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Core Control Audit of the Status of Women Canada

October 2011

Office of the Comptroller
General



Canada

Objective and scope

The objective of this audit was to ensure that core controls over financial management¹ within Status of Women Canada (SWC) are effective and result in compliance with corresponding legislation, policies, and directives.

The scope of this audit included an examination of a sample of transactions from each of the policies and directives indicated in Appendix A of this report. The transactions were taken from April 1, 2010 to March 31, 2011.

Conformance with Professional Standards

This audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.²

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Why this is important

Canadians expect the federal government to be well managed and to be accountable for the prudent stewardship of public funds, the safeguarding of public assets, and the effective, efficient and economical use of public resources. They also expect reliable and transparent reporting on how the government spends public funds to achieve results for Canadians.³

The Financial Administration Act designates deputy heads as accounting officers for their department or agency. As accounting officers, deputy heads are accountable for ensuring resources are organized to deliver departmental objectives in compliance with government policy and procedures; ensuring that there are effective systems of internal control; signing departmental accounts; and performing other specific duties assigned by law or regulation to the administration of their department or agency.

Audit conclusion

Core controls over financial management within the Status of Women Canada are conducted in a manner compliant with the requirements contained in ten of twelve policies, directives⁴ and corresponding legislation tested.

¹ See Appendix A for a complete list of policies and directives included in the scope of this audit. For the audit criteria please refer to <http://www.tbs-sct.gc.ca/report/orp/2011/ccac-cvcb-eng.asp>.

² The Office of the Comptroller General has not undergone an external assessment to support its conformance with this statement.

³ Policy Framework for Financial Management: Section 2. Context.

⁴ See Appendix A for the Agencies' overall compliance in the areas tested.

Recommendations

As part of this audit the Agency received detailed recommendations with respect to improvements that should be made. Recommendations were made to ensure that contracts are approved prior to the receipt of any goods or services, and that justification exists to support contract amendments before the contract expiry date. Further recommendations were made to ensure all expenses are pre-approved by an individual with the delegated authority to do so.

Management action plans

Management has accepted the audit findings and has developed an action plan to address the detailed recommendations. The Status of Women Canada has provided the Office of the Comptroller General with the management action plan to address actions taken towards the findings. The management action plan is available on the Status of Women Canada website.

The results of the audit and the management action plan have been discussed with the Coordinator of the Status of Women Canada and the Small Departments and Agencies Audit Committee. The Office of the Comptroller General will follow-up on the management action plan until all findings are resolved.

Appendix A: Policies and Directives Tested

Policies and Directives Tested	Compliance
Directive on Delegation of Financial Authorities for Disbursements	Partially Met
Directive on Expenditure Initiation and Commitment Control ⁵	Not Met
Directive on Account Verification ⁶	Partially Met
Directive on Acquisition Cards	Met with Exception
Directive on Accountable Advances	Met
Contracting Policy	Not Met
National Joint Council Travel Directive and the Directive on Travel Cards and Travellers Cheques	Partially Met
Directive on the Management of Expenditures on Travel, Hospitality and Conferences	Partially Met
Directive on Leave and Special Working Arrangements	Partially Met
Casual Employees	Met with exception
Performance Pay Administration ⁷	Met
Directive on Financial Management of Pay Administration	Partially Met

Legend	
Met	Greater than or equal to 99% compliance.
Met with exception	Greater than or equal to 90% and less than 99% compliance.
Partially met	Greater than or equal to 80% and less than 90% compliance.
Not met	Less than 80% compliance.

⁵ Includes *Financial Administration Act*, Section 32.

⁶ Includes *Financial Administration Act*, Section 34.

⁷ Includes the *Policy on the Management of Executives*, the *Directive on Terms and Conditions of Employment for Certain Excluded and Unrepresented Employees* and the *Directive on Executive Compensation*