



Implementation Status of Recommendations

FINAL REPORT

Approved by Internal Audit Committee on July 5, 2006



**Internal Audit Division
June 2006**



Statistics
Canada Statistique
Canada

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Introduction

The purpose of this report is to provide the Internal Audit Committee with a summary of the implementation status of recommendations from three internal audit reports where monitoring continues and a summary of items related to the Office of the Auditor General:

1. Audit of Personnel Screening (December 2003)
2. Compliance Audit on the Policy on Informing Users of Data Quality and Methodology (June 2002)
3. Tax Data Security Audit (March 2005)
4. Office of the Auditor General: and current and planned work

The previous status report was May-June 2005.

It is part of the responsibilities of the Internal Audit Division to monitor the implementation status of recommendations contained within audit reports tabled with the Internal Audit Committee as well as those made in management memorandums. This practice complies with Treasury Board's *Policy on Internal Audit and Internal Auditing Standards for the Government of Canada*. The Division also provides the Committee with updates on the status of other audit-related issues and recommendations affecting Statistics Canada such as those contained in Office of the Auditor General reports.

Scope and Methodology

Monitoring activity covered the extent and nature of action taken on all recommendations presented in the audit reports. It involved a review of the audit reports, an analysis of current plans, interviews as appropriate and an analysis of the actions that were taken. The monitoring also includes looking at the actions taken to address issues identified in management letters. Results are included in the next sections of this report.



I. Audit of Tax Data Security (March 2005)

Introduction

The audit report for the Audit of Tax Data Security was approved by the Internal Audit Committee on June 29, 2005. The report contained three recommendations and a management action plan.

Status

Recommendation	Monitoring Status
<p><u>Recommendation 1:</u></p> <p>Tax Data Division consults with Administrative Support Services Division (service provider for drivers) to explore options for direct transport and find ways to improve packaging and include these in its procedures manual. The procedures manual should include a process to identify and log any incidents related to packaging or transport, and report them to divisional management so that appropriate action can be taken. This will provide procedures tailored for these circumstances.</p>	<p>Status: completed—recommend no further monitoring</p> <p>A procedures manual is in place and includes requirements for: direct transport by SC drivers, use of a locked box in the vehicle, tracking capacity and contact names should escalation be required. Both divisions report successful implementation.</p>
<p><u>Recommendation 2:</u></p> <p>Tax Data Division works to revise the MOU so that what is expected when Statistics Canada drivers transmit tax data is clarified.</p>	<p>Status: no longer applicable</p> <p>This is not required, given the arrangements made for recommendation 1.</p>
<p><u>Recommendation 3:</u></p> <p>Informatics Technology Services Division keep the most recent version of the sanitization software package available on its website and notify Field IT Service Managers so that they take steps to ensure that employees reporting to them sanitize computer hard drives leaving Statistics Canada using the latest version; and that ITSD also notify the Supervisor Assets Management / Quality Control in Administrative Support Services Division.</p>	<p>Status: recommend continued monitoring</p> <p>DSX version 1.4 was made available by the RCMP in Dec 2004 and is still in use. However, in March 2006, the RCMP announced that it would no longer support this software so version 1.4 is now the final version.</p> <p>The RCMP cautions that departments use DSX at their own risk although notes that “the software may continue to be effective for computers slated to be recycled at ‘end of life’ in support of programs such as Computers for Schools for another one to two years (estimate)”. The RCMP suggests replacement products. The Head of IT Security has prepared a plan to replace this software and communicate the change by the end of October 2006.</p>
<p><u>Recommendations contained in management memorandums</u></p>	<p>Status: recommend continued monitoring</p> <p>Divisions responded positively to recommendations and most have been completed. However, in a small number of instances, we wish to verify that initial activities have been solidified over time.</p>



II. Audit of Personnel Screening (December 2003)

Introduction

The audit report for the Audit of Personnel Screening was approved by the Internal Audit Committee on December 10, 2003. The report contained three recommendations and a management action plan.

Status

Recommendation	Monitoring Status
<p><u>Recommendation 1:</u></p> <p>Data Access and Control Services Division revise Chapter 3 of the Statistics Canada <i>Security Practices Manual</i> in line with the revised <i>Government Security Policy</i> for approval by Policy Committee and widely communicate changes. A key item will be the review of the timing expected for reliability statuses with a view to improving current practices.</p>	<p>Status: Incomplete—continue monitoring</p> <p>Chapter 3 has been revised and Security Coordination Committee members are reviewing it, with the expectation that the chapter will become final by June 30, 2006.</p>
<p><u>Recommendation 2:</u></p> <p>Data Access and Control Services Division, Human Resources Operations Division and Regional Operations Branch partner to improve the monitoring and management of personnel screening, periodically reporting results to the Confidentiality and Legislation Committee.</p>	<p>Status: Incomplete—continue monitoring</p> <p>RCAD's new Chief, Policy, Monitoring and Evaluation now has responsibility to produce the quarterly monitoring report based on Global data. RCAD is working with ROB to follow up any regional office cases identified by this report. Now results will be reported to the new Security Coordination Committee.</p> <p>Continue monitoring until process is well-established.</p>
<p><u>Recommendation 3:</u></p> <p>Security status and expiry information about employees and deemed employees be entered into the relevant corporate database by security staff only, following the best practice in place for the Global database. The databases to which this practice should be extended are: Survey Operations Pay System (SOPS) for interviewers; and the RDC Project Management System Database, maintained under the direction of the Manager of the Research Data Centre Program and to include all deemed-employee researchers.</p>	<p>Status: Completed—recommend no further monitoring</p> <p>The RDCP program reports that the database has been modified so that DACS staff can enter information. DACS reports that it is entering the data into the database.</p>
<p><u>Recommendations contained in management memorandums</u></p>	<p>Status: Previously reported as complete</p>



III. Compliance Audit on the Policy on Informing Users of Data Quality and Methodology (June 2002)

Introduction

The audit report for the Compliance Audit on the Policy on Informing Users of Data Quality and Methodology was approved by the Internal Audit Committee on September 4, 2002. The report contained three recommendations and a management action plan.

Status

Recommendation	Monitoring Status
<p><u>Recommendation 1:</u></p> <p>The Methods and Standards Committee identify ways to provide information, publicity, and sustained guidance to support policy implementation, including the IMDB as a key tool that supports it.</p>	<p>Status: Previously reported as complete</p>
<p><u>Recommendation 2:</u></p> <p>Directors of statistical program areas monitor compliance in accordance with their responsibilities under the policy and report on their performance in biennial and quadrennial program reviews; and the Methods and Standards Committee evaluate the quality of this reporting.</p>	<p>Status: Previously reported as complete</p>
<p><u>Recommendation 3:</u></p> <p>In program areas where the application of the policy is more challenging, divisions consult closely with Methodology Branch in interpreting the policy within their context. The Methods and Standards Committee can provide any additional guidance that may be required.</p>	<p>Status: sufficient momentum—recommend no further monitoring</p> <p>There is a major improvement in IMDB records for National Accounts and Analytic Studies Field. Balance of Payments and Public Institutions divisions — both reported in the last status report as making little progress — now have fully compliant IMDB records. While there is still work to do to create six new IMDB records to join the existing 24 fully-compliant records and 3 records with minor deficiencies, recent progress suggests that sufficient momentum exists.</p> <p>The SC internet site has included a SNA module since January 2006, brought to fruition through the use of a task force, which will be kept in place to work on other SNA-related documentation.</p>

IV. Office of the Auditor General: Audit Monitoring and Plans

Introduction

The Office of the Auditor General (OAG) has completed tracking of recommendations in earlier audit reports. The OAG has two audits now underway. The full list is presented below:

Status

Recommendation	Monitoring Status
<p><u>Outstanding recommendation from 1999 Quality of Statistics report</u> 3.83 Statistics Canada should ensure that its Policy on Informing Users of Data Quality and Methodology is applied consistently across products and dissemination media. 3.96 Statistics Canada should co-ordinate the development of the Integrated Meta Database with other quality-related initiatives and take steps to ensure the ongoing completeness and reliability of the Database.</p>	<p>Status: OAG has completed monitoring OAG is satisfied.</p>
<p><u>Health Indicators Audit Opinion (2004)</u> Done for Health Canada and included in <i>Healthy Canadians</i>. We had been informed that a management letter would be sent.</p>	<p>Status: completed OAG has decided not to send a formal management letter.</p>
<p><u>Audit of Quality and Reporting of Federal Surveys</u> Focus was on the quality of survey work and the risk that departments report survey results but not data quality.</p>	<p>Status: completed Reported in November 2005. There were no recommendations for Statistics Canada.</p>
OAG Current Work and Plans	Status
<p><u>Health Statistics Audit</u> OAG will follow up on their 2002 report, as well as assess any significant new issues related to the quality of health statistics that have emerged since then, including issues identified in their 2004 work for the health indicator reports.</p>	<p>Status: audit in progress OAG has sent a client-solicitor letter for a re-audit reporting in its Feb 2007 Status Report and work has begun.</p>
<p><u>2006 Census of Population Audit</u> The OAG will focus on the management of data quality assurance and the extent to which SC has applied its own framework. Potential lines of inquiry include: 'hard to count' sub-populations, protection of respondent privacy, meeting key users' information needs and the quality of the process for scanning hard copy responses</p>	<p>Status: audit in progress OAG has sent client-solicitor letter for an audit reporting Nov 2007 Report to Parliament and work has begun.</p>
<p><u>2007 Commissioner of the Environment Report</u> Report will provide a long-term retrospective of environmental and sustainable development progress. More details on exact scope and focus to come in Sept 2006.</p>	<p>Status: audit in progress Received solicitor-client letter in March 2006. Initial survey phase presently underway at SC with a focus on environmental indicators.</p>

