Implementation Status of Recommendations

FINAL REPORT
Approved by Internal Audit Committee on June 29, 2005

Audit and Evaluation Division
May-June 2005

Statistics Canada   Statistique Canada

Canada

Audit and Evaluation Division

Introduction

The purpose of this report is to provide the Internal Audit Committee with a summary of the implementation status of recommendations from three internal audit reports and a summary of items related to the Office of the Auditor General:

1. Audit of Priority Cheque Print Security and Controls (May 2004)
2. Audit of Personnel Screening (December 2003)
3. Compliance Audit on the Policy on Informing Users of Data Quality and Methodology (June 2002)
4. Office of the Auditor General: outstanding recommendations for Chapter 3 - Statistics Canada—Managing the Quality of Statistics (April 1999 and status report in Dec 2001); Chapter 6 - Statistics Canada—Managing the Quality of Health Statistics (December 2002); and current and planned work

The previous status report was July 2004.

It is part of the responsibilities of the Audit and Evaluation Division to monitor the implementation status of recommendations contained within audit reports tabled with the Internal Audit Committee as well as those made in management memorandums. This practice complies with Treasury Board's *Internal Audit Policy and Guidelines*. The Division also provides the Committee with updates on the status of other audit-related issues and recommendations affecting Statistics Canada such as those contained in Office of the Auditor General reports.

Scope and Methodology

Monitoring activity covered the extent and nature of action taken on all recommendations presented in the audit reports. It involved a review of the audit reports, an analysis of current plans, interviews as appropriate and an analysis of the actions that were taken. The monitoring also includes looking at the actions taken to address issues identified in management letters. Results are included in the next sections of this report.

I. Audit of Priority Cheque Print Security and Controls (May 2004)

Introduction

The audit report for the Audit of Priority Cheque Print Security and Controls was approved by the Internal Audit Committee on July 21, 2004. The report contained two recommendations and a management action plan.

Status

Recommendation	Monitoring Status
Recommendation 1: It is recommended that Financial Management Operations and Systems Division management make the modifications on the few identified controls for compliance with the directive.	**Status: Previously reported as complete**
Recommendation 2: It is recommended that Financial Management Operations and Systems Division establishes criteria for requesting a priority cheque and communicates them to all personnel preparing priority payments for approval and monitors these criteria.	**Status: Complete—no further monitoring required** Criterion posted on website in January 2005—emergency salary advances only, (other 'emergencies' assessed individually). Personnel preparing priority payments for approval were notified that as of April 1, 2005, priority cheques are not prepared for instant awards. Initial results show a drop in the number of requests for cheques.
Recommendations contained in management memorandums	**Status: Complete—no further monitoring required** Monitoring work was done in November 2004, by which time most recommendations were addressed, with remaining items and completed by the time further monitoring was done in March 2005.

II. Audit of Personnel Screening (December 2003)

Introduction

The audit report for the Audit of Personnel Screening was approved by the Internal Audit Committee on December 10, 2003. The report contained three recommendations and a management action plan.

Status

Recommendation	Monitoring Status
Recommendation 1: Data Access and Control Services Division revise Chapter 3 of the Statistics Canada *Security Practices Manual* in line with the revised *Government Security Policy* for approval by Policy Committee and widely communicate changes. A key item will be the review of the timing expected for reliability statuses with a view to improving current practices.	**Status: Incomplete—continue monitoring** DACS has stopped preparation of a first draft of Chapter 3 since TBS has issued a new draft standard for personnel screening. Initial assessment indicates that a number of revisions will be required. The new director will establish an action plan to begin addressing areas where possible.
Recommendation 2: Data Access and Control Services Division, Human Resources Operations Division and Regional Operations Branch partner to improve the monitoring and management of personnel screening, periodically reporting results to the Confidentiality and Legislation Committee.	**Status: Incomplete—continue monitoring** The Confidentiality and Legislation Committee has been replaced by the Security Screening Review Committee that was established following the audit. AED has no objection. Resourcing and Corporate Assignments Division is running a report from Global on a quarterly basis to confirm that screening is being done in a timely manner for new hires. AED has assisted in this. Continue monitoring until process is well-established not only in HROD, but in ROB. See comments under recommendation 3 for progress in managing screening.

Recommendation 3:	**Status: Incomplete—continue monitoring**
Security status and expiry information about employees and deemed employees be entered into the relevant corporate database by security staff only, following the best practice in place for the Global database. The databases to which this practice should be extended are: Survey Operations Pay System (SOPS) for interviewers; and the RDC Project Management System Database, maintained under the direction of the Manager of the Research Data Centre Program and to include all deemed-employee researchers.	DACS reports that as of April 2005, it has access to SOPS and has started to use it. With the assistance of AED, DACS and RDCP met on April 26, 2005 where the utility of implementing this recommendation was confirmed, assuming it could be done easily. Subsequently, RDCP confirmed that giving DACS access is OK once revamping of the RDC database is done in Oct 2005.
Recommendations contained in management memorandums	**Status: Previously reported as complete**

III. Compliance Audit on the Policy on Informing Users of Data Quality and Methodology (June 2002)

Introduction

The audit report for the Compliance Audit on the Policy on Informing Users of Data Quality and Methodology was approved by the Internal Audit Committee on September 4, 2002. The report contained three recommendations and a management action plan.

Status

Recommendation	Monitoring Status
Recommendation 1: The Methods and Standards Committee identify ways to provide information, publicity, and sustained guidance to support policy implementation, including the IMDB as a key tool that supports it.	**Status: Previously reported as complete**
Recommendation 2: Directors of statistical program areas monitor compliance in accordance with their responsibilities under the policy and report on their performance in biennial and quadrennial program reviews; and the Methods and Standards Committee evaluate the quality of this reporting.	**Status: Previously reported as complete**
Recommendation 3: In program areas where the application of the policy is more challenging, divisions consult closely with Methodology Branch in interpreting the policy within their context. The Methods and Standards Committee can provide any additional guidance that may be required.	**Status: Incomplete—further monitoring required** SNA is making some progress, reporting that it is developing a web module to provide an integrated picture for users. A prototype is to be shown to Policy Committee by Sept. 2005. In the meantime, Standards Division reports progress from four of the six SNA divisions—IMDB has been updated for 8 of 11 surveys, and work starts on 2 soon. However, BOP and PID have not made progress since Standards Division proposed changes that were found acceptable a year ago.

IV. Office of the Auditor General: Audit Monitoring and Plans

Introduction

The Office of the Auditor General (OAG) continues to track progress on outstanding recommendations from two audit reports—Statistics Canada: Managing the Quality of Statistics (1999 with status report in 2001) and Statistics Canada: Managing the Quality of Health Statistics (2002). In addition, the OAG has an audit underway and has shared plans for upcoming work. The full list is presented below:

Status

Recommendation	Monitoring Status
<u>Outstanding recommendation from 1999 Quality of Statistics report</u> 3.83 Statistics Canada should ensure that its Policy on Informing Users of Data Quality and Methodology is applied consistently across products and dissemination media. 3.96 Statistics Canada should co-ordinate the development of the Integrated Meta Database with other quality-related initiatives and take steps to ensure the ongoing completeness and reliability of the Database.	**Status: OAG will continue monitoring** These are interrelated. OAG focus is on the IMDB. SC has sent an update with evidence to substantiate continuing progress to the OAG. The OAG reports that it is satisfied with progress, but that there is still room for improvement. AED agrees.
<u>Outstanding recommendation from 2002 Health Statistics report:</u> 6.65 Recommendation. Statistics Canada should make a regular, formal determination of the quality of the hospital morbidity data it receives from the Canadian Institute for Health Information (CIHI).	**Status: OAG has completed monitoring** SC has sent an update with evidence to substantiate continuing progress to the OAG and this has been accepted as sufficient.
<u>Health Indicators Audit Opinion (2004)</u> Done for Health Canada and included in *Healthy Canadians*. We have been informed that a management letter will be sent. The contents are not available yet.	**Status: expect to monitor** Letter is expected by late June.
OAG Current Work and Plans	**Status**
<u>Audit of Quality and Reporting of Federal Surveys</u> Interest is in cost recovery survey work in Statistics Canada as part of the picture to understand federal departments' use of surveys. Focus is the quality of survey work and the risk that departments report survey results but not data quality.	Initial meetings have been held and the SC focus is now on two special surveys, Youth Smoking Survey and the Household Internet Use Survey, as well as on consultation services in SSMD. Reporting November 2005
<u>Health Statistics Audit work</u>	Nothing started yet; would be work in 2006 similar to 2004 'opinion' work or a separate re-audit
<u>Census Audit</u> (possibility only)	OAG plans a formal census risk assessment in 2006 and will decide based on this about a 2007 audit of the management of the census. Until then, it is monitoring.