



BACKGROUND

Senate of Canada

Senate Response to the Auditor General's Report of the Senate Administration Audit 2012

The Senate recognizes that Canadians expect senators and the Senate Administration to be responsible managers of taxpayers' money.

Since 2009, the Senate Internal Economy committee has authorized seven independent audits, including annual audits of the institution's financial statements.

The institution's financial statements are posted on the Senate website and are accessible to the public: <http://bit.ly/gITk1O>.

The Senate recognizes that planning is important in managing public resources efficiently and effectively. In 2008, the Senate Administration implemented a results-based management framework linking activities, programs, performance indicators, and strategic outcomes and improved internal performance reporting.

The Senate recognizes that Canadians must be kept informed of the work of the senators and is committed to providing information in as many different forms as possible. Recently, the Senate:

- Opened Internal Economy meetings to the public
- Implemented audio and video on demand (AVOD) of Senate committee proceedings on the Senate's ParlVu website.
- Launched an updated and renewed Senate portal and committees website
- Launched Senate institutional Twitter Feed to inform Canadians about the activities of Senate committees and the art and architecture of the institution.

Senate Response to the Recommendations in the Report

The Senate accepts all the Auditor General's recommendations and is taking the appropriate action.

In the report, the Auditor General noted:

- The Administration has management policies and control systems in place.
- The Administration has a reasonable financial management framework in place and is implementing it.
- The Administration's human resources management framework is appropriate to the organization's size and nature of its business.
- Operational coordination and communication between Senate Protective Service and other security services in the Parliamentary Precinct have improved in recent years.
- Most of the Senate Administration Strategic Priority Areas and Initiatives reflect areas of risk that appear in the risk inventory.

- The Administration uses internal audits appropriately.
- Overall, items tested were properly authorized and had sufficient documentation to support the amount of the transaction. The Administration had reviewed and properly recorded the transactions.
- The Administration has directives, a contracting policy, and a control framework to manage the procurement of goods and most services.
- The Administration meets requirements for delivery and operation of information technology services.

***Recommendations and Senate Action**

The Senate's Committee of Internal Economy has reviewed all the recommendations and is taking action on all of them:

***The Senate Administration should prioritize each of its identified risks, ensure that risk mitigation strategies are developed for key organizational risks, and monitor and report on progress in implementing its risk mitigation strategies.**

The Senate accepts the recommendation. The Senate Administration will prioritize its significant corporate risks and strengthen its identification of risk mitigation strategies, and enhance monitoring and reporting. Management subcommittees have schedules in place to review corporate risks.

***The Senate Administration should develop multi-year planning as well as an annual corporate plan that assigns resources to implement its priorities and initiatives, and is aligned with operational plans and performance agreements.**

The Senate accepts the recommendation. The Senate Administration will improve its multi-year planning, which was incorporated into directorate work plans in 2011-12, and will develop a corporate plan to assign resources to implement its priorities and initiatives. Improvements to project management across the Administration are also being pursued, which will result in improved identification of resource requirements, timelines, risks, and deliverables to operational planning.

The Senate Administration has developed a business plan for 2012-2013, which will be considered by the Internal Economy Committee prior to summer adjournment.

***The Senate Administration should refine its performance indicators so that it can track and report on progress toward its key strategic and operational objectives.**

The Senate accepts the recommendation. The Senate Administration will improve its performance indicators to more fully monitor and report on its progress toward strategic objectives, and to measure economy.

Consultations have begun with the Administration directorates to improve indicators for reporting against objectives.

***The Senate Administration should ensure that it has sufficient documentation to clearly demonstrate that expenses are appropriate. Further, the Administration should bring to the attention of the Internal Economy Committee any cases in which the Administration believes that required documentation is not sufficient to clearly demonstrate that expenses are appropriate.**

The Senate accepts the recommendation. The Senate Administration has taken steps to clarify the types of documentation required to demonstrate that expenses are appropriate. The Senate Administration will report on instances and trends regarding the sufficiency of documentation.

The report indicates that documentation for financial transactions demonstrated an average compliance rate over 95 percent.

The Senate has clearly defined rules for processing expense claims that are rigorously enforced. As in the private sector, the senator signs their expense claim form and attaches the receipts, according to strict rules and guidelines.

The claim forms are then sent to the Senate's Finance and Procurement Directorate for approval. The directorate is run by trained professionals who ensure that each expense complies with the *Senate Administrative Rules* and related policies and guidelines before any payment can be made.

Each claim is reviewed line by line by two separate financial officials. Receipts are required, justifications and additional information are requested when necessary, and there are clear limits and rules in place. If an expense is not allowed under the rules and policies, or if the paperwork is incomplete, the claim is refused or challenged.

***The Senate Administration should provide complete information to the Internal Economy Committee on its contracting activity, including the volume, the value, and the use of competitive and non-competitive processes for all types of contracts being issued.**

The Senate accepts the recommendation. The Senate Administration will provide complete information to the Internal Economy Committee on its contracting activity, including the volume, the value, and the use of competitive and non-competitive processes for all types of contracts being issued.

A review of the data is currently being conducted.

***The Senate's Internal Audit unit should institute a systematic review of past transactions and perform sufficient reviews to provide assurance that transactions and contracts comply with the Internal Economy Committee's Senate Administrative Rules and policies for managing financial assets.**

The Senate accepts the recommendation. The Internal Economy Committee has agreed to implement regular reviews of past financial transactions and audits of Senators' expense claims. These reviews will be identified in the Multi-year Audit Plan on an ongoing basis.

***The Senate Administration should monitor and regularly review its human resources management policies. In addition, it should establish guidelines for actions and information to be documented so that transactions can and decisions comply with policy directives.**

The Senate accepts the recommendation. The Senate Administration will enhance its monitoring and review of the Human Resources Management Policy suite. Current controls and procedures used to validate that transactions and decisions comply with policy directives will be reviewed. Additional controls and procedures will be implemented as determined by the review.

A schedule for centralized policy monitoring and reporting is under development, in consultation with the Administration directorates.

***The Senate Administration should include all the positions, including that of the Clerk, in the succession management program and should emphasize the need for professional competencies for management positions.**

The Senate accepts the recommendation. The Senate Administration will include all positions in the succession management program. The Senate Administration will identify and document professional competencies in the competency profiles of management positions, for integration into the Senate Administration's training and development program.

All positions are now included in the succession management program. The list of professional competencies has been developed and is under review.

***The Senate Administration should improve its project management methodology for information technology-enabled projects. Elements of the methodology should include, at a minimum, clear and measurable objectives; an analysis of costs, options, quantifiable benefits, and key risks; and a requirement for periodic reporting.**

The Senate accepts the recommendation. The Senate Administration recognizes the need to improve its project management methodology for its information technology-enabled projects. In the past year, the Information Services Directorate has improved its approach by developing business cases and project charters for all its projects. The Directorate is committed to maintaining and improving this aspect by integrating other elements of project management methodologies.

The project management framework design is complete. Consultations with Senate management are to commence. The rollout of the framework will likely begin as a pilot project to allow for adjustments, followed by full implementation in early 2013-2014.

***The Senate Administration should develop an overall security policy summarizing the objectives, goals, measures, and reporting for its security operations.**

The Senate accepts the recommendation. While the Senate Administration has an operational security policy, objectives and targets, it will develop an overall policy to improve them and to better enable it to measure the effectiveness of its mitigating controls, evaluate progress and implement corrective action if necessary.

A draft security policy has been developed by the subject matter experts in the Senate Protective Service. The policy must now go through consultation, review and approval stages.

***The Senate Administration should continue its efforts to work toward a unified security force for the Parliamentary Precinct.**

The Senate accepts the recommendation. The Senate Administration will continue to work toward integration of the three partners' security services to create a security service for the entire Parliamentary Precinct, including the buildings and the grounds.

The Internal Economy Committee has appointed two subcommittees to work on this initiative. The Administration is equally committed to working with its security partners and has developed the critical path outline for the initiative.

Useful Links

Senate website: www.sen.parl.gc.ca
Senate committees: <http://bit.ly/nRbGkK>

Senate financial reports: <http://bit.ly/gITk1O>
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