



Treasury Board of Canada  
Secrétariat

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## **Core Control Audit of the Farm Products Council of Canada**

**April 2011**

**Office of the Comptroller General**



Canada

## Objective and scope

The objective of this audit was to ensure that core controls over financial management within Farm Products Council of Canada (FPCC) are effective and result in compliance with corresponding legislation, policies, and directives.

The scope of this audit included an examination of a sample of transactions from each of the policies and directives indicated in appendix 1 of this report. The transactions were taken from October 1<sup>st</sup>, 2009 to September 30<sup>th</sup>, 2010.

The scope was limited due to memorandum of understandings with other Canadian Federal Institutions who are responsible on behalf of the Farm Products Council of Canada for certain requirements in these policies and directives.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.<sup>1</sup>

## Audit findings and conclusion

Core controls over financial management within the Farm Products Council of Canada are effective and are generally executed in compliance with corresponding legislation, policies, and directives. However, there were some instances where more effective controls are needed. Farm Products Council of Canada must ensure that without exception commitments are approved by someone with the delegated authority to do so and recorded at the time of expenditure initiation. Furthermore, there is a need to provide justification on file for all sole source contracts. There is also a need to ensure that requirements for proactive disclosure for contracting and hospitality are adhered to consistently within the prescribed timeframe.

## Management action plans

These findings were brought to the attention of management in the Farm Products Council of Canada. Management has acknowledged the audit findings and has resolved to take action. The Farm Products Council of Canada has provided the Office of the Comptroller General with the management action plan to address actions taken towards the findings. The Office of the Comptroller General will follow-up on the management action plan until all findings are resolved.

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<sup>1</sup> The Office of the Comptroller General has not undergone an external assessment to support its conformance with this statement.

# Appendix 1: Policies and Directives Tested

## **Financial Management**

- Directive on Delegation of Financial Authorities for Disbursements
- Directive on Expenditure Initiation and Commitment Control
- Directive on Account Verification
- Directive on Acquisition Cards

## **Contracting**

- Contracting Policy

## **Travel and Hospitality**

- National Joint Council Travel Directive
- Directive on Travel Cards and Travellers Cheques
- Hospitality Policy

## **Human Resources**

- Membership Fees Policy
- Policy on Learning, Training and Development
- Directive on Leave and Special Working Arrangements
- Directive on Financial Management of Pay Administration
- Performance Pay Administration<sup>2</sup>
- Casual Employees

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<sup>2</sup> Includes the *Policy on the Management of Executives*, the *Directive on Terms and Conditions of Employment for Certain Excluded and Unrepresented Employees* and the *Directive on Executive Compensation*