



**Audit of Accounts Receivable  
Management Response and Action  
June 14, 2010**

Recommendation	Action Plan	Responsibility	Expected Completion Date
1. WD should modify its financial system to ensure it is calculating interest correctly.	The department has confirmed a minor change in the rounding of interest calculations is required, and has consulted with the vendor to correct. The vendor has provided a "patch" to fix the error, which will be implemented in the financial system in Release 9.43, scheduled for June 2010.	Finance & Corporate Management	June 2010
2. WD should modify its financial system to restrict the ability to override the fields that calculate interest on outstanding accounts.	The department has maintained there are a few older, outstanding contribution agreements with variable interest rates. As such, flexibility is required to override the interest calculations. To mitigate this risk, WD has implemented an internal control process to accommodate a second verification where overriding of fields is required.	Finance & Corporate Management	Completed



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3. WD should ensure active monitoring of files for compliance with the terms and conditions of all agreements to ensure that all accounts receivable are set up and collected in a timely manner.	<p>A comprehensive collection plan is under development and will be finalized in July, 2010 to ensure that all remaining files are processed for write-off or actioned for collection. This collection policy will also address future repayable contributions.</p> <p>ADM's will be responsible in their own regions to ensure that active monitoring on repayable contributions is undertaken and Headquarters will finalize a departmental monitoring framework that will, among other things, ensure appropriate regional follow-up on accounts receivables.</p>	Regional ADM's  Finance & Corporate Management	July, 2010  December 2010
4. WD should document the process followed in managing accounts receivable and provide training on those procedures.	WD will review current practices and processes in managing receivable activities, and follow-up to ensure adequate training is provided.	Finance & Corporate Management	December 2010
5. WD should adopt a system of sharing between the regions as a way to communicate issues, develop solutions, and identify leading practices with respect to monitoring and receivable issues.	The department will continue to share information on an on-going basis between the Regional Finance and the Regional Monitoring & Payments bi-weekly conference calls. WD will review existing practices on monitoring and receivable issues.	Regional ADM's  Finance & Corporate Management	December 2010
6. WD should consider the option of seeking security on repayable contributions and formally document its resulting decision.	WD will develop a policy to clarify the department's position with respect to taking security on repayable contributions.	Corporate Policy & Programs	December 2010