

Core Control Audit of the Public Servants Disclosure Protection Tribunal (PSDPT)

November 2012

Office of the Comptroller General

Objective and scope

The objective of this audit was to ensure that core controls over financial management¹ within the Public Servants Disclosure Protection Tribunal Canada (PSDPTC) result in compliance with key requirements contained in the corresponding legislation, policies, and directives. For the specific audit criteria please refer to the [Treasury Board Secretariat web site](#).

The scope of this audit included all transactions, records, and processes conducted by the TSBC from April 1, 2011 to March 31, 2012.

Transactions were selected from fiscal year 2011-2012. The audit examined a sample of transactions for each of the policies and directives listed in Appendix A of this report.

Conformance with Professional Standards

This audit was conducted in accordance with the Government of Canada Standards for Internal Audit. A practice inspection has not been conducted.

Why this is important

Canadians expect the federal government to be well managed and to be accountable for the prudent stewardship of public funds, the safeguarding of public assets, and the effective, efficient and economical use of public resources. They also expect reliable and transparent reporting on how the government spends public funds to achieve results for Canadians.

The Financial Administration Act designates deputy heads as accounting officers for their department or agency. As accounting officers, deputy heads are accountable for ensuring that resources are organized to deliver departmental objectives in compliance with government policy and procedures; ensuring that there are effective systems of internal control; signing departmental accounts; and performing other specific duties assigned by law or regulation to the administration of their department or agency.

Audit Findings and Conclusion

Core controls over financial management regarding the transactions tested within the Public Servants Disclosure Protection Tribunal Canada (PSDPTC) resulted in compliance² with the key requirements contained in four of twelve policies and directives, and in partial compliance in five of twelve policies, directives and corresponding legislation tested. The PSDPTC was not in compliance with three policies and directives tested.

Segregation of duties was lacking in the areas of acquisition cards and accountable advances. The organization has since put in place controls to address segregation issues noted in the past in the area of accountable advances. In addition, instances were found where the documentation on file was insufficient to support some contracting decisions taken and in one case, the appropriate contracting vehicle was not chosen. Furthermore, some vacation leave and compensatory time in lieu were either not approved or approved after the leave was taken. Lastly, it was also noted that expenditure initiation and fund commitments were not pre-approved in the area of financial management of pay administration relating to a few casual employee files.

Recommendations

The PSDPTC should ensure that proper segregation of duties is put in place in the area of account verification for acquisition cards; that contract decisions are documented and that appropriate contracting vehicle is chosen and used within its terms and conditions; that all applicable leave is pre-authorized and that expenditure initiation is performed by an individual with the delegated authority to do so before expenses are incurred in the area of payroll administration.

Management Response

Management has accepted the audit findings and has developed an action plan to address the recommendations. Management expects the Management Action Plan to be fully implemented by November 30, 2012.

The results of the audit and the Management Action Plan have been discussed with the Registrar of the PSDPTC and the Small Departments Audit Committee. The Office of the Comptroller General will follow-up on the Management Action Plan until all findings are resolved.

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Appendix A: Policies and Directives Tested

Policies and Directives Tested	Compliance
Directive on Delegation of Financial Authorities for Disbursements	Met
Directive on Acquisition Cards	Not Met
Directive on Accountable Advances	Partially Met
Contracting Policy	Partially Met
National Joint Council Travel Directive and the Directive on Travel Cards and Travellers Cheques	Partially Met
Hospitality Policy / Directive on the Management of Expenditures on Travel, Hospitality and Conferences	Met
Directive on Leave and Special Working Arrangements	Not Met
Casual Employees	Met
Performance Pay Administration ³	Met
Directive on Financial Management of Pay Administration	Partially Met
Directive on Expenditure Initiation and Commitment Control ⁴	Partially Met
Directive on Account Verifications ⁵	Not Met

Legend of Compliance Thresholds ⁶	
Met	Greater than or equal to 98% compliance
Partially Met	Greater than or equal to 80% and less than 98% compliance
Not Met	Less than 80% compliance