

Management Action Plan
Core Control Audit of the National Film Board of Canada

National Film Board of Canada Opinion of the Audit Report:

The organization has reviewed the findings and recommendations and that as far as the scope of this audit is concerned the Comptroller General's report accurately reflects the state of control over financial management, contracting, travel & hospitality and human resources.

Management is committed to take actions to address all findings and the implementation of action plans is the priority and the responsibility of all Senior Managers. As such, they will ensure that these action plans are properly implemented within the appropriate timeframe.

Audit Entity Sign Off on the Management Action Plan

Chairperson
National Film Board of Canada

Wendy MacLean
Signature

20 July 2013
Date

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<p>1. The NFB should continue working with stakeholders to resolve the outstanding legal issue and ensure that the Delegated Financial Signing Authorities Chart is current.</p>	<p>High</p>	<p>Response: the Delegated Financial Signing Authorities Chart was signed by the Minister of Canadian Heritage on October 31, 2016.</p>	<p><i>Director General, Finance, Operations and Technology (Chief Financial Officer)</i></p>	<p>Already done October 31, 2016.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action) *	Timelines
<p>2. The NFB should ensure that delegation business processes are improved and are consistently performed in compliance with the Treasury Board <i>Directive on Delegation of Financial Authorities for Disbursements</i>, and that sufficient documentation is retained on file to ensure that:</p> <ul style="list-style-type: none"> The delegation of financial authorities chart reflects the changes made to the Treasury Board <i>Directive on Travel, Hospitality, Conference and Event Expenditures</i> for approving travel; 	High	<p>Response: The NFB will continue to improve its delegation business process and will ensure that sufficient documentation is retained on file.</p> <p>Planned Actions:</p> <ul style="list-style-type: none"> The Delegated Financial Signing Authorities Chart signed by the Minister of Canadian Heritage on October 31, 2016 reflects these changes. The signature specimen cards will all be updated to reflect all the changes in the newly signed Delegated Financial Signing Authorities Chart. The signing authorities will be integrated within NFB's systems (Oracle and Synchrone). 	<p><i>See below</i></p> <p><i>Director of Finance</i></p> <p><i>Director of Finance</i></p>	<p><i>See below</i></p> <p>Already done October 31, 2016.</p> <p>In the second quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title, responsible for the action)	Timelines
<ul style="list-style-type: none"> All signature specimen cards include the date on which the appropriate authority had delegated financial authority to the incumbent; 	High	<ul style="list-style-type: none"> An 'approval' date will be added on the form to indicate when an incumbent's supervisor/superior formally designates that person. The signature process will be reviewed and documented. 	Director of Finance	In the second quarter of fiscal year 2017-2018.
<ul style="list-style-type: none"> Delegated financial authorities are formally reviewed on an annual basis and updated, if deemed necessary; and 	High	<ul style="list-style-type: none"> In addition to the current annual review of all employees' signing position, a formal and annual review process of signature specimen cards will be implemented. Director of Finance will ensure monitoring. 	Director of Finance	All signature specimen cards will be reviewed in the second quarter of fiscal year 2017-2018. Afterwards, they will be reviewed on an annual basis.
<ul style="list-style-type: none"> All employees with delegated financial authority receive mandatory training before they exercise their authority. 	High	<ul style="list-style-type: none"> All employees with delegated financial authority will receive appropriate training during this fiscal year (2017-2018). The NFB will define its training program by the end of the second quarter 2017-2018 and adapt it to the different groups of employees. 	Chief Human Resources Officer (CHRO) And Chief Financial Officer (CFO)	Training program: By the end of the second quarter of fiscal year 2017-2018. Training of employees: By the

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		<p>This training will be mandatory to all employees with delegated financial authority by the end of the fiscal year 2017-2018, and will be monitored by the CHRO and CFO.</p>		<p>end of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<p>3. The NFB should ensure that sufficient documentation is retained on file for acquisition cards to substantiate their issuance, approval, modification, and acknowledgment of responsibilities by the cardholder.</p>	<p>Medium</p>	<p>Response: The NFB has already ensured the compliance of the recordkeeping process in place for acquisition cards.</p> <p>During the implementation of the new acquisition cards with chip (October-November 2016), the acquisition cards were replaced for all cardholders and the NFB has obtained the required documentation for each cardholder. The documentation is on file.</p> <p>Planned Actions:</p> <ul style="list-style-type: none"> NFB will ensure that all acknowledgment of responsibilities of cardholders have been obtained and retained on file. 	<p>See below</p> <p><i>Supervisor, Expenses and Supplier Accounts</i></p>	<p>See below</p> <p>Already done (Completed in November 2016).</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action) *	Timelines
		<ul style="list-style-type: none"> NFB will review all files of cards issued to ensure that appropriate documentation regarding issuance and approval are retained on file. For any mission documentation, NFB will obtain the required documentation for each cardholder. Supervisor, Expenses and Supplier Accounts will ensure monitoring. 	<p>Supervisor, Expenses and Supplier Accounts</p>	<p>By the end of the third quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action) ^a	Timelines
<p>4. The NFB should ensure that contracting business processes are improved and are consistently performed in compliance with the Treasury Board <i>Contracting Policy</i>, and that sufficient documentation is retained on file to ensure that:</p> <ul style="list-style-type: none"> Best-value analysis is performed prior to contract award; 	High	<p>Response: the NFB will proceed to a review of its business process during fiscal year 2017-18, and will thus ensure to improve its contracting processes and that they are performed in accordance with the Contracting Policy.</p>	<p>See below</p> <p><i>Primary responsibility: All Directors General</i></p> <p><i>Secondary responsibility: Director of Material Resources</i></p>	<p>See below</p> <p>Process will be designed by the end of fiscal year 2017-2018.</p> <p>The implementation will be done by the end of the first quarter fiscal year 2018-2019.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Appropriate procurement vehicles are chosen and used in compliance with their terms and conditions; 	High	<ul style="list-style-type: none"> The NFB Purchasing Policy will be updated to reflect new process. Training on the updated policy and process will be provided. NFB will ask TBS for a confirmation regarding the exclusion of the BVA requirements for contracts related to creative personnel. Communications and training will be provided to NFB staff to inform of the terms and conditions for choosing the appropriate procurement vehicles. In addition, related documentation will be posted on Intranet. 	<p><i>Director of Material Resources</i></p> <p><i>Chief Financial Officer (CFO)</i></p> <p><i>Primary responsibility: All Directors General</i> <i>Secondary responsibility: Director of Material Resources</i></p>	<p>Policy will be updated by the end of fiscal year 2017-2018.</p> <p>Request will be asked by the end of the third quarter of fiscal year 2017-2018.</p> <p>By the end of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Security requirements are addressed prior to the start of work and are conducted in compliance with the provisions of the <i>Policy on Government Security</i>; 	High	<ul style="list-style-type: none"> A Security Policy has been approved by the Senior Management Committee during the first quarter of fiscal year 2017-2018. Security requirements for contracts will be defined and included in the revised NFB Purchasing Policy. 	<i>Departmental Security Officer</i> <i>Primary responsibility: All Directors General</i> <i>Secondary responsibility: Director of Material Resources</i>	Already done. Policy will be updated by the end of 2017-2018.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Contracts and amendments are signed and dated by the delegated contracting authority; Contracts and amendments are issued before the goods and services are received; Contract amendments are properly justified and substantiated; and Contract amendments are issued before contract expiry dates. 	High	<ul style="list-style-type: none"> The process will be reviewed to ensure that contracts and contract amendments (with the exception of some production contracts) are signed and dated by the delegated authority in a timely manner (before the services and goods are received), with the proper justification on file. Monitoring reports will be presented to Senior Management Committee. 	<p><i>Primary responsibility: All Directors General</i> <i>Secondary responsibility: Director of Material Resources</i></p>	<p>The process will be reviewed by the end of fiscal year 2017-2018.</p>
		<ul style="list-style-type: none"> For certain contract amendments related to production, the NFB will update its NFB Purchasing Policy to clarify production contract amendment dates. 	<p><i>Director of Material Resources</i></p>	<p>Policy will be updated by the end of fiscal year 2017-2018.</p>
		<ul style="list-style-type: none"> NFB will confirm with TBS the compliance of its revised policy.. 	<p><i>Chief Financial Officer (CFO)</i></p>	<p>Request will be asked by the end of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities <i>(position title responsible for the action)</i>	Timelines
		<ul style="list-style-type: none"> • Communications and training will be provided to NFB staff to inform of the terms and conditions for choosing the appropriate procurement vehicles. In addition, related documentation will be posted on Intranet. 	Director of Material Resources	By the end of fiscal year 2017-2018.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action) ¹⁸	Timelines
<p>5. The NFB should ensure that travel business processes are improved and are consistently performed in compliance with the National Joint Council <i>Travel Directive</i>, and that sufficient documentation is retained on file to ensure that:</p> <ul style="list-style-type: none"> Justification for post-authorization of travel requests is obtained; 	Medium	<p>Response: The NFB will ensure that its travel business processes comply with the <i>Travel Directive</i>, through manager training, and by enhancing the monitoring and recordkeeping processes.</p>	See below	See below
	Medium	<ul style="list-style-type: none"> The NFB will ensure that justifications for post-authorization of travel requests are on file together with other travel documentation. Documentation will be mandatory before payment. Accounts payable responsible will make sure that directive is followed before payment. 	<p><i>Primary responsibility: All Directors General</i> <i>Secondary responsibility: Director of Finance</i></p>	By the end of the third quarter of fiscal year 2017-2018.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Employees are reimbursed for meals and incidentals within the limits prescribed by the <i>Travel Directive</i>; 	Medium	<ul style="list-style-type: none"> Training will be given to managers, travel organizers and support staff regarding <i>Travel Directive</i> (including travel expense for non-public servants). The training will have as objectives to clarify the <i>Directive</i>, communicate it, explaining what documentation is required on file. Training was given to accounts payables technicians in September 2016 to monitor reimbursements within the limits prescribed. 	<p><i>Director of Finance</i></p>	<p>By the end of the third quarter of fiscal year 2017-2018.</p>
<ul style="list-style-type: none"> Non-public servants are eligible for the reimbursement of travel expenses; 	Medium	<ul style="list-style-type: none"> A new process will be elaborated in collaboration with <i>Legal Services</i> for the management of travel expenses for participants in film production. For those participants who are not paid, a 0\$ contract will be integrated with the release form in order to 	<p><i>Director of Finance and Director of Legal Services</i></p>	<p>By the end of third quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Accommodations are selected from the Government Accommodation Directory and within the city rate limit, and sufficient justification is kept on file when the hotel is not included in the Directory or when the identified limit is exceeded; Rental vehicles and flight arrangements respect the appropriate limits; and 		<ul style="list-style-type: none"> NFB's documentation related to travel for non-public servant will be updated to clarify eligibility to reimbursement of travel expenses. make them eligible for reimbursements. 	<p><i>Director of Finance and Director of Legal Services</i></p>	<p>By the end of third quarter of fiscal year 2017-2018.</p>
		<ul style="list-style-type: none"> Training will be provided on the National Joint Council Travel Directive. The NFB will also send a communication to staff about the requirement to select accommodations from the Directory, the appropriate limits for rental vehicles and flight arrangements, and about what constitute a proper and detailed justification. The information will be posted and kept on Intranet. Accounts payable responsible will make sure that directive is followed before payment. 	<p><i>Director of Finance</i></p>	<p>By the end of third quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Travel advances are used only for travel costs, and justification for the provision of travel advances to contractors, in highly exceptional circumstances, is obtained. 	Medium	<ul style="list-style-type: none"> Advice from TBBS will be sought on how best deal with situations where advances are given for production crews filming on location. Given the particular reality of film production, travel advances to contractors (e.g. Film crew and participants) are a necessity. The NFB will ensure that justifications for travel advances to film crew and participants are obtained and properly kept on file. 	<p><i>Chief Financial Officer (CFO)</i></p> <p><i>Director of Finance</i></p>	<p>Request will be asked by the end of the third quarter of fiscal year 2017-2018.</p> <p>By the end of third quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<p>6. The NFB should ensure that hospitality business processes are improved and are consistently performed in compliance with the Treasury Board Directive on Travel, Hospitality, Conference and Event Expenditures, and that sufficient documentation is retained on file to ensure that:</p> <ul style="list-style-type: none"> Planning documentation reasonably justifies the operational need for the hospitality expenditures, and identifies attendees; 	High	<p>Response: The NFB will ensure that its hospitality business processes comply with the related Directive, through managers training on the Directive's requirements, and by enhancing the monitoring and recordkeeping processes.</p>	See below	See below
<ul style="list-style-type: none"> Planning documentation reasonably justifies the operational need for the hospitality expenditures, and identifies attendees; 	High	<ul style="list-style-type: none"> The NFB will clarify its procedure with regard to pre-approval of hospitality expenses. 	Director of Finance	By the end of third quarter of fiscal year 2017-2018.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> The most efficient and economical alternatives for hospitality expenditures have been considered; The rationale for the provision of alcohol at hospitality events has been sufficiently identified and substantiated; and 		<ul style="list-style-type: none"> NFB will ensure that all hospitality activities are pre-approved by email and properly documented including the need of the hospitality expenditure, the attendees and the estimated cost. The managers will be asked to justify the choices made for hospitality expenditures in light of the alternatives available. Accounts payable will make sure that directive is followed before payment. In addition, training will be provided to managers, along with documentation, that all hospitality activities must be pre-approved by email and properly documented. 	<p><i>Primary responsibility: All Directors General</i></p> <p><i>Secondary responsibility: Director of Finance</i></p>	<p>By the end of third quarter of fiscal year 2017-2018.</p>
			<p><i>Director of Finance</i></p>	<p>By the end of third quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> Hospitality expenses for designated senior-level employees are proactively disclosed on the departmental website. 		<ul style="list-style-type: none"> The NFB will ensure that all proactive disclosures for hospitality expenses for designated senior-employees are on its institutional website. 	<i>Supervisor, Expenses and Supplier Accounts</i>	Already done.

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<p>7. The NFB should ensure that departure forms are completed by all applicable authorities and kept on file.</p>	<p>Low</p>	<p>Response: The NFB will ensure that departure forms are completed by all applicable authorities and kept on file.</p> <p>Planned Actions:</p> <ul style="list-style-type: none"> • Advice from TBS on <i>Directive of Financial Management of Pay Administration</i> will be sought, on how best deal with less than 3 months temporary employees while conforming to the policy. • The departure form process, including a checklist of items to be returned, will be implemented for continuous employees and 3 months and plus temporary employees. The departure form will be kept on file. • Advisor, Human Resources will make sure that the directive is followed. 	<p>See below</p> <p><i>Chief Human Resources Officer (CHRO)</i></p> <p><i>Chief Human Resources Officer (CHRO)</i></p> <p><i>Chief Human Resources Officer (CHRO)</i></p>	<p>See below</p> <p>By the end of second quarter of fiscal year 2017-2018.</p> <p>By the end of second quarter of fiscal year 2017-2018.</p> <p>By the end of second quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<p>8. The NFB should ensure that receivables business processes are improved and are consistently performed in compliance with the Treasury Board Directive on <i>Receivables Management</i>, and that sufficient documentation is retained on file to ensure that:</p> <ul style="list-style-type: none"> A departmental credit policy is established, and the types of goods and services that can be provided on credit are identified; 	Low	<p>Response: While certain recommended items are already in place, the NFB will ensure that its receivables business processes are performed in compliance with the directive.</p>	See below	See below
	Low	<ul style="list-style-type: none"> Improve the NFB's Departmental credit policy. Once updated, the policy will be communicated. Head, Financial operations will ensure that the policy has been implemented. 	Director of Finance	By the end of the third quarter of fiscal year 2017-2018.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action) *	Timelines
<ul style="list-style-type: none"> Result-based measurement mechanisms are established and monitored regularly; 	Low	<ul style="list-style-type: none"> Implementation of result-based measurement mechanisms and of a monitoring process (follow-up and communication of "bad payer" related information). 	<i>Head Financial Operations</i>	By the end of the third quarter of fiscal year 2017-2018.
<ul style="list-style-type: none"> Periodic reports on the financial and non-financial activities of the portfolio are prepared and distributed to management; 	Low	<ul style="list-style-type: none"> Periodic reports on financial and non-financial activities will be improved to respond to the Directive requirements and reviewed by the CFO and DG DCM. 	<i>Head Financial Operations</i>	By the end of the third quarter of fiscal year 2017-2018.
<ul style="list-style-type: none"> Appropriate division of duties are established relating to collections, maintenance of accounting records, and the handling of money; and 	Low	<ul style="list-style-type: none"> Establishment of segregation of duties among financial technicians to ensure that maintenance of accounting records, safeguards of assets and approbation are isolated tasks. 	<i>Head Financial Operations</i>	Already done.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<ul style="list-style-type: none"> A complete audit trail exists to track all claims from the transaction that gave rise to the receivable through to its final settlement. 	Low	<ul style="list-style-type: none"> Audit trail will be kept for all claims. Head Financial Operations will ensure monitoring. 	Head Financial Operations	By the end of fiscal year 2017-2018.

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<p>9. The NFB should ensure that expenditure initiation (pre-approval and commitment) is properly documented and performed by an individual who has the appropriate delegated authority before expenses are incurred, specifically in relation to acquisition card purchases, contracting, travel and hospitality expenditures.</p>	High	<p>Response: The process of documenting expenditure initiation will be improved following the review of our business processes during the fiscal year 2017-2018.</p> <p>Planned Actions:</p> <ul style="list-style-type: none"> • Training and communication to managers to inform of the required process of expenditures pre-approved and commitment by individual with appropriate delegated authority. • Implementation of a monitoring report. Exceptions will be reported to CFO and presented to senior management team. • Implementation of monitoring process through the SAP financial management system. 	<p><i>See below</i></p> <p><i>Director of Finance</i></p> <p><i>Chief Financial Officer (CFO)</i></p> <p><i>Director of Material Resources, Accommodations and Special projects</i></p>	<p><i>See below</i></p> <p>By the end of the third quarter of fiscal year 2017-2018.</p> <p>By the end of the third quarter of fiscal year 2017-2018.</p> <p>By the end of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timelines
<p>10. The NFB should ensure that account verification is performed by an individual with the appropriate delegated authority on a timely basis, and is supported with proof of execution and cost, specifically in relation to acquisition card purchases, contracting, travel, hospitality expenditures and pay administration actions.</p>	High	<p>Response: The NFB will review its processes of account verification to ensure the implementation of this recommendation in the context of the film production industry, where artwork stands as proof of execution and where delays in execution occur often.</p> <p>Planned Actions:</p> <ul style="list-style-type: none"> NFB will seek policy advice from TBS for payment for production services based on contract deliverables, for which there is no invoice. Proof of execution for production services will be in the form of an email from the producer or other individual with appropriate delegated authority and kept on file at the studio. Training will be provided to producers and studio administrators. 	<p>See below</p> <p><i>Chief financial officer (CFO)</i></p> <p><i>Director of Finance and Director of Creation and Innovation</i></p>	<p>See below</p> <p>Request will be asked by the end of the third quarter of fiscal year 2017-2018.</p> <p>By the end of third quarter of fiscal year 2017-2018.</p>

Recommendations	Priority	Response and Planned Actions	Responsibilities <i>(position title responsible for the action)</i>	Timelines
		<ul style="list-style-type: none"> Accounts payable will make sure that directive is followed before payment. 	<i>Director of Finance</i>	By the end of third quarter of fiscal year 2017-2018.

Recommendations	Priority	Response and Planned Actions	Responsibilities (position title responsible for the action)	Timeliness
<p>11. The NEB should ensure that payment and settlement is carried out for the correct dollar amount and to the right vendor on a timely basis, specifically in relation to contracting.</p>	<p>Low</p>	<p>Response: This recommendation is based on contracts for production services where, as per industry practices and scale agreements with artists' associations:</p> <ul style="list-style-type: none"> • Invoices are not issued; • Contract deliverable dates are estimated dates. <p>Planned Actions:</p> <ul style="list-style-type: none"> • Advice from TBS will be sought on how best to deal with these situations linked to audio-visual industry practices. 	<p>See below</p> <p><i>Chief financial officer (CFO)</i></p>	<p>See below</p> <p>Request will be asked by the end of the third quarter of fiscal year 2017-2018.</p>

