

Management Action Plan
Audit of Basic Controls at The National Battlefields Commission

The National Battlefields Commission management's opinion of the audit report

Management has reviewed the findings and recommendations within the scope of the audit and believes that the findings accurately reflect the status of financial management controls at The National Battlefields Commission (NBC).

Recommendations	Degree of Priority	Answers and Planned Actions	Responsibility (position title of person in authority)	Timeline
<p>1. The NBC should ensure that all employees receive mandatory training in accordance with financial management, contracting and human resource requirements and validate their knowledge every five years.</p>	<p>High</p>	<p>Answer: The NBC learned about this requirement during the Office of the Auditor General's audit and acknowledges that employees need to take mandatory training in accordance with financial management, contracting and human resource requirements and have their knowledge validated every five years.</p> <p>Planned action: The NBC intends to comply with the Policy on Learning, Training and Development for its three employees who exercise their delegated financial authority for expenditures under sections 32, 33 and 34 of the <i>Financial Administration Act</i>. To complete their training, the employees will take courses offered by the Canada School of Public Service in Quebec City.</p>	<p>Financial Services Officer</p>	<p>The plan is for one employee to take the training in June 2012, while another would take it in October 2012, and the third one would take it in November 2012.</p>
<p>2. The NBC should ensure that the new acquisition card is issued in the cardholder's name and that a signed acknowledgment of the acquisition card holder's responsibilities,</p>	<p>Low</p>	<p>Answer: When credit cards were requested in 2003, management agreed not to issue credit cards in the employees' names, but instead in</p>		

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including relevant restrictions, be kept on file.		<p>the NBC's name as a control measure. The NBC learned about this requirement during the OAG's audit and acknowledged that new acquisition cards should be issued in the cardholders' names and that a signed acknowledgment of the acquisition card holder's responsibilities, including relevant restrictions, should be kept in the file.</p> <p>Planned actions: The NBC will ask the government-authorized supplier to issue credit cards in the names of certain designated employees and will make sure that it has acknowledgments of the acquisition card holders' responsibilities, including relevant restrictions, that are signed by each cardholder.</p>	Financial Services Officer	September 2012
<p>3. The NBC should implement a formal procedure to ensure that</p> <ul style="list-style-type: none"> • the rationale for sole supplier contracts is documented; • the appropriate method of contracting is selected and used in accordance with the 	High	Answer: The NBC is aware of its contracting deficiencies and acknowledges the need to adopt formal procedures for awarding contracts to sole source suppliers, as well as for competitive contracts, in addition to the need to keep records		

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<p>associated terms and conditions;</p> <ul style="list-style-type: none"> • a Statement of Work is drafted before a contract is awarded; • the selection method and assessment criteria, which must be open, fair and transparent, are clearly stated in the request for proposals document before the request for proposals is published; • a signed copy of the written contract is kept in the file; • the rationale for amendments to a contract is documented and the amendments are made before the initial contract expires; • contracts with a value of more than \$10,000 are duly disclosed to the public. 		<p>of decisions and public disclosures.</p> <p>Planned actions</p> <p>The NBC undertakes to do the following:</p> <ol style="list-style-type: none"> 1. To have employees involved with purchasing take training, particularly the Canada School of Public Service courses “Introduction to Procurement” (M718) (for the accounting clerk) and “Developing a Statement of Work and Evaluation Criteria” (M711) (for the materiel management and procurement officer and the clerk) and any other courses deemed relevant. It should be noted that some training offered by the Canada School of Public Service has already been taken, i.e., “Introduction to Procurement” (M718) and “Managing the Contract for Services” (M404), which were successfully completed recently by the NBC’s Materiel Management and Procurement Officer. 2. Review the existing internal 	<p>1. Financial Services Officer</p>	<p>1. The Introduction to Procurement course is scheduled for October 2012, and the Developing a Statement of Work course is scheduled in June 2012 for one employee and in 2013 for the other employee.</p>

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		<p>policy and meet with managers to inform them of the new policy and of management's expectations in regard to contracting.</p> <p>3. Update as soon as possible the policy on proactive disclosure of contracts with a value of more than \$10,000.</p>	<p>2. Financial Services Officer, Director General, Assistant Secretary and managers</p> <p>3. Finance Administrative Assistant</p>	<p>2. The NBC is planning to review its policy and meet with the employees concerned by December 2012.</p> <p>3. By June 2012 for the 2011-2012 and 2010-2011 fiscal years and December 2012 for previous years.</p>
<p>4. The NBC must ensure that the audit is carried out in a timely manner and that the certified invoice is properly accompanied by supporting proof of the performance of work and the amount of expenses.</p>	<p>High</p>	<p>Answer: According to the fact-checking document, the NBC partly satisfies this assessment criterion in the audited directives. For some contracts reviewed, the payment procedure was to issue payments on the dates set out in the contract, e.g. lawn contract payment is due mid-month; so the NBC issued a cheque for that date. The</p>		

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		<p>NBC acknowledged the fact that the audit must be conducted in a timely manner and that the certified invoice must be accompanied by supporting proof of the performance of work and the amount of expenses.</p> <p>Planned actions: Since proof of the performance of work was not necessarily recorded, this practice has been corrected. Employees involved with purchasing have been informed of the need to make sure that they have all necessary documents proving that services were rendered and goods received as stated in the awarded contracts. The Financial Services Officer will ensure compliance with the directive and the established procedure on a quarterly basis.</p>	Financial Services Officer	Immediately
5. The NBC should ensure that hospitality expenses comply with the prescribed limits and that appropriate prior approval is obtained for hospitality events where alcoholic beverages are served.	High	Answer: During the audit, it was found that three transactions exceeded the Treasury Board Secretariat's authorized limits and that two transactions concerned expenses for alcoholic beverages that had not been previously approved by the Minister.		

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		<p>All of the audited hospitality events had been planned in such a way as to be economical, consistent and appropriate in relation to the Department's mandate and priorities. The information was validated in an interview rather than formally recorded. (Sub-criterion 1.1). Hospitality expenses decrease from year to year and have been reduced to a minimum.</p> <p>Planned actions: The NBC intends to tighten its controls in order to comply with the directive on travel expenses, hospitality and conferences. It will keep a record of all hospitality expenses.</p>	Financial Services Officer, Director General and Assistant Secretary	Immediately
6. The NBC should ensure that all applicable leave is pre-authorized.	High	Answer: The employees' supervisors had verbally approved all applicable leave before the employees took the leave. The NBC acknowledges the fact that all applicable leave must be pre-authorized in writing and not verbally.		

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		<p>Planned actions: The NBC sent a memo to the employees and managers notifying them that vacation leave and compensatory leave must be approved in writing before the leave is taken.</p>	Financial Services Officer	Completed in February 2012
7. The NBC should ensure that appropriate formal procedures are followed and documented when employees leave.	Low	<p>Answer: Some NBC units implemented this practice by sending a letter to Human Resources. The NBC acknowledges that appropriate formal procedures must be followed and documented when employees leave.</p> <p>Planned actions: Standardize procedures throughout the NBC by having a standard form filled out for every employee who leaves the NBC.</p>	Financial Services Officer	Completed in February 2012
8. The NBC should ensure that funds are committed before the related expenses are incurred by a duly authorized person.	High	<p>Answer: The NBC acknowledges that forms must be used to correct this situation, but no expenses are incurred without having the funds available to cover the related expenses.</p>		

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		<p>Planned actions: For travel and hospitality expense claim purposes, the NBC developed a new authorization form that includes a line for authorizing a commitment of funds under section 32 of the <i>Financial Administration Act</i>. Employees working with the financial software were informed of this recommendation, particularly when the expenses concern contracting. They must be sure that funds are committed before the expenses are incurred. The Financial Services Officer will check on a quarterly basis to ensure that funds were committed before expenses were incurred and that it was done by a duly authorized person. The NBC also designed a form to be used when employees are hired to ensure that the funds are available when they are hired.</p>	Financial Services Officer	Completed in November and December 2011