

Management Response and Action Plan
Audit of Key Financial Controls
October 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 ensure that specimen signature cards are terminated through the year on a timely basis.</i></p>	<p>Management agrees with this recommendation.</p> <p>An initiative is currently being led under the shared services partnership to enhance the existing process and controls on the various actions required when an employee is leaving the Department and the Agency. This initiative will result in the development and implementation of a mandatory departure form. This form will include the requirement for the cancellation of the financial specimen signature cards.</p>	<ul style="list-style-type: none"> ▪ Revised and approved departure form and process. ▪ Mandatory usage of the new departure form and process will be communicated and implemented. 	<p>April, 2014</p>	<p>Director General, Financial Operations Directorate (Portfolio shared services partnership)</p>
	<p>The Financial Operations Directorate will implement a periodic monitoring tool which also monitors the specimen signature cards.</p>	<ul style="list-style-type: none"> ▪ Implementation of a periodic monitoring tool. 	<p>April, 2014</p>	<p>Director, Public Accounts and Policy (Portfolio shared services partnership)</p>

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<p>Recommendation 2</p> <p><i>It is recommended that the Chief Financial Officer monitors the quality assurance over Financial Administration Act Section 34 certification to ensure that appropriate action is taking place when the quality assurance tolerable error rate has been exceeded.</i></p>	<p>Management agrees with this recommendation.</p> <p>The Chief Financial Officer will request the error reports from the Financial Operations Directorate on a quarterly basis to perform a review and verify that appropriate action is taking place when the tolerable error rate has been exceeded.</p> <p>The Statistical Sampling Framework used allows for additional samples to be examined when warranted.</p>	<ul style="list-style-type: none"> ▪ Review of the error reports provided by the Financial Operations Directorate on a quarterly basis to ensure that the required level of analysis has been performed and that the follow-up actions, including the possibility of examining additional samples, are appropriate when the tolerable error rate has been exceeded. ▪ Accounting hubs will perform the quarterly statistical samples, review and analyse the results and develop actions plans to address error rates that exceed the tolerable error rates 	<p>April 2014</p>	<p>Chief Financial Officer and Director, Accounting Operations and Systems (Portfolio shared services partnership)</p>

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<p>Recommendation 3</p> <p><i>It is recommended that the Chief Financial Officer ensure that reconciliations between the Lotus Notes Grant and Contribution Database and SAP are prepared on a monthly basis and that all variances are investigated.</i></p> <p><i>A reconciliation should also be prepared as at March 31, 2013 to ensure that amounts reported in SAP are complete and accurate.</i></p>	<p>Management agrees with this recommendation.</p> <p>The Office of the Chief Financial Officer (OCFO) will perform a reconciliation between the Grants and Contributions Database and SAP on a going forward basis effective immediately to ensure that amounts reported in SAP are complete and accurate.</p>	<ul style="list-style-type: none"> ▪ The Office of the Chief Financial Officer will produce a quarterly report verifying the reconciliation is complete and that amounts reported in SAP are complete and accurate. 	<p>April 2014</p>	<p>Director, Centre for Grants and Contributions (OCFO)</p>

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<p>Recommendation 4</p> <p><i>It is recommended that the Chief Financial Officer ensure that coordination is improved between accounting offices and contribution programs, to ensure that all receivables, including those resulting from annual overpayments or close-out of contribution agreements, are recorded in the departmental financial system in an accurate and timely manner.</i></p>	<p>Management agrees with this recommendation.</p> <p>The Office of the Chief Financial Officer, in collaboration with accounting offices, will initiate enhancements required to identify and record contributions receivables in an accurate and timely manner.</p>	<ul style="list-style-type: none"> ▪ The Office of the Chief Financial Officer will develop procedures in order to anticipate upcoming contributions receivable. ▪ The Office of the Chief Financial Officer will work with Accounting Offices to setup an Accounts Receivable for grants and contributions based on available information unless justification is provided not to. 	<p>December, 2013</p>	<p>Director, Centre for Grants and Contributions (OCFO)</p>

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<p>Recommendation 5</p> <p><i>It is recommended that the Chief Financial Officer ensure that a quality assurance procedure be implemented to validate the information provided by the various CCM at the time of the Capital Asset Inventory Count.</i></p>	<p>Management agrees with this recommendation.</p> <p>The Office of the Chief Financial Officer will ensure that proper quality assurance procedures are in place for the 2013 capital assets inventory exercise and that roles and responsibilities are clearly defined.</p> <p>In addition, the Office of the Chief Financial Officer will ensure that a challenge function role is played to ensure that the information provided by the CCM is correct and that proper documentation exists.</p>	<ul style="list-style-type: none"> ▪ Implement the Shared Services Portfolio Capital Assets Inventory process and tools which includes an in-depth quality assurance process. ▪ Issue an Annual Capital Assets Inventory call letter that includes user friendly tools, a guide that described the roles and responsibilities and timelines. 	<p>April, 2014</p>	<p>Chief Financial Officer and Director, Material and Assets Management (Portfolio shared services partnership)</p>