

Memorandum

7356-0 (DFP)

29 Jun 16

Dist List

FAA SECTION 33 – HIGH RISK TRANSACTIONS DEFINITION AMENDMENT: ONE-TIME VENDOR PAYMENTS

Refs. A. FAM Chapter 1016-4 Manage Payments – FAA Section 33

B. Procure to Pay: Results of Remediation Working Group – PricewaterhouseCoopers (PwC) dated Dec 13

1. The purpose of this memorandum is to provide notification of changes to the definition of high risk transactions for the purpose of *Financial Administration Act (FAA)* Section 33 approval.
2. As stated in Ref A, the level of risk associated with each payment must be assessed in order to ensure payments receive an appropriate level of review prior to the application of payment authority. Risk assessment is defined as the assessment of risk based on such factors as the dollar value, the reliability of the supplier or payee, and risks associated with certain types of payments.
3. As a result of Ref B, which confirms that the use of one-time vendors in DRMIS increases the risk of error and/or fraud, the definition of high risk transactions as identified in para 19 of Ref A is being modified to include one-time vendor payment transactions. Accordingly, effective 1 Sep 16, vendor payments using the “ONETIME” vendor master template will be incorporated into the Section 33 High Risk Gating Process and will undergo a pre-payment verification.
4. One-time vendor payments processed in support of the following activities will not be affected by this policy amendment:
 - a. Military pay transactions (processed through DRMIS); and
 - b. Military pension payments (until transfer to PSPC).
5. This memo will be posted shortly on the ADM(Fin) website. Questions may be directed to LCdr Robert Dupras DFP 3-7 by email to [Dupras_LCdr_RJ@ADM\(Fin\)DFP@Ottawa-Hull](mailto:Dupras_LCdr_RJ@ADM(Fin)DFP@Ottawa-Hull) through the appropriate Level 1 Comptroller.

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