



Public Health  
Agency of Canada

Agence de la santé  
publique du Canada

## **Management Response and Action Plan**

### **Audit of Key Financial Controls, Year 3**

**October 2015**

**Canada**

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Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
<p><b>Recommendation 1</b></p> <p><i>It is recommended that the Chief Financial Officer implement controls so that unnecessary specimen signature cards are cancelled on a timely basis.</i></p>	Management agrees with this recommendation.			
	The current procedure requires specimen signature card (SSC) editors to review and cancel unnecessary cards when a new card is entered. This existing procedure needs to be applied consistently.	1.1 A message will be sent to all SSC editors to ensure compliance with the current procedures.	September 30, 2015  COMPLETED	Director General (DG), Shared Service Partnership, Financial Operations Directorate (SSP-FOD)
		1.2 A review of SSCs will be conducted to remove any duplicate cards. This process will also be included in the SSC annual review exercise.	November 30, 2015	DG, SSP-FOD

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<p><b>Recommendation 2</b></p> <p><i>It is recommended that the Chief Financial Officer develop and implement controls to reduce errors for acquisition card transactions to an acceptable level.</i></p>	Management agrees with this recommendation.			
	<p>The Shared Services Partnership-Financial Operations Directorate (SSP-FOD) will enhance the communication with cardholders to raise awareness and will implement an enforcement strategy to ensure compliance.</p>	<p>2.1 A quarterly message will be sent to all cardholders regarding errors identified during the quality assurance exercise, along with the procedures and instructions to avoid these errors in the future.</p>	<p>September 30, 2015</p> <p>COMPLETED</p>	<p>DG, SSP-FOD</p>
		<p>2.2 Acquisition card training material will be updated.</p>	<p>March 31, 2016</p>	<p>DG, SSP-FOD</p>
		<p>2.3 An enforcement strategy will be implemented to ensure compliance.</p>	<p>March 31, 2016</p>	<p>DG, SSP-FOD</p>

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<p><b>Recommendation 3</b></p> <p><i>It is recommended that the Chief Financial Officer communicate management variance review sign-off requirements and monitor compliance with this requirement, so that sign-off is obtained from cost centre managers with budgetary responsibilities, for the purpose of Financial Administration Act Section 34 post-payroll certification of salary expenses.</i></p>	Management agrees with the recommendation.			
	<p>The Office of the Chief Financial Officer (OCFO) will communicate the requirement to obtain sign-off for the management variance review forecasts by all cost centre managers. The OCFO will develop ongoing risk-based monitoring as part of the implementation of a controls-based financial framework for the internal control over financial reporting (ICFR).</p>	<p>3.1 The MVR call letter will instruct branches to obtain management sign-offs at the cost centre level.</p>	<p>March 31, 2016</p>	<p>Director, Resource Management and Analysis Division (RMAD)</p>
		<p>3.2 An updated management information package will include reference to the TBS guidance requiring FAA Section 34 certification of pay expenditures.</p>	<p>March 31, 2016</p>	<p>Director, RMAD</p>
		<p>3.3 Ongoing risk-based monitoring</p>	<p>March 31, 2017</p>	<p>Director, RMAD</p>

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<p><b>Recommendation 4</b></p> <p><i>It is recommended that the Chief Financial Officer implement controls over the management of journal vouchers, in accordance with the Agency Standard on Journal Vouchers.</i></p>	Management agrees with the recommendation.			
	The audit samples indicate that control has been improved since the implementation of the Agency Standard on Journal Vouchers in November 2014. Additional training will be provided to ensure compliance with the current standard.	4.1 Training sessions will be provided to SSP-FOD staff who process journal vouchers.	December 31, 2015	DG, SSP-FOD
	As part of the ICFR assessment for financial close, SSP-FOD annually tests journal vouchers samples for the Agency. The annual test results will be shared with the Agency for monitoring purposes.	4.2 A journal voucher instruction will be distributed to provide detailed guidance on review and supporting documentation requirements. December 31, 2015	December 31, 2015	DG, SSP-FOD
		4.3 Results of tests on journal voucher samples will be shared with the Agency.	March 31, 2016	DG, SSP-FOD

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<p><b>Recommendation 5</b></p> <p><i>It is recommended that the Chief Financial Officer develop and implement procedures for the timely close-out of grants and contributions agreements within the Grants and Contributions Information Management System.</i></p>	Management agrees with the recommendation.			
	<p>The Financial Management section of the Standard Operating Procedures will be updated to clearly reflect the roles and responsibilities of the Centre for Grants and Contributions Operations Team with regards to close-out procedures for grants and contributions using the Grants and Contributions Information Management System. To ensure completeness and that all requirements have been met, training will be provided to the Operations Team, which includes completion of existing financial verification documents such as the cash flow, the payment checklist and the financial summary form, as well as the use of a file content checklist that specifies steps and tools to be used (for example, a copy of any refunds, close-out letter and reminder letter re: closing of a project).</p>	<p>5.1 Update Standard Operating Procedures, Financial Management to include close-out procedures in GCIMS</p>	<p>March 31, 2016</p>	<p>Director, Centre for Grants and Contributions (CGC)</p>
	<p></p>	<p>5.2 Training provided to Operations Team within the Centre for Grants and Contributions</p>	<p>March 31, 2016</p>	<p>Director, CGC</p>