1, 2013.</p>	<p>Part 1: March 31, 2013</p>	<p>Part 1: Branches and CFO</p>
	<p>Part 2: The above PAA information will be mapped in the Controlling (CO) module of the SAP financial system down to the lowest levels in the organization. This will essentially constitute the financial portion of the internal operational plan for the organization.</p>	<p>Part 2: (related to internal operational plans). Full mapping of budgets to the lowest level of the PAA will be done in the CO module of the SAP financial system during April and May of each new fiscal year.</p>	<p>Part 2: May 31, 2013</p>	<p>Part 2: CFO</p>
	<p>Part 3: The ADM-SPPIAB, the CFO, and all Branch Heads agree with the recommendation. SPPIAB will work collaboratively with the OCFO and all branches to develop and communicate an operational planning methodology and tools.</p>	<p>Part 3: Operational planning methodology and tools at the centre/directorate level.</p>	<p>Part 3: October 31, 2013</p>	<p>Part 3: SPPIAB with the CFO and all branches.</p>

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<p>Recommendation 3</p> <p><i>It is recommended that, the CFO develop a training curriculum for mandatory training for managers and staff in the area of financial planning, budgeting and forecasting and that a formal training schedule be established.</i></p>	<p>Management agrees with this recommendation.</p> <p>The OCFO will work with Health Canada to determine optimum training for managers and staff in the areas of financial management.</p>	<p>Resource Management & Analysis Division (RMAD) will conduct an assessment of needs and training requirements for managers and administrative staff. Training materials will be developed to meet the needs of the Public Health Agency of Canada's managers and administrative staff.</p>	<p>March 2014</p>	<p>CFO</p>
<p>Recommendation 4</p> <p><i>It is recommended that the CFO ensure that all management variance reports include grants and contributions information to produce complete and timely financial forecasts.</i></p>	<p>Management agrees with this recommendation.</p> <p>Since August of this year the RMAD and the Centre for Grants and Contributions have now amalgamated the grants and contributions (G&C) information requirements (expenditures to year end) as part of the Monthly Variance Report (MVR) process, thus eliminating some duplicative efforts within the OCFO.</p>	<p>Complete MVRs with G&C financial information.</p> <hr/> <p>Inclusion of a request for G&C forecast in all future MVR call letters.</p>	<p>November 2012</p>	<p>CFO</p>

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<p>Recommendation 5</p> <p><i>It is recommended that the CFO strengthen internal controls related to budget transfers.</i></p>	<p>Management agrees with this recommendation.</p> <p>The internal policy on budget allocation was last approved in 2008. This policy needs to be revised and brought to management for approval. Some of the roles within RMAD will be strengthened to ensure that the necessary signatures are available on all transfer documents.</p>	<p>Revised budget allocation policy.</p>	<p>December 2013</p>	<p>CFO</p>
		<p>Documented internal control and sign off processes for budget transfers.</p>		
<p>Recommendation 6</p> <p><i>It is recommended that the CFO produce more frequent MVRs to ensure that the financial situation reports presented to senior management include the Agency's anticipated expenditures (forecast) in order to provide the complete financial information required to support decision making.</i></p>	<p>Management agrees with this recommendation.</p> <p>Ultimately, the frequency of MVRs will be decided by EC. Please note that with the available tools, the monthly financial forecasts at the Agency level is labour intensive for both the branches RMAD.</p> <p>The MVR tool will be made accessible to managers on a monthly basis. The CFO will place higher focus on forecasting during the critical period when budget reallocation can be most effective, that is to say between July and November.</p>	<p>OCFO will deliver on the current plan that calls for 7 forecasts. OCFO will include forecast information in all monthly reports to EC.</p> <p>Frequency and content of forecast will be established with EC support.</p>	<p>January 2013</p>	<p>CFO</p>