

3.6 REPORTING PHASE

EXHIBIT E - Manager's File Review and Checklist

Document Name	Manager's File Review and Checklist
Document Number	3.6E
When/How Used	Used by the Manager when doing a final review of the verification file prior to closing.
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Document Owner	
Division	Compliance Management HQ
Contact	Contact your local compliance verification office at: http://cbsa.gc.ca/contact/listing/indexpages/index-e.html

Other Stakeholders

FILE REVIEW METHODOLOGY

PURPOSE OF FILE REVIEW

To ensure that the entire verification procedures were followed and that the working papers corroborate the findings in the verification report.

To carry out quality control.

WHEN FILE REVIEW SHOULD BE DONE

The review must be done when the interim report is completed, before it is given to the client.

STEPS TO TAKE WHEN REVIEWING A FILE

Each section of the file must be reviewed individually, bearing in mind its special features. Some things are common to all sections. For example, each working paper must have a complete heading, which includes the client name, the working paper title, the period verified, the author of the working paper, the date the working paper was completed and the page number. Information must also be provided to explain the rationale for all the working papers. There must also be appropriate references on each working paper (Step 4 on the checklist).

A- Verification Reporting

When the report is reviewed, special attention must be paid to the conclusions and recommendations. It is important that the recommendations be a logical extension of the conclusions, which must specify the goal sought, but not indicate how to achieve it.

B- File Review

These are notes taken during the file review which must be indicated on working papers and inserted in the file.

C- Monitoring Issues and Concerns

This section should contain information that will facilitate the planning of a future verification. In other words, the information that we would have liked to have had before conducting the current verification.

D- Verification Planning

Ensure that the team responded to all the concerns identified in the Verification Planning Memorandum by checking that the appropriate referrals were done (Step 1 on the checklist).

The reviewer must ensure that all the steps on the checklist for verification planning were taken. If certain steps were not taken, you must ensure that the steps were not forgotten, and if N/A is indicated, you must find out why the officers consider this step not applicable.

E- Correspondence and Meetings

Correspondence must be placed in chronological order. If it is a letter or memo in which information is requested, you must ensure that the team indicated the date the information was received and the person who sent it.

F- Systems Review

It is important to find a conclusion. The conclusion must stem logically from the findings from the work done (Step 5 on the checklist). When there is a flowchart, it must be a reflection of the narrative description of the systems. A client may incur substantial expenses when it changes its systems. For this reason, special attention must be paid to the recommendations stemming from the systems review.

G- Sampling

Ensure that the methodology was followed. In cases where hypotheses were formulated to explain changes to the methodology, ensure that they are reasonable under the circumstances.

H to O - Program Verification and Analysis

You must find the summary of findings with a conclusion, the verification program, working papers and source documents in each section. You must ensure that each step in the verification program was carried out. If one or more steps were not taken, ask yourself "Was the objective of the program achieved?" (Step 2 on the checklist). The working papers must be reviewed as suggested above. The source documents that accompany the working papers must be relevant and have headings and references like the working papers. It is important to keep only the relevant documents in the file. As a general rule, confirm the negative and keep only

the source documents that relate to the adjustments that the team made (Step 4 on the checklist).

P to S – Other Areas of Concern

File review is an important step in the verification process, and the necessary time and energy must be devoted to it. A review may take up to six hours, depending on the size of the file to be verified.

The process does not, however, stop there. There is still the final report; this includes the client's comments (Step 7 on the checklist) and the evaluation of the action plan proposed by the client (Step 13 on the checklist).

Consideration must also be given to the remaining steps on the checklist, that is steps 8 to 12, and 14 and 15. Some of these steps are not always applicable, but you must nonetheless take the time to consider them.

MANAGER'S FILE REVIEW CHECKLIST

File Number:

Client Name and Number:

Verification period:

Fiscal period:

Date of review:

CV Manager:

OBJECTIVE

To assist the manager in reviewing the completed file to ensure all verification procedures have been completed and that findings in the verification report are substantiated in the working papers.

Stage 1: The manager should complete stage 1 of this checklist upon the completion of the Interim Report but prior to sending it to the client.

VERIFICATION PROCEDURE	DONE BY	REF.
1. Ensure that all issues and concerns identified in the Verification Planning Memorandum and throughout have been satisfactorily resolved and appropriately documented.		
2. Ensure that objectives for each verification program have been met.		
3. Ensure that the working papers reflect the work actually performed and that all observations and conclusions are supported in the file by sufficient and appropriate information.		

VERIFICATION PROCEDURE	DONE BY	REF.
4. Ensure that all the working papers are legible, organized in a logical order, correctly titled and adequately cross-referenced.		
5. Ensure that the appropriate conclusions have been drawn from the results obtained.		
6. Ensure that any Detailed Adjustment Statements and or AMPS penalties issued have been correctly calculated / applied.		
7. Ensure that the Interim report has been proof read to ensure it is clear and concise and ensure all recommendations made to the client are reasonable and relevant.		
8. Ensure that the Interim report has been proof read to ensure all corrections have been made regarding: <ul style="list-style-type: none"> • Inaccurate dates; • Typographical errors; • Grammatical errors; • Spelling mistakes; • Numerical errors located in tables / charts; and • Legislative reference errors. 		

Stage 2: The manager should complete stage 2 of the checklist once feedback has been obtained from the client, but before the final report is sent.

VERIFICATION PROCEDURE	DONE BY	REF.
9. Ensure that all comments received from the client have been considered and when applicable have been included in the final report.		
10. Ensure that all review queries have been satisfactorily answered.		
11. Ensure that action was taken where client assistance was required.		

VERIFICATION PROCEDURE	DONE BY	REF.
12. Ensure that decisions of national or sensitive consequence have been discussed with the HQ program area.		

Stage 3: The Manager should complete stage 3 of the checklist after the final report has been sent to the client.

VERIFICATION PROCEDURE	DONE BY	REF.
13. Ensure HQ is advised of situations where application of law or policy results in inadequacies, if any.		
14. Ensure that time spent by all CVOs has been captured for comparison to the time standards.		
15. Ensure that the required CM Workbook screens have been completed.		
16. Ensure that the client's action plan has been received and reviewed and forwarded to appropriate area for monitoring.		
17. Other quality problems, suggestions for improvements; identify situations that relate to client's exploitation of the current provisions of the law and unintended consequences; and assess and evaluate if the audit team properly relied on the experts (CAS, Lab, etc.) in order to resolve problems on a timely basis.		

NOTE:

The purpose of question # 13 is to identify problems in the application of the law, for example, the application of late accounting penalties to transactions that were reported but not accounted for.

The purpose of question # 17 is to identify suggestions, problems or unusual situations which have come to the attention of the manager while conducting their review and which should be brought to the attention of Headquarters. An example of this situation is where the law is clear, however, the client is exploiting the law. This happens when the client is trying to claim benefits under certain sections of the Act, while this was not the intention of the legislation.

MANAGER'S FILE REVIEW CHECKLIST

MANAGER'S REVIEW QUERIES

[illegible]