

Assessment of NSERC/SSHRC Award Monitoring Activities Management (Action Plans) Responses

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 As of: 9 July 2004

Audit Recommendation		Management Response	OPI	Due Date
Observations on the policies, procedures and practices used for activities related to award monitoring				
6.3.1	In addition to the directives currently found in document templates, all significant steps relating to review visits and investigations should be detailed in written procedures.	Agreed. A complete set of procedures is being developed for the review visits and investigations.	FMT	December 2004
6.3.2	Part of the content and structure of review files should be revised to ensure more adequate and efficient documentation of review visits.	Agreed. This recommendation is being implemented. For example, during the last review visit, an effort was made to broaden the scope of the strategic plan. In the past, the strategic plan was used to record all areas of concerns and/or risks identified during the planning stage of the review. During the current visit, all new findings identified during the on-site review were added to the strategic plan including the source of the information. As well, information pertaining to a specific issue that had been identified and included in the plan prior to the visit was added, and the source of the information was identified again. This information is indexed to the review binder appropriately. The team will continue to streamline this process to ensure more adequate and efficient documentation of review visits.	FMT	Complete

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6.3.3	CASD should analyze reasons for high turnover among the FMT employees and take steps to address its findings.	The high turnover of staff in the section is primarily related to the complexity and nature of the work associated with being part of a review team and the frequent need to travel. Resolution of this issue continues to be a priority for Management. Certain steps to remediate this situation have already been implemented. These include offering the team members training and development courses such as courses in writing effective reports, stress management, dealing with confrontational situations, etc. As well, specific tools have been developed to assist the team when writing the review reports, e.g. a report template containing the main sections of the report as well as a log which references the most common findings and recommendations that have been written in previous reports. Management will continue to explore other ways to stabilize the team as much as possible.	FMT	Ongoing
6.3.4	<p>a) The two agencies should assess whether or not to continue conducting review visits with CFI;</p> <p>b) FMT should take necessary steps to improve the sharing of roles and responsibilities as well as communication with CIHR.</p>	<p>For over a year now, it has been the practice to consult the institutions before inviting CFI to join us on our review visits. CFI is invited only when an institution has agreed to them joining the agencies.</p> <p>Agreed. CIHR, NSERC and SSHRC have been working at clarifying roles and responsibilities since they have joined their review visits. We will continue to work on steps to improve the sharing of roles and responsibilities as well as communication with CIHR.</p>	<p>FMT</p> <p>FMT</p>	<p>Complete</p> <p>Ongoing</p>

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Observations on the usefulness of award monitoring activities to the agencies and universities				
7.3.1	<p>The following modifications or improvements should be made to the review report:</p> <p>a) Modify the definition of “Non-Compliant Transactions” and the expression “Ineligible Transactions” used in the Summary of Transaction Reviewed;</p>	<p>Agreed. However, since some of the reports are written jointly with CIHR, we will discuss these changes with our colleagues at CIHR before implementation.</p>	FMT	March 2005
	<p>b) Weigh the rate of non-compliant transactions against the risk of non-control and the impact of non-compliance on ineligible expenses to determine if an observation and a recommendation are necessary;</p>	<p>Institutions, through the MOU, agree to ensure that they and the grantees operate in compliance with the relevant agency guidelines and therefore exercise due diligence and have the proper controls in place. It is our view that each transaction that is non-compliant with agency guidelines indicates a breakdown in the controls, which could result in agency funds being used for the wrong purpose. We feel that it is our responsibility to inform the institution each time a transaction is non-compliant. However, not all observations result in a recommendation. In some cases, depending on the risk to the agencies and the institutions, some of these will be included in the report under the findings and an appropriate recommendation will be provided. In other cases when the risk is judged to be less critical, these observations are simply communicated to the university as an information item in a separate section of the report and no recommendation is provided. We will continue to weigh the non-compliant and non-eligible expenses to determine when an observation and recommendation is warranted.</p>		No further action required.

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	c) In the Summary of Transactions Reviewed, provide details explaining which particular transactions have been rated as non-compliant, and for each of them, the reason for the non-compliance;	Our current practice is to keep the university administrators informed of all transactions that are thought to be non-compliant and/or ineligible. When transactions are found to be non-compliant we will endeavour to clearly indicate the reason for the non-compliance in the report. This issue will be discussed with our colleagues at CIHR in order to streamline the approach between the agencies.	FMT	March 2005
	d) Report on the results of the review of NCEs either in a distinct section of the review report or in a separate report.	For those NCEs that use the host institution's financial systems as well as their policies, the scope and approach for the review of the NCEs remain the same as for the host institution. Therefore, all findings and recommendations made to the host institution apply to the NCEs. Furthermore, the monitoring team reviews a pre-selected number of transactions from the NCE administrative centre (in the same way transactions from grant accounts are reviewed) in order to get an assurance that the institution's controls and practices are being followed by the NCE and that the agency funds are used for eligible expenses. However, in the event that the NCE does not reside within the host institution, the result of the monitoring visit will be recorded in a separate section of the monitoring review report. This issue will be discussed with our colleagues at CIHR in order to streamline the approach between the agencies.	FMT	Dec 2004
7.3.2	The FMT should ensure that the same message is conveyed both at the debriefing and in the review report.	The purpose of the debrief session is twofold: it keeps the institutions well informed of those issues that have come up during the review and which will be included in the review report; and it	FMT	Complete

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		is viewed as an excellent opportunity for the institutions to provide the agencies with information that may or may not have an impact on the findings. We will continue to brief the institutions fully on the issues in order to ensure that the same message is conveyed at the debriefing and in the review report.		
7.3.3	The FMT should put corrective measures in place to ensure that its service standards relative to the issuance date of final review reports are enforced, including a more rigorous follow-up with universities and improved cooperation with CIHR.	The time frame outlined in the service standards document will be reviewed. Therefore, the document will be updated to reflect a more realistic time frame. Currently, the agencies give the institutions up to one month to provide their responses to our recommendations. If the comments are not received within that time frame, a follow-up is conducted with the institutions. If an extension is requested, the agencies will usually agree. We will continue to follow up closely with the institutions to ensure timely receipt of comments and will continue to work with CIHR to ensure that the agreed time frame is respected.	FMT	December 2004
7.3.4	FMT should consider opportunities for sharing more information, obtained through review visits, relating to financial and non-financial issues with other groups within NSERC and SSHRC.	Agreed. Currently, it is our practice to inform staff from both agencies of any comments that the team obtained from the researchers and/or the university administrators during the review visits. As well, in the near future, we will endeavour to provide staff with useful information on the review visits as well as keep them informed on the results of the visits conducted during the year through meetings and all other opportunities.	FMT	Ongoing