

**Defence Construction (1951) Ltd. DETAILED ACTION PLAN**  
to the recommendations of the **Special Examination** of the Spring 2017 Reports of the Auditor General of Canada

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
27	<b>The Corporation should better define fraud risks in its corporate risk register, ensuring that it covers all relevant aspects of these risks, and should put in place the systems and processes needed to assess, monitor, and address them.</b>	<i>DCC takes the risk of fraud very seriously and is further developing its systems and processes, including analysis and training, to allow it to better detect and prevent fraud activities. The Corporation has updated its corporate risk register, reviewed with the Board of Directors on a quarterly basis, to ensure that it covers all relevant aspects of the risk of fraud. Commencing with the 2017–18 fiscal year, the Corporation will improve responses to this risk through enhanced data analysis, allowing the management of fraud to be elevated to a more strategic level, up to the Board.</i>	<p>DCC has completed the update to its corporate risk register so that the risk of fraud is better defined.</p> <p>DCC has completed the development of new fraud prevention and detection practices related to procurement (i.e.: bid rigging) and has provided training on these new practices.</p> <p>Also, DCC will enhance its data analysis in 2017-18.</p>	<p><b>Completed</b></p> <p><b>Completed</b></p> <p>March 31, 2018</p>	<p>DCC's risk register includes a well-defined risk of fraud.</p> <p>DCC implemented its new fraud prevention and detection practices related to procurement; training sessions have been delivered to all Regions; and reports on the status of these actions have been provided to the Audit Committee of DCC's Board of Directors at each meeting.</p> <p>In the coming year, DCC will develop a data analysis process to better capture potential fraud trends. The Corporation plans to adopt the use of best practices in global fraud detection and prevention that can better detect patterns of suspicious procurement activity, e.g.: detection of collusion through mutually reinforcing tests and screens to identify possible collusive behaviour.</p>	<p>Daniel Benjamin, VP- Operations – Service Delivery and Corporate Planning 613-949-7721</p> <p>Melinda Nycholat, VP, Operations – Procurement 613-991-9313</p>	
43	<b>The Corporation should ensure that the supporting documentation for each contract is classified efficiently and systematically in its filing software, to ensure that all required documents can be obtained, monitored, and verified as complete.</b>	<i>In the 2017–18 fiscal year, DCC will take the necessary steps to complete its transition to a new electronic document management system. As part of this, the Corporation plans to provide refresher training to all its personnel to ensure that they properly utilize this new system, in order to ensure that documents are classified efficiently and systematically. Thereafter, the Corporation will continue to monitor the use of the new system and</i>	DCC is in the process of refining its file naming convention to reduce complexity and improve its ease of use. DCC will continue to monitor the naming convention usage by all personnel, and will take appropriate follow-up action, as required, including further training.	March 31, 2018	DCC is currently refining its naming convention and monitoring its use; refresher training sessions are being conducted for all employees; and reports on the status of these actions have been provided to the Audit Committee of DCC's Board of Directors at each meeting.	Ross Welsman, VP, Operations – Business Management 613-990-2869	

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47	<b>The Corporation should regularly perform its internal service-line verifications, and clearly document follow-up on the resulting recommendations, to ensure that procurement activities are being carried out in accordance with established practices.</b>	<i>DCC will perform an internal verification of the Contract Services service line in the 2016–17 fiscal year, including verification of data from the 2014–15 fiscal year. The Corporation will also review how it tracks and maintains records of completed verifications to better capture follow-up activities.</i>	DCC has completed the internal verification of the Contract Services Service Line, which included data from 2014–15 and 2015-16. DCC has amended its verification reporting format to more clearly document conclusions, recommendations, and actions taken.	<b>Completed</b>  <b>Completed</b>	In 2016-2017, DCC conducted an internal verification of the Contract Services service line that covered the past two fiscal year.  Verifications templates have been amended to more clearly document conclusions, recommendations, and actions taken, including follow up on resulting recommendations. Reports on the status of these actions have been provided to the Audit Committee of DCC's Board of Directors at each meeting.	Melinda Nycholat, VP, Operations – Procurement 613-991-9313  Ross Welsman, VP, Operations – Business Management 613-990-2869	
52	<b>The Corporation should ensure that its tracking and planning tool for training records employees' training consistently and accurately.</b>	<i>DCC is in the process of transitioning to a new electronic training tracker, and this system is planned to be fully implemented by the end of the 2016–17 fiscal year.</i>	DCC has finalized and implemented a new electronic training tracker, an online tool which is an employee-specific registry of all required and completed training. Both employees and managers are able to use this tool to manage individual training records consistently and accurately.	<b>Completed</b>	The new training tracker was launched on June 20, 2017 and is fully implemented across the organization.	Daniel Benjamin, VP, Operations – Service Delivery and Corporate Planning 613-949-7721	