

Management Response and Action Plan (MRAP)
Audit of Payroll Administration
December 2010

Recommendations	Management Response	Planned Management Actions	Deliverables	Expected Completion Date	Accountability
<p>1: It is recommended that the Assistant Deputy Minister of Corporate Services Branch, and the Assistant Deputy Minister of Regions and Programs Branch, ensure that the authority to approve requisitions for pay related transactions under Section 34 of the Financial Administration Act has been formally delegated to individual Compensation Verifiers as outlined in Health Canada's <i>Delegation of Financial Signing Authority</i> document; and specimen signatures are created and recorded in Health Canada's Specimen Signature Database.</p>	<p>CSB/HRSD, Compensation Policy Centre (CPC) will communicate with all regions and request that the Compensation Verifiers at Health Canada undergo the Delegation of Financial Signing Authority training under Section 34 of the Financial Administration Act. This latter authority will be recorded in Health Canada's <i>Delegation of Financial Signing Authority</i> document. The Compensation Verifiers will also be required to complete specimen signature cards which will then be recorded in Health Canada's Specimen Signature Database.</p>	<p>1.1 – CSB/HRSD, Compensation Policy Centre (CPC) will formally request that CFOB delegate Section 34 of the FAA to the HC Compensation Advisors for the authority to verify pay transactions.</p>	<p>1.1 - Formal delegation of Section 34 of the FAA to the HC Compensation Advisors for the authority to verify pay transactions.</p>	<p>October 31, 2010</p>	<p>ADM/CSB/HRSD, Compensation Policy Centre (CPC)</p>
		<p>1.2 – The Directors of Compensation will provide the names of the Compensation Advisors who must receive the Delegation of Financial Signing Authority training, to CFOB and the Compensation Policy Centre.</p>	<p>1-2 – List of Compensation Advisors requiring Delegation of Financial Signing Authority training.</p>	<p>November 30, 2010</p>	<p>RAPB, Compensation Operations - NCR & Shawinigan</p>
		<p>1.3- CFOB will train the Compensation Advisors on the Delegation of Financial Signing Authorities and complete the Specimen Signature Card to prove compliance with the delegation of authority.</p>	<p>1.3 – Compensation Advisors trained on the delegation of Financial Signing Authorities and the Specimen Signature Card completed.</p>	<p>December 31, 2010</p>	<p>ADM/CFOB</p>
		<p>1.4- ADM/CSB/HRSD, Compensation Policy Centre (CPC) will perform a review of the Specimen Signature Card database to ensure that the Compensation Advisors who received the Delegation of Financial Authority are listed.</p>	<p>1.4 – Updated Specimen Signature Card database with Compensation Advisors listed.</p>	<p>January 31, 2011</p>	<p>ADM/CSB/HRSD, Compensation Policy Centre (CPC)</p>

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<p>2: It is recommended that the Chief Financial Officer in cooperation with the Assistant Deputy Minister of the Corporate Services Branch, develop and implement post-payroll quality assurance procedures to support FAA Section 33 requirements.</p>	<p>Health Canada's Corporate Services Branch (CSB) has developed the <i>Human Resource Compensation Monitoring Framework</i> which provides a means for assessing whether or not the processes, procedures, practices, and controls are in place for the delivery of compensation services. The monitoring framework includes an assessment of the application of collective agreements, terms and conditions of employment provisions and compliance with the acts, regulations, authorities, policies, directives, and guidelines under which compensation operates. This Framework also includes a post payment quality assurance review of samples of pay transactions. As such, CFOB has been and will continue to work with CSB to strengthen the current Framework by ensuring that it incorporates CFOB's requirements related to FAA Section 33.</p>	<p>CFOB-FOD will work with CSB-HR to revise the Payroll Monitoring Framework to ensure the monitoring process includes the additional requirements associated to FAA Section 33.</p>	<p>Updated Payroll Monitoring Framework</p>	<p>March 31, 2011</p>	<p>ADM/CFOB/FOD and ADM/CSB/HRS D</p>

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<p>3: It is recommended that the Assistant Deputy Minister of Corporate Services Branch, in collaboration with Assistant Deputy Ministers of Program Branches, ensure that letters of offer are signed by both Cost Centre Managers (CCM) and employees prior to employment start dates.</p>	<p>CSB/HRSD, Corporate Staffing Policy Centre will communicate with all stakeholders at Health Canada to ensure that prior to being sent to the Compensation Units, the Letters of Offer (LOO) are signed by both the Cost Centre Manager and the employee. They must also be dated prior to, or effective on the date of appointment. CSB/HRSD, Corporate Compensation Policy Centre will instruct all Health Canada Compensation Advisors that payment is not to be issued until the LOO is duly signed and dated by the CCM and employee.</p>	<p>3.1 – The Staffing Policy Centre will modify Staffing Checklists to include HR Advisor verification that Letters of Offer are correctly signed and dated prior to being sent to the Compensation Units for processing.</p>	<p>3.1 Modified Staffing Checklists.</p>	<p>October 31, 2010</p>	<p>ADM/CSB/HRS D, Corporate Staffing Policy Centre.</p>
		<p>3.2 – The Staffing Policy Centre will issue a semi-annual communiqué to advise the sub-delegated managers that all employee engagements are only allowed on premises once their Letter of Offer is appropriately signed and dated.</p>	<p>3.2 – Communiqués issued.</p>	<p>Mid-November & Mid-February</p>	<p>ADM/CSB/HRS D, Corporate Staffing Policy Centre.</p>
		<p>3.3 – Branches are to ensure that all employees on their premises have properly signed and dated Letters of Offer.</p>	<p>3.3 – All employees have a valid Letter of Offer prior to commencement of work.</p>	<p>Effective November 30, 2010</p>	<p>ADMs of Program Branches</p>
		<p>3.4 – The Compensation Policy Centre will instruct all Compensation Advisors to process only those Letters of Offer that have been duly signed and dated by the CCM and employee.</p>	<p>3.4 – Reminder sent to all Compensation Advisors to only process the Letters of Offer that have been properly dated and signed by both the CCM and employee.</p>	<p>Effective October 31, 2010</p>	<p>ADM/CSB/HRS D</p>
		<p>3.5 – The Compensation Advisors are to process only those Letters of Offer that have been correctly dated and signed by the CCM and the employee.</p>	<p>3.5 – Payments processed [by Compensation Advisors] have properly signed and dated Letters of Offer.</p>	<p>Effective October 31, 2010</p>	<p>ADM/RAPB and ADM/CSB/HRS D Compensation Operations – NCR & Shawinigan</p>

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<p>4: It is recommended that the Assistant Deputy Minister of Corporate Services Branch, in coordination with the Assistant Deputy Minister, Regions and Programs Branch, develop and implement the use of monitoring reports to review trends or unusual pay transactions both at the regional and corporate levels, and ensure that the planning of monitoring activities by the Compensation Policy Centre follows a risk-based approach.</p>	<p>CSB/HRSD, Compensation Policy Centre (CPC) will consult with RAPB in order to modify the current Health Canada Compensation Monitoring Framework to ensure that it includes the monitoring of more high risk pay transactions.</p>	<p>The ADM/CSB/HRSD Compensation Policy Centre in coordination with ADM/ RAPB will modify the Health Canada Compensation Monitoring Framework to include more high risk activities in Pay Administration.</p>	<p>Modified Framework of pay transactions</p>	<p>December 31, 2010</p>	<p>ADM/CSB/HRS D, Compensation Policy Centre (CPC) and ADM/RAPB</p>

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<p>5: It is recommended that the Chief Financial Officer develop and implement a process to ensure that the second part of the FAA Section 34 payroll certification conducted by cost Centre Managers, is evidenced in writing. Documentation should consists of a cost centre manager attestation that the salary expenditures are reasonable, correspond to the correct employee for the correct period, and that the correct financial coding has been applied.</p>	<p>CFOB will amend the existing MVR process to include an attestation in support of the second part of FAA Section 34 payroll certification.</p>	<p>Amend the MVR process to include an attestation in support of the second part of FAA Section 34 payroll certification.</p>	<p>The MVR process updated with the new attestation.</p>	<p>November 30, 2010</p>	<p>ADM/CFOB /FOD</p>