



Audit of Financial Management Controls Management Response and Action Plan October 24, 2008

Recommendation	Action Plan	Responsibility	Expected Completion Date
<p>1. The department should develop, implement and communicate an integrated financial management control framework. In doing so, the department should consider the following:</p> <ul style="list-style-type: none"> • The need for key financial processes to be carried out consistently across the department; • The need to formalize financial management roles, responsibilities, authorities and reporting relationships; • The need to establish an effective risk-based monitoring and review function with related accountability mechanisms; and • The need to be able to provide assurance that financial controls are in place and operating as intended. 	<p>Agree. The department has developed and implemented various financial frameworks over the past year. The initiation of the readiness assessment project will assist in capturing and documenting the control framework. Phase II of the readiness assessment, which will include documentation of key processes and controls will begin this winter.</p> <p>Draft work on the department's financial management framework will consolidate the information received from Phase II of the readiness assessment. The Financial Management Policy Suite, scheduled to be implement in April 2009, will also be incorporated. Once these two key components are finalized, the departmental financial management framework will be complete.</p>	Finance and Corporate Management	June 2009
<p>2. The Chief Financial Officer should develop a comprehensive financial management training strategy.</p>	<p>Agree. Finance and Corporate Management will review its annual training call request and work with Regional Managers to develop a comprehensive financial management training strategy.</p>	Finance – Corporate all and Regions	January 2009



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3. The department should strengthen and standardize the monitoring and review practices around the approvals of sections 34 and 33 of <i>the Financial Administration Act</i> .	Agree. Finance and Corporate Management will develop a formalized approach to monitoring and review practices.	Finance and Corporate Management	June 2009
4. The department should ensure that all financial files are well maintained with all supporting and pertinent information on file.	Agree. As part of the financial management framework, the monitoring framework under development will address this requirement. Current practices and processes in place will also be reviewed to ensure standardization across the department.	Corporate Accounting & Policy	June 2009
5. The department should modify its current financial system access controls to build in a formal executive approval process when one individual is approving more than one element of the same transaction.	Agree. Action has been taken immediately to modify system access controls.		Completed
6. The department should strengthen financial system user account management controls, specifically related to employee departures and periodic reviews of user profiles. All controls should be well documented to allow smooth knowledge transfer and succession planning.	Agree. Finance and Corporate Management will work with regional Finance Managers to strengthen financial system user account management controls as they relate to employee departures.	Finance – Corporate and all Regions	December 2008
7. The Chief Financial Officer should clearly identify key financial risks at the department level, assess those risks in terms of developing mitigation strategies to manage them effectively, and communicate the risks to senior management and all involved in financial management. The Chief Financial Officer should regularly reassess and update key financial risks to ensure those identified are current.	Agree. The department's current corporate risk profile identifies key risk areas of financial management. Financial management risks and mitigating strategies are identified on a regular basis to executive committee members. Finance and Corporate Management will work to incorporate key financial risks and mitigation plans into its 2009/2010 business plan.	Finance and Corporate Management	September 2009