



## SUMMARY

Internal Audit of the Courts Administration Service has recently completed a management requested review of the process of contracting for architectural services between 1998 and 2004 at the former Registry of the Federal Court of Canada and the new Courts Administration Service.

Internal Audit found that the former Registry of the Federal Court of Canada was not compliant with Treasury Board Contracting Policy with respect to contracting for architectural services between 1998 and 2003, specifically having:

- entered into agreements where the statements of work were generally vague or non descriptive such that a third party reviewer could not determine what services were being provided;
- exceeded their delegated contracting authorities with regards to contracting with a former public servant in receipt of a pension;
- failed to engage in fair contracting practices by seeking competitive bids until February of 2003, by which time four non-competitive contracts had already been awarded;
- entered into a series of agreements which had similar or identical statements of work, and therefore constituted contract splitting.

In order to improve management controls of contracting, Internal Audit recommended that:

- one senior individual have dedicated responsibility to acquire the requisite contracting knowledge and keep current with changes to regulations;
- the Courts Administration Service establish a contracting committee to review contracts against established thresholds and approve those which exceed a specific dollar amount;
- the Courts Administration Service establish and update policies and procedures for contracting and make them available to all staff;
- all contracts require certification by the contractor with respect to their status as former public servants;
- the Courts Administration Service define the roles and responsibilities in relation to contracting and training to managers pertaining to these roles and responsibilities.

The management of the Courts Administration Service agreed to the findings and recommendations and have initiated the following actions:

- the position of Manager, Materiel Management and Contracting is currently being staffed. This person will be responsible for tracking all contracting matters and for providing support and advice to managers;
- Senior Management has decided that a contracting committee will be created to review contracts of a value greater than \$10,000. The committee will consist of three persons including one independent person from outside the Courts Administration Service;
- the Courts Administration Service has prepared an updated set of draft policies and procedures for contracting, which will be reviewed by Treasury Board Secretariat;
- a checklist has been added to all personal services contracts requesting former public servants to declare their status;
- justification of decisions to proceed by way of single-source contract is now required, even where the contracts are below the single-source threshold;
- there will be continuing internal audits of contracting activity;
- Senior Management has decided that training will be provided to staff members with regard to contracting and they will be informed of their responsibilities and avenues for protected disclosure where they believe that contracting activities may not be compliant with Government Contracting Regulations or Policy;
- contracting authorities will be restricted to the Acting Chief Administrator and Director General Finance and Corporate Services until adequate training has been provided and the Acting Chief Administrator is satisfied that effective controls are in place.