

 This content was archived on June 24, 2013.

## Archived Content

Information identified as archived on the Web is for reference, research or recordkeeping purposes. It has not been altered or updated after the date of archiving. Web pages that are archived on the Web are not subject to the Government of Canada Web Standards. As per the [Communications Policy of the Government of Canada](#), you can request alternate formats on the "[Contact Us](#)" page.

Audit of the Key Financial Controls  
Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
<p><b>Recommendation 1</b></p> <p><i>It is recommended that the Chief Financial Officer (CFO) ensure that specimen signature cards are terminated through the year on a timely basis.</i></p>	<p>Management agrees with this recommendation.</p> <p>The Chief Financial Officer Branch (CFOB) is leading an initiative to enhance the existing process and controls on the various actions required when an employee is leaving the Department. 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>	<p>Revised and approved departure form and process.</p>	<p>March 30, 2012</p>	<p>CFOB-Resource Management Directorate (RMD) in consultation with the Corporate Services Branch (CSB)</p>
	<p>In the interim, CFOB will remind all staff of the need to ensure that they request the cancellation of their financial specimen signature cards prior to their departure, as well as the requirement for managers to provide assistance to their staff and to monitor compliance.</p>	<p>Development of a communication and implementation strategy for the mandatory usage of the new departure form and process.</p>	<p>March 30, 2012</p>	<p>CFOB-RMD in consultation with CSB</p>
		<p>Communication to all staff via <i>Health Canada Broadcast News</i>.</p>	<p>November 30, 2011</p>	<p>CFOB-RMD</p>

Audit of the Key Financial Controls  
Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
	CFOB will assess the monitoring tool used by the Audit and Accountability Bureau during the conduct of their audit. If applicable, CFOB will implement this tool once it is modified to function in a PeopleSoft environment.	Implementation of a periodic monitoring tool.	September 28, 2012	CFOB-Financial Operations Directorate (FOD) – Public Accounts and Policy Division (PAPD)
<p><b>Recommendation 2</b></p> <p><i>It is recommended that the CFO ensure that the quality assurance process is improved in the following areas:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Identification and logging of critical errors, including verification of price in accordance with contracts and missing supporting documentation;</i></li> <li>▪ <i>Reporting results of quality assurance over account verification results with regards to grants and contributions transactions, as well as, acquisition card transactions.</i></li> </ul>	<p>Management agrees with this recommendation.</p> <p>CFOB will enhance the <i>Health Canada Statistical Sampling Plan</i> to provide guidance on the interpretation of error codes and examples of their application to help ensure proper identification and logging of critical errors.</p>	<p>Updated <i>Health Canada Statistical Sampling Plan</i>.</p>	<p>December 23, 2011</p>	<p>CFOB-FOD – Accounting Operations and Systems Division (AOSD)</p>
	CFOB will modify the <i>Health Canada Statistical Sampling Plan</i> to expand the logging of errors for high risk transactions to include errors identified through the quality assurance process on grant and contribution transactions.	Communication of the enhancements and updates by conducting information session(s) with accounting offices.	January 13, 2012	CFOB-FOD – AOSD

Audit of the Key Financial Controls  
Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
		Monitoring the implementation of the procedures by following-up on a sample of the transactions reviewed in the fourth quarter of 2011-2012 and the first quarter of 2012-2013.	October 31, 2012	CFOB-FOD – AOSD
	CFOB will report the results of the acquisition card transaction quality assurance review, in addition to the results of the quarterly statistical sampling results.	Reporting of acquisition card transaction quality assurance.	March 30, 2012	CFOB-FOD – PAPD
<p><b>Recommendation 3</b></p> <p><i>It is recommended that the CFO develop clear guidance on the additional work required when the tolerable error rate has been exceeded in order to demonstrate the adequacy and reliability of account verification.</i></p>	Management agrees with this recommendation.			
	CFOB will enhance the <i>Health Canada Statistical Sampling Plan</i> to provide guidance and clarification on the level of analysis and assessment as well as actions and required follow-up where the tolerable error rate has been exceeded.	Updated <i>HC Statistical Sampling Plan</i> .	December 23, 2011	CFOB-FOD – AOSD
		Communication of the enhancements and updates by conducting information session(s) with accounting offices.	January 31, 2012	CFOB-FOD – AOSD

Audit of the Key Financial Controls  
Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
		<p>The error reports provided by the accounting offices will be reviewed on a quarterly basis to ensure that the required level of analysis has been performed and that the follow-up actions indicated are appropriate. The first review will be performed on the error reports for the third 2011-2012 quarter results.</p>	<p>April 30, 2012</p>	<p>CFOB-FOD – AOSD</p>
<p><b>Recommendation 4</b></p> <p><i>It is recommended that the Assistant Deputy Minister (ADM) of the CSB ensure that:</i></p> <ul style="list-style-type: none"> <li>▪ <i>the pay verification is appropriately documented by compensation verifiers; and</i></li> <li>▪ <i>the segregation of duties is continuously monitored between pay creation and verification in the on-line pay</i></li> </ul>	<p>Management agrees with this recommendation.</p> <p>The Compensation Policy Centre will issue a reminder to all Health Canada compensation units that they are required to utilise the verification stamp as stated in Health Canada’s <i>Standard Operating Procedures for Pay Verification and Payment Release</i>. The message will also stress the importance of adherence to this process as it provides evidence of pay transaction approval by the Compensation Verifier and work performed by the Compensation Advisor.</p>	<p>All Health Canada compensation units will be reminded of the mandatory requirement to utilize the verification stamp for all pay actions.</p>	<p>November 30, 2011</p>	<p>Assistant Deputy Minister, CSB / Human Resources Services Directorate</p> <p>Compensation Policy Centre</p> <p>Compensation Operations (all regions, including the National Capital Region)</p>

Audit of the Key Financial Controls  
 Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
<p><i>system.</i></p>	<p>The Compensation Policy Centre will periodically monitor that the verification stamp is being used for each pay action in accordance with the <i>Standard Operating Procedure for Payment Verification and Payment Release</i>.</p> <p>[sensitive security-related information removed in accordance with the exemption provisions of the <i>Access to Information Act</i>]</p>			
		<p>Monitoring to ensure the usage of the verification stamp will be conducted.</p>	<p>March 31, 2012</p>	<p>Compensation Policy Centre</p>

Audit of the Key Financial Controls  
Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
<p><b>Recommendation 5</b></p> <p><i>It is recommended that the CFO, in collaboration with the ADM, First Nations and Inuit Health Branch (FNIHB) and the ADM, Regions and Program Branch (RAPB), ensure that coordination is improved between accounting offices and contribution programs to ensure that all receivables, including those resulting from 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>CFOB in collaboration with the RAPB and the FNIHB initiated work to assess the enhancements required to assist with the identification and recording of contributions receivables in an accurate and timely manner. This work will include an analysis of the assessment status of contribution agreement reports from prior years and reconciliation with the financial information reported in the departmental financial system as well as the development of procedures for the annual financial process including timelines.</p>	<p>Summary report of the analysis on the assessment status of First Nations and Inuit Health (FNIH) contribution agreement reports from current year and prior years.</p>	<p>November 30, 2011</p>	<p>CFOB-RMD – Executive Director, Financial Management (EDFM) in consultation with RAPB – First Nations Inuit Health Regional Directors (FNIH RDs) and Regional Senior Financial Officers (RSFOs)</p>
		<p>Reconciliation of the Management of Contracts and Contributions System (MCCS) with the financial information reported in the Department's financial system and recording of accounting adjustments in the Department's financial system as required.</p>	<p>December 30, 2011</p>	<p>CFOB-RMD – EDFM in consultation with RAPB – FNIH RDs and RSFOs</p>

Audit of the Key Financial Controls  
 Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
		Update of Health Canada <i>Accounts Receivable Policy</i> and procedures.	March 30, 2012	CFOB-FOD – PAPD
		Communication of the enhancements and updates via <i>Health Canada Broadcast News</i> .	April 30, 2012	CFOB-FOD – PAPD
		Review of FNIHB's procedure and guideline documents.	July 31, 2012	CFOB-FOD – PAPD
		If applicable, update of FNIHB procedure and guideline in line with the <i>Accounts Receivable Policy</i> and procedures.	August 31, 2012	FNIHB in consultation with CFOB-FOD – PAPD



Audit of the Key Financial Controls  
 Management Response and Action Plan – December 2011

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
		Monthly status report on all FNIHB contribution agreements to assist with the monitoring of the status of file review as well as the recording of financial information in the Department's financial system in order to enhance the accuracy of the information in the Department Financial Statements. <i>(The first monthly report will be delivered by December 30, 2011)</i>	December 30, 2011	RAPB – FNIH RDs and RSFOs in consultation with FNIHB and CFOB - RMD – EDFM