



Office of the Superintendent of  
Financial Institutions Canada

Bureau du surintendant des  
institutions financières Canada

# Office of the Superintendent of Financial Institutions

## Internal Audit Report

On

Finance – *Revenue*

November 2010



OSFI  
BSIF

Canada 

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## 1. Background

### Introduction

Internal Audit conducts assurance work to determine whether Office of the Superintendent of Financial Institutions Canada's (OSFI) risk management, control, and governance processes, as designed and represented by management, are adequate to ensure risks are appropriately identified and managed.

The audit of Finance - Revenue was approved by the OSFI Audit Committee and the Superintendent for inclusion in the OSFI 2009-10 Internal Audit Plan. This report presents the results of that audit based on audit work completed at the end of May 2010. The audit recommendations will support Finance to continuously improve their control framework for revenue processing.

This report was presented to the OSFI Audit Committee and approved by the Superintendent on November 9<sup>th</sup>, 2010. The Assistant Superintendent, Corporate Services, and Finance senior management, who will provide their management response within this report, have also reviewed it.

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### Context

The Office of the Superintendent of Financial Institutions Canada (**OSFI**) recovers its costs through base assessments, pension plan fees, cost-recovered services, and user fees and charges.

OSFI's ability to process revenue transactions and charge the Federally Regulated Financial Institutions (**FRFI**), Regulated Private Pension Plans (**RPPP**) and others is essential in OSFI being able to recover its expenses and pay employees and operating expenses on a timely basis. In addition, the Superintendent and the Chief Financial Officer, in part, rely on internal controls over revenue transaction processing in order to provide assurance on OSFI's internal controls as envisioned under the Treasury Board *Policy on Internal Control* and *Policy on Financial Management Governance*.

OSFI's Finance Division (**Finance**) was re-structured in 2009-10 based on a 2009 study commissioned on the division's workload in terms of volumes experienced, conversion of financial and accounting policies to IFRS, staff complement, experience and competency needs, and process improvements needed.

For the *2009-10 fiscal year*, OSFI had Revenue of some \$102 million (\$92 million, 2008-09). The revenue was composed of base assessments, cost-recovered services, pension plan fees and user fees and charges as set out in Note 2 - Revenue & spending authority, Note 4 - Significant accounting policies and Note 17 - Revenue (and expenses) by Business Activity of OSFI's 2009-10 Financial Statements.

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## 1. Background, Continued

### Revenue by Business Activity (,000)

	2010					2009				
	Base Assessments	Cost-Recovered Services	Pension Plan Fees	User Fees and Charges	TOTAL	Base Assessments	Cost-Recovered Services	Pension Plan Fees	User Fees and Charges	TOTAL
Regulation and Supervision of Federally Regulated Financial Institutions	\$ 82,393	\$ 951	\$ -	\$ 5,409	\$ 88,753	\$ 75,107	\$ 1,359	\$ -	\$ 3,786	\$ 80,252
Regulation and Supervision of Federally Regulated Private Pension Plans	-	-	6,529	-	6,529	-	-	5,931	-	5,931
International Assistance	-	1,717	-	-	1,717	-	1,689	-	-	1,689
Office of the Chief Actuary	-	5,155	-	46	5,201	-	4,445	-	67	4,512
<b>TOTAL REVENUE</b>	<b>\$ 82,393</b>	<b>\$ 7,823</b>	<b>\$ 6,529</b>	<b>\$ 5,455</b>	<b>\$ 102,200</b>	<b>\$ 75,107</b>	<b>\$ 7,493</b>	<b>\$ 5,931</b>	<b>\$ 3,853</b>	<b>\$ 92,384</b>

## 2. Audit Objective, Scope and Approach

### Audit Objective

The objective of this audit was to provide assurance on:

- Revenue controls and management oversight as to the completeness, accuracy and authorization of revenue transactions from initiation through to processing, recording and reporting of revenues
- How well and the degree to which revenue controls and management oversight are being followed
- Recording of revenue transactions into the accounts receivable, general ledger accounts and management reporting systems

### Audit Scope

The audit covered the Finance - Revenue control framework for the 2009/10 fiscal year including the implementation of a new Final and Interim Assessment Calculation Tool (**FIACT**).

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## 2. Audit Objective, Scope and Approach, Continued

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### Audit Scope (continued)

The scope included:

- Improvements implemented during 2009-10 and those planned for 2010-11 in the areas such as conversion from Generally Accepted Accounting principle (GAAP) to International Financial Reporting Standards (IFRS), implementation of a new Final and Interim Assessment Calculation Tool (FIACT), and restructuring of the Finance Division.
- Revenue processes from initiation of revenue streams, calculation of assessments, fees, and charges, posting of invoices to Accounts Receivable sub-ledger and the general ledger, and internal reporting as well as billing adjustments and late & erroneous filing penalties.
- OSFI revenue policy and applicable Government and GAAP policy and accounting requirements.

#### *Matters outside of the scope*

- A review of the information/data and related systems used for initiating revenue transactions, *except a review of completeness and accuracy of the source information/data extraction.*
- A review of *IT operations environment and related controls*, known as a general IT environment review.
- A review of the general ledger and Accounts Receivable sub-ledger functions, *except posting of billings/ invoices, and control/balancing of receivables/revenue to the general ledger.*

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## 2. Audit Objective, Scope and Approach, Continued

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### Audit Approach

The audit was conducted in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, consistent with the Treasury Board Policy on Internal Audit.

The audit criteria, as set out in Appendix A - Revenue Control Criteria, were used for assessing the revenue policy, processes, and controls.

The audit work was conducted on a collaborative basis involving information gathering, interviews with management and staff involved in supporting processing of revenue transactions, examination of documents, testing of key revenue processes, and interviews with Finance Division management & staff and others involved in revenue processing.

To facilitate our work, we prepared revenue process maps (flowcharts) and 'control profiles' for some nine processes. The 'control profiles' are tables that match control objectives - completeness, accuracy, authorization and review and approve - to the revenue processing phases - transaction initiation, data extraction from supporting databases, and processing including calculations, uploading of transactions (interface) and posting to the Accounts Receivable and the General Ledger.

These revenue process maps and 'control profiles' have been given to Finance for use in their initiative of documenting existing revenue processes and controls, and the evaluation and design of check and balancing procedures and controls consistent with TBS *Policy on Financial Management Governance, Policy on Internal Control and Policy on Internal Audit* as well as generally recognized business application control standards (e.g. Institute of Internal Auditors, Information Systems and Control Association).

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### 3. Conclusion

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#### Conclusion

Revenue process controls and monitoring practices are not adequate to ensure revenue transactions are completely and accurately processed and recorded. As a result, there is limited assurance that base assessments and pension plan fees are accurate and complete, and allocated among the Federally Regulated Financial Institutions and Federally Regulated Pension Plans accounts respectively and that all revenue transactions are posted to the Accounts Receivable.

Processes and controls were not documented and evidenced as to performance. Because some controls are executed during an annual process, the lack of documentation and retention of supporting reports reduces the sustainability of the controls. Some key controls were not in place such as balancing source data to the corporate records.

Without a detailed review of risk and control, management may not identify the appropriate preventive, detective, and monitoring controls. Achieving compliance with reporting on internal controls as prescribed by the *TBS Policy on Financial Management Governance* and *Policy on Internal Control* will be challenging.

A 2009 independent study of the nature and volume of finance and accounting processing and reporting needs provided Finance with a road map for establishing a renewed Finance group. The Executive approved the study report, briefed the Audit Committee on its results and actioned the steps recommended in the study.

Finance has made improvements and has initiatives planned or underway to address the revenue process and control concerns identified in our audit. We also note that Finance has put in place the resources needed to complete these multi-teamed initiatives.

It is essential that Finance establish a formal revenue risk & control assessment process with an accompanying continuous improvement program, such that management oversight, co-ordination of the improvement initiatives, and the design of control frameworks is managed on a consolidated basis.

In order to address the areas requiring improvements, the participation of managers and staff across the Office is needed as many of the improvements affect other Sectors and Divisions that are involved in processing revenue transactions.

### 3. Conclusion, Continued

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**Conclusion**  
(continued)

A focused effort is required in:

- Establishing a revenue process control framework incorporating governance, risk management and control process requirements as set out in Appendix A - Revenue Control Criteria
- Establishing a risk management process for the revenue processes consistent with OSFI's Enterprise Risk Management practices
- Documenting revenue control processes and ensuring evidence of the control performance
- Identify (and provide) training for those involved in processing of revenue transactions including Sectors and Divisions where revenue transactions originate

The following governance and process controls were observed over OSFI's revenue processes:

- OSFI follows a comprehensive corporate planning process that includes detailed revenue and cost budget development and approval
- OSFI has appropriate revenue policy and guidance for financial reporting purposes
- The accrued and unearned revenue procedures are well structured, managed, and documented
- The management reporting was appropriate and provided on a timely basis
- The IT daily back-up routine for revenue systems and information is appropriate

We wish to recognize the excellent rapport and exchange of views with all involved in the audit. The depth of the review and focusing on what matters would not have been possible without the support received throughout the audit.

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Chief Audit Executive, A&CS

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Date

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## 4. Observations and Recommendations

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### 4.1 Risk Management

**Observation:** There is not a *detailed* risk and control review of the revenue process to ensure processes and controls are adequate.

OSFI's Enterprise Risk Management (ERM) policy and processes are used for the identification, assessment, and mitigation of risk at the Sector / Division operations level with a roll up into an overall OSFI risk assessment to the Executive. Key risk areas and actions taken are reviewed quarterly by the Executive as well as included in OSFI's Annual Report. Within the Corporate Services Sector, Finance level risks are identified, evaluated, and mitigation steps are undertaken with quarterly updates and reporting.

Finance's self-assessment of existing revenue processing identified areas of concern such as undocumented processes and limited evidence that controls were being carried out. Through interviews with Finance managers & staff and a review of existing documentation, we confirmed Finance's self-assessment of undocumented revenue processes and existing controls.

In 2010-11, Finance will be implementing significant changes in the areas of accounting policies as well as reviewing and documenting its revenue processes and key controls. The Director of Finance indicated that such a program would be established by the end of the year.

Without a detailed review of risk and control over revenue processing, management may not identify the appropriate preventive, detective, and monitoring controls. Achieving compliance with reporting on internal controls as prescribed by the *TBS Policy on Financial Management Governance* and *Policy on Internal Control* may become challenging.

**Recommendation:** Finance management should complete a detailed risk and control review over revenue processing. The review should include manual and automated controls from initiation through to posting to the Accounts Receivable and the General Ledger to address the control objectives of completeness, accuracy, and authorization.

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## 4. Observations and Recommendations, Continued

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### 4.2 Accountability

**Observation: There is not a designated individual who is responsible for each revenue process.**

Although Finance recognizes that it is responsible for revenue processing, there is not a designated individual who is responsible for each revenue process. Key to strengthening revenue processing and related controls is Finance assigning a 'designated owner' for each revenue process, who is responsible for monitoring and oversight of the revenue processing and controls from end-to-end.

Finance may not be able to determine if completeness, accuracy and authorization, as well as management review and approval controls are adequate to mitigate identified risk.

**Recommendation:** Assign a designated owner for each revenue process.

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### 4.3 Development and training program

**Observation: There is a need for training for those involved in initiation, processing, reporting, and managing some nine revenue processes including Sectors and Divisions that initiate revenue transaction.**

It is important for Finance and other Sectors and Divisions to be able to talk the same 'processing and control' language and understand their role in processing revenue transactions. During the audit, Finance managers and staff showed a strong commitment to implementing development programs including cross-training of 'technical' processing and financial control practices and techniques.

A 2009 independent study of the nature and volume of finance and accounting processing and reporting needs provided Finance with a road map for establishing a renewed Finance group and for filling key positions. The positions of Manager of Financial Operations and of Financial Reporting & Systems and Manager of Financial Policy and Special Projects have been filled bringing valued knowledge and experience on accounting and financial systems and related controls. With new managers and staff, it is essential that Finance identifies and documents the technical (processing and controls) skill requirements and put in place development and cross-training programs to ensure the transfer of knowledge.

During 2009-10, Finance implemented informal training including cross-training to strengthen operation capacity and staff. For 2010-11 cross-training of staff was incorporated into Goal Commitment Documents. Finance is

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## 4. Observations and Recommendations, Continued

### 4.3 Development and training program (continued)

committed to formalizing development and cross-training programs for most positions during 2010-11 based on job positions jointly developed with Human Resources.

Lack of training may result in staff not having the necessary processing knowledge to ensure that operations related to revenue transactions are well supported and understood by all, so that revenue is accurately recorded in Accounts Receivable and accurately reported in management reports and un-audited quarterly financial statements.

**Recommendation:** We strongly support Finance's commitment in developing and putting in place awareness and training programs for Finance and others involved in managing and processing revenue transactions.

### 4.4 Control process

**Observation: The nature and extent of existing controls are not documented and evidence of performing them is very limited.**

Finance's self-assessment of existing processes identified control concerns with respect to undocumented processes and controls and lack of evidence that processing tasks and control checks were being carried out. The 2009 independent study confirmed the need for process and control improvements. The audit similarly noted the limited control documentation and limited evidence of performance. Specific control weaknesses are detailed in this report under this observation.

Finance has taken aggressive steps to remedy the situation. Finance's complement of staff has been strengthened and a Manager, Financial Policy and Projects, has been recruited with responsibility for developing and maintaining corporate financial and internal control policies and procedures. To support this initiative, a task force is being formed, with support of external resources and expertise, to document financial / accounting business systems such as revenue processes, and to put in place appropriate processing, reviews, approvals, and monitoring controls as needed.

Some controls over posting of user fees were operating effectively for example;

- Posting of a *user fee* was supported with documentation from the originating department;
- There was matching of posting documents or revenue calculations to printed invoices;
- Onscreen data entry was compared visually to the posting document; and

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## 4. Observations and Recommendations, Continued

**4.4**  
**Control process**  
(continued)

- Input screens had drop down menus to capture the information needed for posting the transaction to Accounts Receivable.

However, controls over both user fees and base assessments, discussed further in the report, were not effective because of the lack of description of the controls and evidence of performance and in some cases weak design determined through discussion with staff .

Without a clear understanding of the revenue control framework and required controls, process documentation and evidence of control performance, there is no assurance that all potential user fees are charged and base assessments are properly calculated and allocated and revenue transactions are posted to the Accounts Receivable and the General Ledger.

**4.4.1**  
**Reconciliations**

**Observation: Reconciliation of revenue transactions and verification of information originating from other Sectors and Divisions posted to Accounts Receivable was not evident.**

Posting of Federally Regulated Financial Institutions (FRFI) and Pension Plans assessments involves automated verification of customer accounts and manual verification / confirmation of the revenue calculations. The initiating transactions are first entered into a verification process before the information and resulting revenue transactions are uploaded to the production environment.

The automated controls and manual verification of revenue calculations are not documented and the results of them are not kept.

Balancing of revenue transactions from initiation through processing to posting to the Accounts Receivable is not completed. There is no verification of the number of FRFI and Pension Plans accounts and totals. Therefore there is no assurance that all revenue transactions initiated by the originating Sectors/ divisions are recorded in the Accounts Receivable and General Ledger.

**Recommendation:** Controls should be documented and supporting evidence / reports should be retained.

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## 4. Observations and Recommendations, Continued

### 4.4.2 Base assessment calculations

**Observation: There was no evidence that spreadsheets supporting base assessment calculations were reviewed and controls performed verified.**

For base assessment, processing spreadsheets were prepared by Finance staff and reviewed by managers. However, the steps followed to verify and review the processing, calculations and amounts were not documented. Verification and review procedures such as printing of show formula, trace precedents, and trace dependents was not evident.

**Recommendation:** Controls for verifying the base assessment calculations should be documented and supporting evidence/ reports should be retained.

### 4.4.3 Final and Interim Assessment Calculation Tool (FIACT)

**Observation: FIACT process, procedures and related controls are not documented. Evidence of performing automated checks/controls is not documented or not kept. Revenue and control reports are not prepared.**

Due to the departure of a key person who manually provided data inputs to the FRFI base assessments process, Finance authorized the development and implementation of a new base assessment calculation tool to automatically extract data input from various databases and perform the base assessment calculations. FIACT was developed using *Rapid Application Development* methodology involving IT designing, developing, and implementing the system shoulder to shoulder with Finance in order to meet very tight timelines. FIACT was implemented for the 2009-10 fiscal year. FIACT incorporates automated checks on input data, financial institutions to be billed and base assessment transactions to be uploaded to Accounts Receivable.

To confirm the 2009-10 FIACT base assessments amounts recorded in the Accounts Receivable, Finance ran in parallel their 2008-09 spreadsheet-based assessment system and conducted a 100% comparison of the individual assessments amounts calculated by the two systems and comparison to printed invoices. Although this provided a level of comfort as to assessment calculations and posting to the Accounts Receivable, it does not provide the level of control required going forward as the spreadsheet-based system and controls are not fully documented.

FIACT supports a process that is only conducted once a year. The process is not fully automated, as it requires some manual intervention and reports. During the audit, the supporting manual processes and reports could not be verified and reports developed for the process were not retained for use in future years. The knowledge of the current processing procedures is with two individuals. Without documentation of the process there is the potential for unproductive effort in recreating what needs to be done and the supporting reports, and increased chance of errors.

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## 4. Observations and Recommendations, Continued

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### 4.4.3 Final and Interim Assessment Calculation Tool (FIACT)

It is important that FIACT be fully documented including: detailed run instructions with control points; verification of input, processing and output data; and assessment reports to support the Accounts Receivable and the General Ledger amounts. In addition, FIACT system documentation would be useful in determining the procedures and control requirements.

**Recommendation:** With the introduction of FIACT, it is essential that monitoring and control requirements over processing and posting of assessments to the Accounts Receivable be identified, documented, and verified as being in place before the old system is discontinued.

As a key Finance system, FIACT should be reviewed and signed-off by IT and Finance as a 'ready' production system.

### 4.4.4 Cost recovery - cost allocation model

**Observation: The cost allocation model process and controls are not documented. Evidence of performance is not retained.**

Integral to the calculation of the Federally Regulated Financial Institutions (FRFI) base assessments (revenue collected from FRFIs) is the allocation of OSFI's expenses across the OSFI's business activities, supervision and regulation of FRFI and Private Pension Plans (PPP), Office of the Chief Actuary and International Assistance.

The FRFI supervision expenses are further broken down by financial service industries - deposit-taking institutions, life insurance companies, property & casualty companies, and co-operative credit / retail associations. Using a time reporting system (TRS), employees' record time that is directly associated to one of the financial service industry groups. Based on the TRS 'industry time totals', there is an allocation of Regulation and Supervision Sector expenses among the industry groups.

We examined the annual cost allocation model procedures and controls including Finance's verification of the OSFI operation expenses among the business activities as well as the checks followed for tracking OSFI's expenses by business activity, financial service industry group and their input into the calculation system (FIACT).

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## 4. Observations and Recommendations, Continued

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**Cost recovery -  
cost allocation  
model**  
(continued)

Through interviews with Finance staff and examination of supporting documents, we found that the process was well structured and managed. However, there is no documentation and evidence of the process and controls applied. There is a risk that the base assessments charged to financial institutions may not be properly allocated.

**Recommendation:** The cost allocation model process and controls should be documented and evidenced with a review sign-off.

**4.4.5**  
**System Access**

**Observation: There is no periodic review of system access rights to the some nine revenue processes.**

Access and functionality rights of individuals to revenue processes and the underlying information are set up by the Senior Corporate Systems Administrator based on Finance's instruction. Finance's dedicated Senior Corporate Systems Administrator maintains a 'user access table' of individuals with access to revenue systems and information and their functionality rights such as create, change, print and delete. For access to revenue processes, data files and posting to the ledgers Finance determines the level of access to be granted to individuals in Finance and across the Office.

However, there is not a periodic Finance review of an 'access' list to ensure that access and rights are changed or removed as appropriate. Inadvertent or inappropriate access to revenue systems and information could result in data corruption. This is magnified as not all processing controls are in place.

There is a risk of inappropriate access to and processing of revenue transactions that could result in data corruption and/or accidental destruction of data files (information) causing delays in processing and reporting on revenue transactions.

**Recommendation:** Regular reviews of the access and functionality rights of individuals should be completed.

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## 4. Observations and Recommendations, Continued

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### 4.4.6 System Operations Support

**Observation:** Procedures and controls to support the operation of the underlying systems are not fully documented to ensure accuracy of system output.

The IT Senior Corporate Systems Administrator for Finance is central to documenting the IT systems as well as in design, development, and putting in place ‘user’ procedures and controls. IT processing knowledge and support is provided by one person. Staff interviews indicated that bringing the documentation to the level needed would require a multi-team effort.

Without documentation of the IT operations process and reliance on one person for that knowledge, there is a risk of error occurring in the annual process for the Financial Institutions base assessment (FIACT) and Pension Plan Fees assessments.

**Recommendation:** Document the IT operations process for revenue transactions and fill the “back up” position for the IT support.

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## Management Response

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### Overview

This report has been reviewed by the Director of Finance, Managing Director, Finance and Corporate Planning, and the Assistant Superintendent, Corporate Services, who acknowledge its observations and recommendations.

The recommendations will support Finance with its work to documenting the revenue processes and to put in place appropriate processing, reviews, approvals, and monitoring controls as needed.

### Response

We thank the audit team for their collaborative approach in conducting the revenue audit. Overall, we acknowledge the observations of the audit and management has taken steps to address the report's recommendations. Management agrees that documented evidence of its review and approval steps for certain billing processes needs to be strengthened and retained in its records.

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## Management Response, Continued

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**Response**  
(Continued)

Management confirms that thorough management review of billing processes did occur and for the base assessment billing process, which represents the majority of OSFI's revenues (80%), evidence of management review exists. OSFI continues to be transparent about its base assessment billings by providing detailed information to financial institutions with their annual assessment so that they may validate the calculation of their invoice. As well, since 2000-2001, OSFI's financial statements are audited annually by the Office of the Auditor General, which provides assurance that there are no material misstatements or errors in the financial statements. OSFI has received an unqualified audit opinion each year since 2000-2001.

We accept the observations as they relate to documentation of processes, procedures and internal controls, as well as cross-training of staff within the Finance division and the training of staff within the business lines where some revenue transactions originate. We also acknowledge the need to include evidence of management review as part of our processes. The addition of five new resources in Finance Division's staff complement during 2009-2010 will greatly enable the needed aforementioned improvements.

There are two main areas where Finance has already started the work to address the audit findings and recommendations:

1. The documentation of revenue processes and controls is currently underway as part of OSFI's ongoing transition to International Financial Reporting Standards (IFRS) through the development of policies and procedures for each of the IFRS standards affecting OSFI, and as part of OSFI's ongoing implementation of the Treasury Board Policy on Internal Control (PIC). OSFI must meet the policy's requirements with respect to internal controls over financial reporting by March 31, 2011.

The Finance Division is committed to taking advantage of the work performed by Internal Audit to pursue the documentation of various processes not only just within the different Revenue streams but across all Sectors and Divisions business lines. The Finance Division has retained the services of an external consultant who will help with the implementation the PIC, and management is confident that this work will address a number of observations in the audit report.

2. Targeting cross-training to certain Finance team members and training of staff in other Sectors and Divisions where revenue transactions originate. This training will include adequate controls and oversight in order to ensure that staff and management fully understand and exercise such controls and oversight, and in accordance with the documented processes.

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## Management Response, Continued

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**Response**  
(Continued)

Management is committed to ensuring adequate internal controls are in place within the Finance Division's revenue processing to ensure risks are addressed in a balanced way. As noted, a number of initiatives have already been undertaken to address some of the observations, others will be addressed shortly, while a few will require senior management and Executive Committee endorsement. For example, changes to policies and process changes across or within Sectors and Divisions to strengthen reporting and reconciliation practices.

Over the past year, the Finance Division has been successful in staffing a number of new and existing indeterminate positions in order to implement the reorganization plan presented to the Executive Committee in the summer of 2009. This has proven to be of great value since we now have a full complement of staff in the Finance Division, all of which are committed to making a full contribution to the team.

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## Appendix A - Revenue Control Criteria

Elements	Components
Risk Management	<ul style="list-style-type: none"> <li>▪ <i>External and internal risk</i> related to revenue are identified, assessed, mitigation/controls are in place, consistent with ERM policy</li> <li>▪ A structure and process exists for <i>monitoring and managing risk /issues</i> as to the accuracy, completeness and integrity of revenue information, processing and reporting</li> <li>▪ <i>Corporate and finance risk management</i> is incorporated into revenue risk management and cascade down to management and staff</li> </ul>
Governance: Objective setting & operating environment	<ul style="list-style-type: none"> <li>▪ Revenue <i>structures, objectives, and accountabilities</i> exist</li> <li>▪ Revenue <i>plans/budgets</i> are established aligned with OSFI's corporate plans and priorities, and communicated to management and staff</li> <li>▪ Revenue <i>policy, guidance and practices</i> incorporating Government and GAAP requirements are established and communicated to management and staff</li> <li>▪ <i>Roles and responsibilities</i> of senior management, finance/accounting, Sectors/Divisions, and those involved in managing and processing of revenue are defined, communicated and understood</li> </ul>
Governance: Information, communications and reporting	<ul style="list-style-type: none"> <li>▪ <i>Budget, financial, accounting &amp; variance information, processing and reporting requirements</i> are defined, in place and communicated to management and staff</li> <li>▪ <i>Performance/target information and reporting requirements</i> are defined, in place and communicated to management and staff as appropriate</li> <li>▪ Continuous identification and implementation of <i>areas for improvement</i> exists</li> <li>▪ <i>Management and staff technical and competencies</i> are established and incorporated into informal and formal development and training such as on-the-job training and knowledge transfer</li> <li>▪ <i>Technical and competencies development and training requirements</i> are defined, in place and communicated as appropriate</li> </ul>
Control Processes	<ul style="list-style-type: none"> <li>▪ A <i>management oversight process / quality assurance</i> exists for processing and recording of revenue</li> <li>▪ Processing of revenue exists that: <ul style="list-style-type: none"> <li>▪ Sets out <i>accounting and finance information, performance and reporting requirements</i>, aligned with Government and GAAP requirements</li> <li>▪ Sets out <i>manual and automated procedure and control requirements</i> to ensure completeness, accuracy, authorization, and integrity of revenue transactions and processing</li> <li>▪ Sets out <i>processing and decision-making and reporting requirements</i> at finance, sector/division and senior management levels</li> <li>▪ Provides <i>operational policy, guidance, and tools</i> including specific guidance for managing and reporting of exceptions and variances from financial, accounting and processing requirements</li> <li>▪ Provides for <i>continuous review/quality assurance</i> including identification, assessment, reporting and remediation of non-compliance matters/ problems</li> </ul> </li> <li>▪ Provides for <i>recording and reporting of revenue information</i> in the general ledger, Accounts Receivable and management reporting systems</li> <li>▪ <i>Back-up and continuity plans</i> of revenue systems and staff are in place</li> </ul>