Management Response and Action Plan

Audit of Key Financial Controls, Year 5

October 2015

Canada

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Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
Recommendation 1 *It is recommended that the Chief Financial Officer implement controls so that unnecessary specimen signature cards are cancelled on a timely basis.*	Management agrees with this recommendation.			
	The current procedure requires Specimen Signature Card editors to review and cancel unnecessary cards when a new card is entered. The existing procedure needs to be applied consistently.	1.1 A message will be sent to all SSC editors to ensure compliance with the current procedures.	September 30, 2015 **COMPLETED**	Director General (DG), Financial Operations Directorate (FOD)
		1.2 A review of SSC will be conducted to remove any duplicate SSCs. This process will also be included in the SSC annual review exercise.	November 30, 2015	DG, FOD

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Recommendation 2	Management agrees with this recommendation.			
It is recommended that the Chief Financial Officer develop and implement controls to reduce errors for acquisition card transactions to an acceptable level.	The Chief Financial Officer Branch (CFOB) will enhance the communication with cardholders, to raise awareness and implement an enforcement strategy to ensure compliance.	2.1 A quarterly message will be sent to all cardholders regarding errors identified during the quality assurance exercise along with the procedures and instructions to avoid these errors.	September 30, 2015 **COMPLETED**	DG, FOD
		2.2 Acquisition card training material will be updated.	March 31, 2016	DG, FOD
		2.3 An enforcement strategy will be implemented to ensure compliance.	March 31, 2016	DG, FOD

Recommendations	Management Response and Planned Management Action	Deliverables	Expected Completion Date	Responsibility
Recommendation 3 *It is recommended that the Chief Financial Officer implement controls to manage journal vouchers, in accordance with the departmental Standard on Journal Vouchers.*	Management agrees with the recommendation.			
	The audit samples indicate that control has been improved since the implementation of the Standard on Journal Vouchers in November 2014. Additional training will be provided to ensure compliance with the current standard.	3.1 Training sessions will be provided to CFOB staff who process journal vouchers.	December 31, 2015	DG, FOD
		3.2 A journal voucher instruction will be distributed to provide detailed guidance on review and supporting documentation requirements.	December 31, 2015	DG, FOD

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Recommendation 4	Management agrees with the recommendation.			
It is recommended that the Chief Financial Officer reconcile the Grants and Contributions Information Management System and the departmental financial system, to provide assurance that grants and contributions agreement information is complete and accurate.	Health Canada completed the GCIMS onboarding on April 1, 2015. During the past few months, branch efforts have focused primarily on the training, transition and reconciliation between the legacy systems and GCIMS. CFOB will implement a reconciliation process between GCIMS and SAP by November 30, 2015.	4.1 Implementation of a reconciliation process between GCIM and SAP.	November 30, 2015 **COMPLETED**	DG, FOD
Recommendation 5	Management agrees with the recommendation.			
It is recommended that the Chief Financial Officer and the Senior Assistant Deputy Minister, First Nations and Inuit Health Branch, implement controls to ensure the timely recording and monitoring of receivables arising from recoveries of contribution amounts in the departmental financial system.	The debt management (DM) module will be implemented in GCIMS in fiscal year 2015-16. It will streamline the recording and monitoring of receivables arising from recoveries of contribution agreements. The module will feed receivable information directly to SAP, thereby eliminating any delay in recording receivables in the financial system.	5.1 Implementation of DM module in GCIMS.	March 31, 2016	DG, FOD