

**Management Action Plan
Core Control Audit of the Canada School of Public Service**

Canada School of Public Service's Opinion of the Audit Report:

Management has reviewed the audit findings and has provided action plans in response to the recommendations. To conform with the requirements of the Treasury Board Policy on Internal Control, the School has adopted a risk based approach to monitor the effectiveness of internal control over financial reporting with emphasis placed on key accounts and material transactions. The School will augment its monitoring framework and compliance by implementing the action plans described in this report by June 2015.

Audit Entity Sign Off on the Management Action Plan

Linda Lizotte-MacPherson
Deputy Minister/President
Canada School of Public Service

Signature

Date March 9, 2015

| Recommendations | Priority | Response and Planned Actions | Responsibilities <i>(position title responsible for the action)</i> | Timelines |
|---|----------------------|--|--|-----------------|
| <p>1. CSPA should ensure that all signature cards are signed by a supervisor prior to the effective date.</p> | <p>Medium</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: The School's procedure for the verification of signature cards and related request forms has been amended to ensure that the effective date specified is no earlier than the date of authorization. All existing signature cards have been reviewed for proper effective date. The procedure has been revised to ensure that any signature card with a missing effective date will be considered incomplete and returned to the originating cost centre.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>Complete</p> |

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|--|--------------------|--|--|-------------------|
| <p>2. CSPS should ensure that all employees with delegated financial authorities receive mandatory training before they exercise their delegated authority, as well as revalidate their knowledge to maintain their delegated authorities.</p> | <p>High</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: Accounting Operations will verify that all employees with delegated financial authorities are current with the mandatory Authority Delegation Training.</p> <p>To ensure that only transactions approved by employees with valid Authority Delegation Training are processed, Human Resources will implement a procedure to keep Accounting Operations informed of the status of mandatory Authority Delegation Training for employees with delegated financial authorities.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>April 2015</p> |

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| <p>3. CSPS should ensure that vehicle expenses are tracked, in order to monitor on-going maintenance, repair and operating costs of the vehicle.</p> | <p>Medium</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: There is one vehicle at the School and all related expenses are recorded in the financial system. Accounting Operations will improve this process by implementing reconciliations of receipts and report quarterly on vehicle costs to the cost centre manager.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>March 2015</p> |

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| <p>4. CSPS should ensure that documentation is retained on file, specifically with regards to:</p> <ul style="list-style-type: none"> • Acquisition card credit limits and credit limit increases set by the responsibility centre managers; and • Support that acquisition card purchases are government business-related expenses. | <p>Medium</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: Accounting Operations will verify that documentation on file for all acquisition cards include credit limits and sign offs by responsibility centre managers.</p> <p>The School's process to test the effectiveness of internal control will be adjusted by Accounting Operations to include steps to verify, on a sample basis, documentation to support acquisition card expenses.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>March 2015</p> |

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| <p>5. CSPS should ensure that the departmental acquisition card coordinators sign the acquisition card request form to support that coordinators are responsible for managing the departmental acquisition card program.</p> | <p>Medium</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: The School has a process in place to control the attribution of acquisition cards and cardholders acknowledgement of their responsibilities. This process includes a sign off by a Financial Officer to signify verification of compliance with acquisition card program requirements. The attribution process for all future acquisition card requests will also include a sign off by the Acquisition Card Coordinator.</p> <p>Existing cardholders' requests forms have been reviewed to ensure that all acquisition card request forms contain the signature of the School's Acquisition Card Coordinator.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>Complete</p> |

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| <p>6. CSPS should ensure that documentation is retained on file to support that the amount of any accountable advances is calculated based on operational needs.</p> | <p>Low</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: The School establishes accountable advances only when it is deemed to be the most effective method of payment and upon receipt of authority from Public Works and Government Services Canada. Accounting Operations will amend this process to include documentation on operational needs to support the amount of accountable advances.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>March 2015</p> |

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| <p>7. CSPS should ensure that business processes are improved, and consistently performed in compliance with the Treasury Board <i>Contracting Policy</i> to ensure that:</p> <ul style="list-style-type: none"> • Supporting documentation for best value analysis is kept on file; • Appropriate procurement vehicles are chosen and used in compliance with terms and conditions; • Bid evaluations are documented on file and signed by all evaluators; and • Security clearance validation by the appropriate authority is documented on file and security requirements are addressed in contracts. | <p>High</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: School's cost centres keep on file quotes or similar price justification documents to support best value. The Procurement and Contracting Unit (PCU) now adds to their files a copy of these documents.</p> <p>The School has procedures in place to ensure that existing standing offers or other established procurement vehicles are used and that terms and conditions are adhered to.</p> <p>Since the audit, the senior contracting manager has reminded all PCU staff of the requirement to always keep on file signed copies of bid evaluations. Peer reviews have also been implemented within the PCU to verify compliance with this</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>Complete</p> |

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| | | <p>requirement on an ongoing basis.</p> <p>With respect to security clearance validation, the School's Standing Offers include security clauses to ensure clearance validation. To improve this process, the PCU now includes security clauses in Call-ups on the School's Standing Offers. Peer reviews have been implemented within the PCU to monitor compliance with this new step.</p> | | |

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| <p>8. CSPS should ensure that employee leave is approved in a timely manner and by an individual with the proper delegated authority.</p> | <p>Low</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: A reminder will be issued to supervisors on their responsibility to approve annual leave in a timely manner and to ensure that they have been delegated authority before approving such a leave.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>April 2015</p> |

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| <p>9. CSPS should ensure that performance agreements and appraisals are signed and dated by all concerned parties.</p> | <p>Medium</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: The audit scope was limited to transactions that took place in fiscal year 2013-14. In 2014-15, procedures were implemented to ensure the completeness of the performance agreements which included signatures and dates. This procedure will be further strengthened in 2015-16 with the implementation by Treasury Board Secretariat of performance management in the Executive Talent Management System (ETMS). The ETMS will provide an electronic signoff and automatic date stamps on executive's performance management agreements.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>June 2015</p> |

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| 10. CSPS should ensure that departure forms are completed and kept on file. | High | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: A procedure will be developed and implemented by Human Resources to ensure that departures forms are completed and kept in pay files. This new procedure will include revisions to the current departure form in consultation with internal stakeholders.</p> <p>A reminder will be issued annually to supervisors on their responsibility to ensure departure forms are completed and submitted to Human Resources for personnel records.</p> | Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch | June 2015 |

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| <p>11. CSPS should ensure that expenditure initiation is properly documented and performed by an individual who has the appropriate delegated authority before expenses are incurred.</p> | <p>High</p> | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: The School has procedures in place that focus on high risk and material transactions such as semi-annual pre-approval, by the appropriate delegated authority, of expenditures for hospitality, travel, conferences and events. Procedures are also in place to ensure expenditure initiation pre-approval for contracts.</p> <p>Accounting Operations will implement monitoring procedures for pre-approval, on a sample basis, of those expenditures of lower materiality.</p> | <p>Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch</p> | <p>April 2015</p> |

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|--|-------------|---|---|-----------|
| 12. CSPS should ensure that account verification is properly dated, and is done on a timely basis. | High | <p>Response: Management agrees with the recommendation.</p> <p>Planned Actions: A communique was sent by the Deputy Chief Financial Officer in December 2014 to all cost centre managers, reminding them of the importance of dating financial documents and advising them that financial transactions, not having been properly dated, will not be processed and will be returned to the originating cost centre.</p> <p>Training was provided at a February 2015 Extended Management Committee meeting where the importance of properly signing and dating financial documents was reinforced along with other financial and corporate responsibilities.</p> <p>Accounting Operations verifies that</p> | Vice-president, Chief Financial Officer and Head of Human Resources Corporate Management and Registration Services Branch | Complete |

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| | | <p>account certification for all payments, is dated. Payment requests with no dates on account verification are returned to cost centre managers for completion.</p> <p>To address the timeliness of payments, Accounting Operations will continue to monitor and report monthly to managers on late payments originating from their cost centres.</p> | | |