



# Office of the Auditor General of Canada



For the  
period ending  
March 31, 1997



Improved Reporting to Parliament —  
Pilot Document

Canada

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Available in Canada through your local bookseller or by

mail from Canadian Government Publishing – PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/57-1997

ISBN 0-660-60343-8



## Foreword

On April 24, 1997, the House of Commons passed a motion dividing what was known as the *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*. It also required 78 departments and agencies to table these reports on a pilot basis.

This decision grew out of work by Treasury Board Secretariat and 16 pilot departments to fulfil the government's commitments to improve the expenditure management information provided to Parliament and to modernize the preparation of this information. These undertakings, aimed at sharpening the focus on results and increasing the transparency of information provided to Parliament, are part of a broader initiative known as "Getting Government Right".

This *Departmental Performance Report* responds to the government's commitments and reflects the goals set by Parliament to improve accountability for results. It covers the period ending March 31, 1997 and reports performance against the plans presented in the department's *Part III of the Main Estimates* for 1996-97.

Accounting and managing for results will involve sustained work across government. Fulfilling the various requirements of results-based management – specifying expected program outcomes, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and report on achievements – is a building block process. Government programs operate in continually changing environments. With the increase in partnering, third party delivery of services and other alliances, challenges of attribution in reporting results will have to be addressed. The performance reports and their preparation must be monitored to make sure that they remain credible and useful.

This report represents one more step in this continuing process. The government intends to refine and develop both managing for results and the reporting of the results. The refinement will come from the experience acquired over the next few years and as users make their information needs more precisely known. For example, the capacity to report results against costs is limited at this time; but doing this remains a goal.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions can be directed to the TBS Internet site or to:

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**Office of the  
Auditor General of Canada**

**Performance Report**

**For the  
period ending  
31 March 1997**

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**L. Denis Desautels, FCA  
Auditor General of Canada**

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**Honourable Paul Martin, P.C., MP  
Minister of Finance**

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# **Section I**

## **Message from the Auditor General**

This performance report covers 1996–97, my sixth year as Auditor General of Canada. It provides a snapshot of our work during the year, with some comparative information from past years and progress report on our main priorities and goals.

Since I arrived in Ottawa in 1991, one of the things I have been concerned about is the need to improve the measurement and reporting of the results produced with public money. Thus, one measure of my own performance, and that of my Office, is the extent to which we can support the government's efforts to bring about this improvement. We have published reports on this subject and helped and advised the Treasury Board Secretariat in implementing changes to the expenditure management system, and we plan to continue with both these endeavours. And now I am pleased to participate directly in this government-wide effort to improve performance reporting.

This is our first Performance Report in which we describe the ways we make a positive difference for the Canadian people by promoting, in all our work for Parliament, answerable, honest and productive government. These words are from our vision and mission statement, and we have deliberately set ourselves an ambitious task. It is relatively easy to count the outputs of audits – the number of reports, public hearings, and recommendations and observations – but difficult to measure the outcome – the ways we actually make a difference.

Many others share our commitment to good government, and it is often through their co-operation and participation that we effect change. Here are some of the more important events to which we believe we have recently contributed:

- In 1996, the Treasury Board established a revised framework for developing and managing large information technology projects, to help reduce the risks inherent in such projects.
- There has been greater focus by Revenue Canada on compliance and revenue collection efforts, and by Finance on closing tax loopholes.
- There have been significant improvements in the quality of information issued on deficits and debt, and both the Bank of Canada and the Finance Committee have supported a focus on the level of debt as well as on deficits.

- 
- Faced with the seriousness of the problems raised in our November 1996 chapter on Correctional Service Canada, the Commissioner of Corrections has appointed a Task Force on Reintegration, to review the issues raised, identify solutions and develop a plan of corrective action.

Although we cannot measure precisely our contribution to these improvements I don't think that this in any way reduces their importance. We set broad goals for the Office to help all our staff focus not only on completing audits but on the ultimate value those audits will have.

L. Denis Desautels, FCA  
Auditor General of Canada



## Section II

# Overview of the Office

### Mandate, Roles and Responsibilities

#### Enabling Legislation

1. The *Auditor General Act*, the *Financial Administration Act* and a variety of other acts and orders-in-council set out the duties of the Auditor General and the Commissioner of the Environment and Sustainable Development as they relate to legislative auditing and monitoring of federal departments and agencies, Crown corporations and other national and international organizations.

#### Activity

2. The principal activity of the Office is *legislative auditing*. Put simply, the Auditor General is required to provide interested parties with answers to the following questions about the Office’s activities:

Types of audits conducted and monitoring activity <sup>1</sup>	Provides interested parties with answers to the following questions:	Legislative Auditing
Attest audit of the Financial Statements of the Government of Canada	Is the government presenting fairly its overall financial situation?	
Annual financial audits of Crown corporations and other entities	Are Crown corporations and other entities presenting their financial information fairly and complying with relevant legislative authorities?	
Value-for-money audits of departments and agencies	Were departmental and agency programs run economically and efficiently, and with due regard to their environmental effects? Does the government have the means to measure the effectiveness of programs? Is legislation complied with and the public purse protected?	
Special examinations of Crown corporations	Do systems and practices of Crown corporations provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are carried out effectively?	
Environment and sustainable development monitoring activities	To what extent did departments meet the objectives and implement the plans set out in their sustainable development strategies laid before the House of Commons?	

<sup>1</sup>In all our work, we also consider compliance with authorities.

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3. We are different from departments and agencies by virtue of our independence from the government of the day and our reporting relationship to Parliament. Our independence is assured by a broad legislative mandate, freedom from certain controls over our budget and staff, and a 10-year mandate for the Auditor General.

### **The Commissioner of the Environment and Sustainable Development**

4. Bill C-83, which received royal assent in 1995, established within the Office the position of Commissioner of the Environment and Sustainable Development. The Commissioner's primary role and responsibility is to monitor, on behalf of the Auditor General, the departmental strategies and action plans, and the status of, and responses to, public petitions on environmental matters. The Commissioner is also required to report annually on the results of his work.

5. In 1996-97, the main focus of the work of the Commissioner was to establish the required infrastructure and hire the resources necessary to carry out his mandate. This was accomplished. However, since departmental sustainable development strategies are not due until December 1997, the full impact of the Commissioner's work will be more evident starting in 1997-98.

## **Objectives and Priorities**

### **Strategic Framework**

6. The Office's Strategic Framework reflects a number of areas where we intend to focus our efforts to meet new and greater challenges and make our Office an even better and more satisfying place to work. The Strategic Framework is currently being reviewed and will be updated in the fall of 1997. The OAG Vision and Mission Statement guide the work of the Office.

### **The OAG Vision and Mission**

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#### **Vision and Mission Statements**

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##### **Vision**

We are committed to making a difference for the Canadian people by promoting, in all our work for Parliament, answerable, honest and productive government.

##### **Mission**

The Office of the Auditor General of Canada conducts independent audits and examinations that provide objective information, advice and assurance to Parliament. We promote accountability and best practices in government operations.

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7. An elaboration of the Office Mission Statement sets out eight objectives and other effects that we want our work to achieve. These are listed below.

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In achieving our mission, we want to make a difference by promoting:

- a fair and frank accounting of the government’s stewardship of financial and other resources;
- efficiency and productivity in the public service;
- cost effectiveness in government activities;
- collection of revenues owed to the Crown;
- objective assurance on matters found to be satisfactory and unsatisfactory;
- compliance with authority;
- deterrence of fraud and dishonesty; and
- sustainable development.

**8.** We share these objectives with many other parties inside and outside government, which complicates the attribution of results to the audits we perform. Many share a commitment to good government, and it is often through their co-operation and participation that we effect change. We assess our own effectiveness in terms of our ability to conduct high-quality audits that address significant topics and contribute to **making a difference**.

#### **The Office Priorities for 1996–2001**

- To help improve the government’s financial condition.
- To stimulate real advances in accountability concepts and improve accountability practices in government.
- To influence the quality of financial management in government.
- To contribute to necessary changes in the public service.
- To implement fully the role of the Commissioner of the Environment and Sustainable Development.

### **Organization of the Office**

**9.** The Executive Office provides overall policy direction, legal support, professional practice review and international activities.

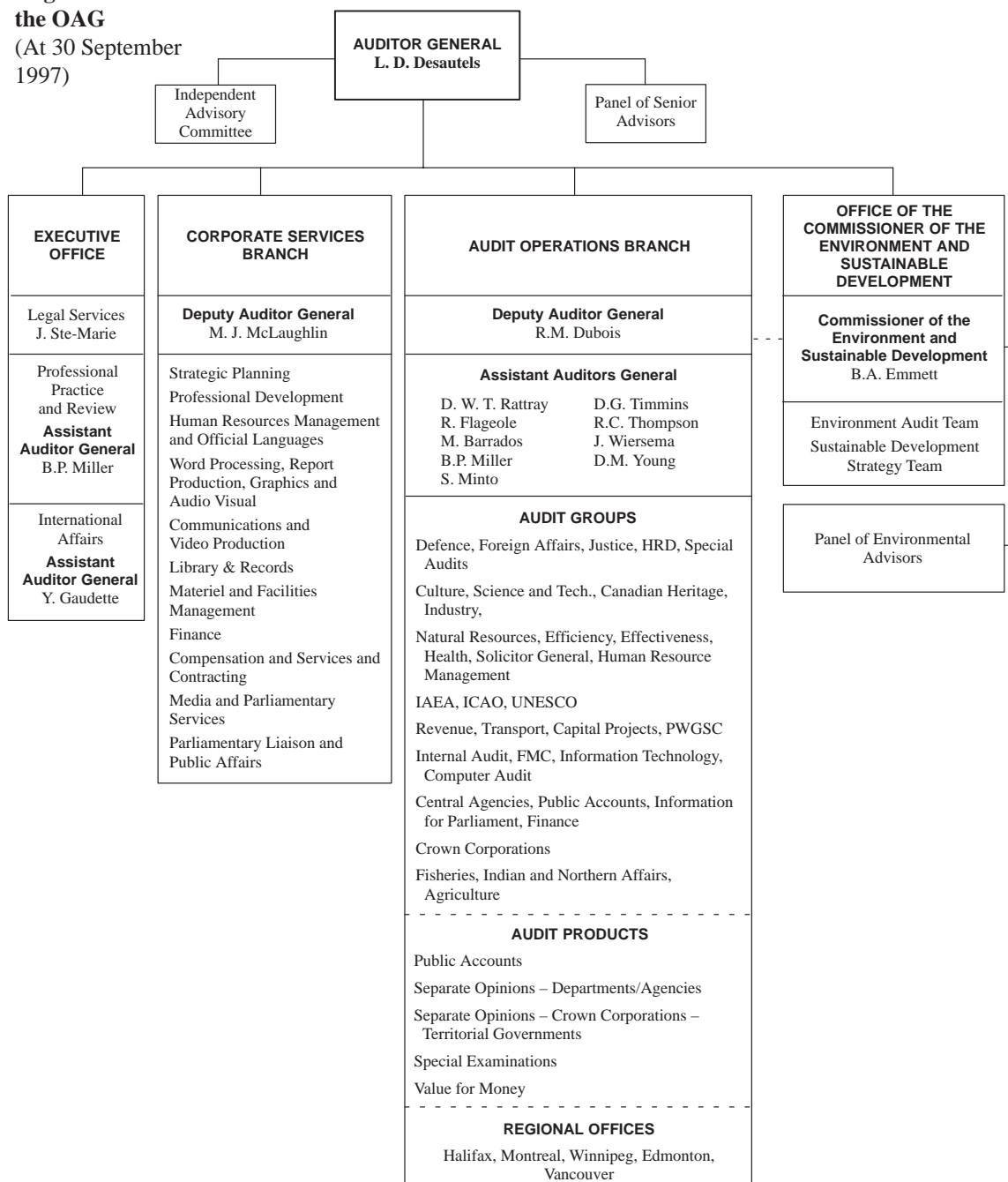
**10.** The Corporate Services Branch provides direct support to the audit function.

**11.** The Audit Operations Branch is responsible for carrying out all the audit activities of the Office.

**12.** The Office of the Commissioner of the Environment and Sustainable Development assists the Auditor General in performing the duties of the Auditor General that relate to the environment and sustainable development.

**13.** The Office staff is multidisciplinary, with qualified accountants making up about 50%; another 10% with postgraduate degrees in other disciplines include engineers, lawyers, statisticians, sociologists, historians, environmental specialists and economists.

**Organization of the OAG**  
(At 30 September 1997)



## Reporting Our Work

14. The work of the Auditor General and the Commissioner of the Environment and Sustainable Development is reported in several places and in several forms, pursuant to enabling legislation. Our reports, as well as other information concerning the Office, are accessible on our Internet site at <http://www.oag-bvg.gc.ca>.

## Section III Office Performance

### A. Performance Expectations

#### Planned versus Actual Spending Tables

(\$ millions)

Business Line	FTE	Operating <sup>1</sup>	Voted Grants and Contributions	Subtotal: Gross Voted Expenditures	Total Gross Expenditures	Total Net Expenditures
Legislative auditing	535	49.9	0.4	50.3	50.3	50.3 <sup>2</sup>
	500	49.0	0.4	49.4	49.4	49.4
Other revenues and expenditures						
Revenue credited to the Consolidated Revenue Fund						(0.8)
						(1.0)
Cost of services provided by other departments						6.2
						6.2
Net cost of the program						55.7
						54.6

**Notes:**

Shaded numbers denote actual expenditures/revenues in 1996–97.

<sup>1</sup>Operating includes contributions to employee benefit plans and the salary of the Auditor General.

<sup>2</sup>The planned spending figures above match those presented in our 1996–97 Part III Estimates. It also includes Supplementary Estimates for the new function of the Commissioner of the Environment and Sustainable Development and other in-year adjustments which increased our fundings by \$1.3 million, to a total of \$50.3 million.

**Exhibit 1  
Comparison of  
Total Planned  
Spending with  
Actual  
Expenditures,  
1996–97**

(\$ millions)

Business Line	Actual 1993–94	Actual 1994–95	Actual 1995–96	Total Planned 1996–97	Actual 1996–97
Legislative auditing <sup>1</sup>	58.5	57.3	51.0	50.3	49.4

**Note:**

<sup>1</sup>The decrease in actual expenditures between 1994–95 and 1995–96 is due, in part, to the Office’s voluntary contribution to the government’s restraint programs.

**Exhibit 2  
Office Planned  
versus Actual  
Spending**

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## Summary of Performance Expectations

**15.** Because of the nature of legislative auditing, our role is more persuasive. We provide information related to the status of government initiatives, raise awareness about significant management issues, highlight good management practices and lessons learned, outline areas needing improvements and report on the results of corrective measures implemented. By providing independent and high-quality information to Parliament on the government's operations, we seek to improve accountability for the stewardship of public funds by the government. Thus, our work influences change that others are responsible for implementing. Parliamentary committees are also instrumental in scrutinizing government operations and in prompting government organizations to act.

**16.** In future years, the Office's allocation of audit resources will vary, and this will impact on the way we report our performance. For instance:

- Audit resources allocated to special examinations of Crown corporations have progressively increased since the start of the third examination cycle in 1996. However, the average cost of special examinations is expected to decrease.
- The implementation of the government's Financial Information Strategy means that more resources will be allocated to auditing the government's financial statements, to take into consideration the government's new strategy and changes to accounting practices. Audit costs are expected to decrease once the new systems and practices have been fully implemented and improved.
- The introduction of new methodology for annual financial audits of Crown corporations and other entities is expected to further reduce audit costs.
- The Office will continue its efforts to conduct shorter and more focussed value-for-money audits. We expect to meet our target of \$750,000 average cost for our value-for-money audits by 1998.
- The Government of the Territory of Nunavut will become a new audit entity for the Office. This will represent a third territorial audit entity, including both attest and value-for-money work. It will also entail additional audits of the full range of departments, boards and corporations.

### Linkages of Audit Types and Objectives

**17.** The following table summarizes the key results that the Office is hoping to achieve, and indicates which components of our business line will help to achieve them. The checkmarks in the table show the most important links, even though every component could conceivably contribute to every key result.

The Office has a budget of \$50.7 million (1997–98) to provide Canadians with:

To be demonstrated by:

Independent audits and examinations that will <b>make a difference</b> for the Canadians people by promoting:	Opinion and Observations on the Financial Statements of the Government of Canada	Opinions on the financial statements of Crown corporations and other entities	Value-for-money audits of departments and agencies	Reports to boards of directors on special examinations of Crown corporations	Environment and sustainable development monitoring activities
A fair and frank accounting of the government's stewardship of financial and other resources	✓	✓		✓	✓
Efficiency and productivity in the public service			✓	✓	
Cost effectiveness in government activities			✓	✓	
Collection of revenues owed to the Crown	✓	✓	✓	✓	
Objective assurance on matters found to be satisfactory and unsatisfactory	✓	✓	✓	✓	✓
Compliance with authority	✓	✓	✓	✓	✓
Deterrence of fraud and dishonesty		✓	✓		
Sustainable development	✓	✓	✓	✓	✓

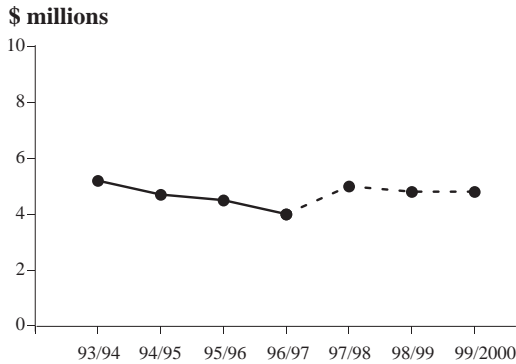
### Operational Efficiency

18. Some indicators of efficiency are shown in Exhibit 3. In some cases, targets were not set in time to show both planned and actual numbers for 1996–97, the year covered by this report. However, in all cases the charts show the targets against which we will report in future years.

19. Gains in operational efficiency were made by increasing the use of information technology to carry out audits, reviewing our audit methodology and changing our audit approaches accordingly, and streamlining various audit activities. Specialization of audit staff to carry out financial audits will have a more significant effect on the use of resources in the years to come.

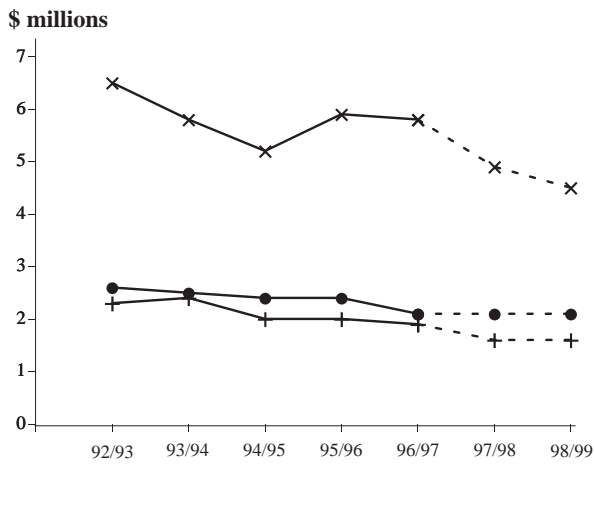
**Exhibit 3**  
**Efficiency Indicators in**  
**Audit Activities**

**Annual Audit of the Financial Statements of the Government of Canada – Annual Audit Costs**



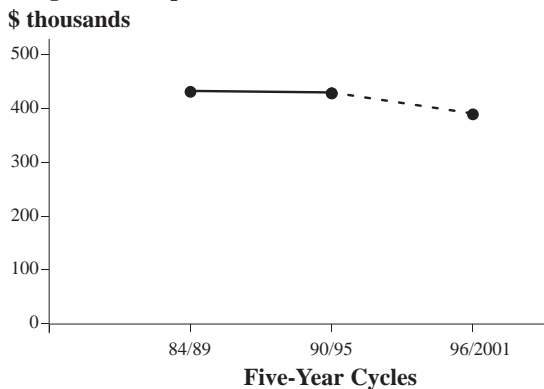
Every year, the Auditor General expresses an opinion on the Financial Statements of the Government of Canada. For 1996–97, the Opinion of the Auditor General can be found in Section 1 of *Volume 1 – Public Accounts of Canada*. The dotted line shows the expected costs for future years. These are expected to increase and then level off as the government’s accounting systems are renewed and as accounting practices for physical assets and tax revenues are strengthened. Audit costs are not expected to decline until after the year 2000.

**Total Cost of Annual Audits of Federal Crown Corporations, Territorial Governments, Agencies and Corporations and Other Entities**



This graph shows the annual audit costs of federal Crown corporations, territorial departments and agencies and other entities. Although our costs of auditing federal Crown corporations increased after 1994–95, we remain committed to reducing the costs of our annual audits through new audit methodology and the specialization of audit staff. We have developed entity-by-entity hour targets that should result in our reaching our ultimate goal of reducing audit costs by 15% when compared with 1994–95 costs, as shown by the dotted lines. The costs related to other entities were successfully reduced to our 15% target during 1996–97. Our budgeted costs for these entities will remain at this level throughout the remainder of the planning period. Our audit costs in Territories’ departments and agencies are proceeding as planned toward our goal of a 15% reduction by 1998–99.

**Average Cost of Special Examinations**

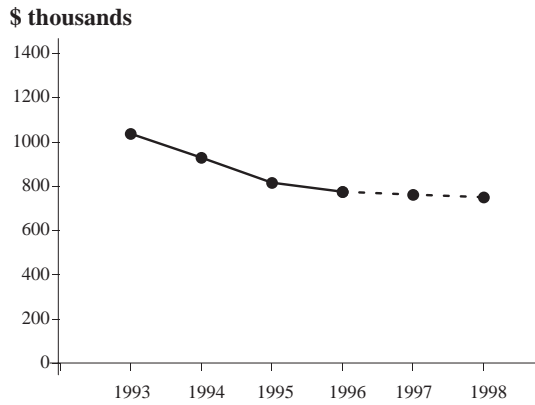


Special examinations of Crown corporations are not conducted every year. Rather, they are carried out over a period of years (i.e. a cycle). The first cycle was conducted between 1984 and 1989 and the second cycle was conducted between 1990 and 1995. The third cycle is currently under way. Our target average cost of \$390,000 for future years is indicated by the dotted line and is shown to decrease because of improved methodology and experience obtained in previous cycles.



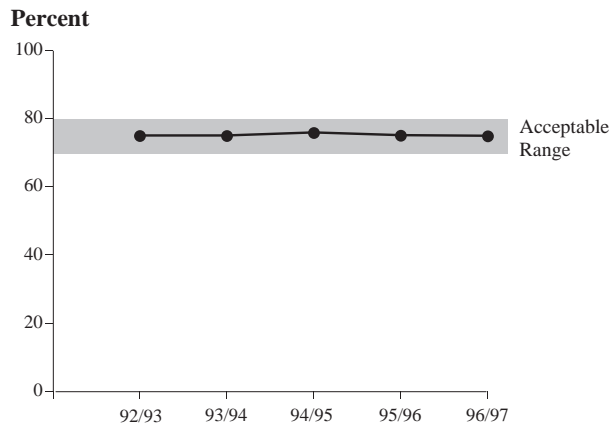
**Average Cost of VFM Audits**

**Exhibit 3 (Cont'd)**



VFM and government-wide audits and studies do not have generally accepted indicators of performance or quantifiable measures that are easy to compare with other jurisdictions. We are now carrying out shorter, more focussed examinations of particular issues. We are paying close attention to planning and managing the cost, timeliness and results of audits. We believe we can now maintain our coverage by lowering the average cost of VFM audits to \$750,000 by 1998 – indicated on the graph by a dotted line. This does not include government-wide audits and studies, each of which is unique in scope and coverage.

**Ratio of Audit Project Time to Net Available Time – Audit Operations Branch**



The Audit Project-Hour Ratio (APHR) calculates the percentage of available staff time that is used directly for audit activities. Available staff time takes into consideration any leave time taken (vacation, maternity, sick, etc.) that is thus not available to the Office to carry out its activities. The balance is available to fulfil the time needs (hours) of the Office. We have determined that, considering various factors including the need for training, the effects of stress and workload on our staff, an acceptable APHR range would be between 70% and 80% for our Audit Operations Branch. Our current rate compares favourably with rates the major professional firms try to obtain.

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## **B. Performance Accomplishments**

### **Office Performance**

**20.** Our effectiveness is dependent on our ability to conduct high-quality audits that address significant topics and contribute to “making a difference”. For instance, our findings may result in debate about issues that affect the government’s transparency and accountability. Management may implement more effective management practices. Parliament may increase its monitoring activity or seek advice and clarification through the committee process or in debate in the House of Commons. Central agencies may adopt new policies or change existing ones to improve management in specific government-wide areas. In other audits, our findings may confirm that the government’s practices are economical, efficient and effective and that others could learn from them. In some cases, improvements in government operations are immediate; in other cases, corrective actions are carried out over a longer time frame – for instance, when legislative or policy changes are required. Crucial to the implementation of our recommendations is the support of parliamentarians, in particular the Public Accounts Committee, and departments.

### **Making a Difference: Overview**

**21.** In 1996–97, the Office interviewed some parliamentarians, the public service and the academic community to gauge the impact of our reporting periodically instead of annually. There was broad support for periodic reporting, and valuable suggestions for current and future work were obtained.

**22.** Since our primary client is Parliament, to some extent we can also measure the impact of the Office’s work by the level of parliamentary interest it generates. The hearings process provides some indication of the impact of our work. In 1996–97, the Public Accounts Committee held 45 hearings and the Office was asked to appear on 28 occasions. Following those hearings, the Public Accounts Committee issued 8 reports containing recommendations that essentially reflected the main findings in our reports.

**23.** Other committees of the House and Senate frequently seek information and advice from us as well. The Office appeared before 16 other standing committees where our work was discussed, and we provided our views on specific subjects. For instance, because of the work we had done on activities at the Canadian International Development Agency, we were able to provide information about Canada’s foreign aid program to members of Parliament preparing for a fact-finding mission to Russia.

**24.** Our views were also sought on other issues such as governance and accountability, the innovation gap in science and technology, public service renewal initiatives, cost recovery, joint agreements with the

private sector, and the renewal of the comptrollership function in the federal government.

Hearings	1995–96	1996–97	Parliamentary Activities
Number of Public Accounts Committee hearings	37	45	
Number of hearings where the Auditor General was a witness	23	28	
Number of hearings by other committees of the House and the Senate where the Office was asked to participate	10	16	






**25.** We also follow up on the progress that has been made in response to the recommendations and observations in our value-for-money audit chapters. Follow-up examinations are generally performed two years after the audits are reported. In the Auditor General’s 1995 reports to the House of Commons and the reports in the preceding four years, we made a total of 789 recommendations or other suggestions for major improvements. Based on our regular follow-up work and some further monitoring, we have been able to establish the extent of progress that has been made in response to 664 of them (information was not available on 125).

**26.** The results of our reviews in 1995, 1996 and 1997 are presented in Exhibit 4, showing the status of recommendations, and Exhibit 5, showing the primary areas affected by them. The last column of Exhibit 4 shows that over the five years, 83 or 12% of recommendations have been fully implemented and satisfactory progress is being made on 301 or 45%. Progress has not been satisfactory in the case of 154 or 23% of recommendations. This is lower than the rate reported in previous years. We did some further analysis and found that recommendations dealing with cost effectiveness were the most problematic.

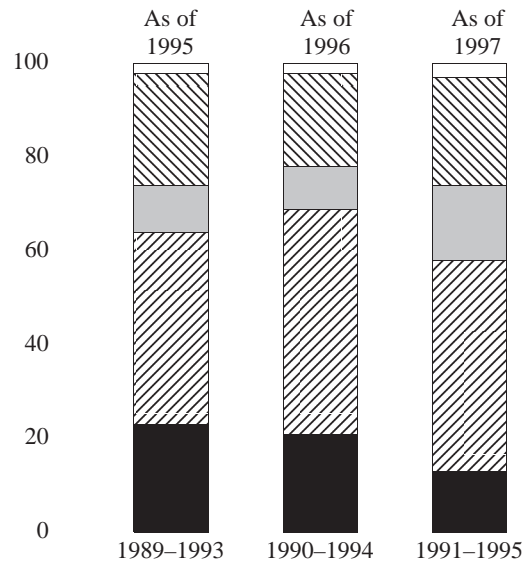
**27.** Included in the last column of Exhibit 4 are 122 recommendations dealing with environmental and sustainable development issues. Twelve percent of these have been fully implemented over the five year period, and satisfactory progress has been made on an additional 55%. In 22% of cases, progress is not as fast as we would like and 11% were bypassed by events.

**28.** In the case of financial annual audits and special examinations, any significant deficiencies reported are followed up as part of the subsequent audits. If the significant deficiencies are not corrected, they are included as part of the next report to the agency’s management and board of directors until resolved. If necessary, we can also report to the responsible minister and, in exceptional cases, to Parliament, through the corporation’s annual report.








**Exhibit 4  
Status of Observations  
and Recommendations**

-  Entity Disagrees with Recommendations
-  Progress Not Satisfactory
-  Recommendations No Longer Relevant
-  Progress Satisfactory
-  Recommendations Fully Implemented

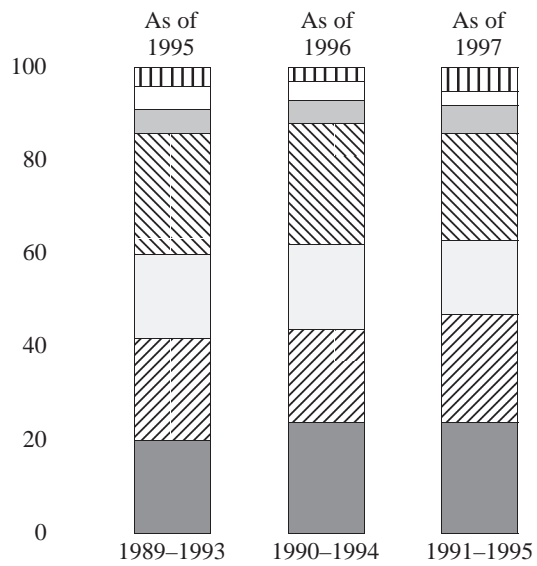
**Percent of Recommendations**



**Exhibit 5  
Primary Areas of  
Observations and  
Recommendations**

-  Other Areas
-  Compliance with Authority
-  Revenue Collection
-  Cost Effectiveness
-  Efficiency/Productivity
-  Stewardship Information
-  Management Systems and Practices

**Percent of Recommendations**



**Performance Outputs And Achievements – for the Period Ending 31 March 1997**

OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
<b>Stewardship Information</b>		
<p>Refers to reliability and usefulness of information provided to Parliament and management for monitoring and decision-making purposes</p>	<ul style="list-style-type: none"> <li>• Produced 39 audit chapters, 25 of which made direct reference to findings related to stewardship issues</li> <li>• Participated in 11 committee hearings where stewardship and accountability issues were discussed</li> </ul>	<p><b>Noted increase in focus on results measurement and reporting:</b></p> <ul style="list-style-type: none"> <li>• Continued impact on the government’s Expenditure Management process; audit of pilot projects to be reported in 1997–98; continued consultation by government on the Office’s views on performance reporting</li> <li>• Commitment obtained from certain departments to implement corrective action in program monitoring and results measurement, for instance, Parks Canada, export development activities, and National Defence support productivity; progress on CIDA’s efforts in results measurement and reporting</li> <li>• Findings on measurement and reporting of results used as input in planning for the new Food Inspection Agency and renewal of infrastructure program</li> </ul> <p><b>Accountability issues:</b></p> <ul style="list-style-type: none"> <li>• Accountability issues raised in our chapters debated and in some cases clarified in committee and in the House – for instance, the state of readiness and logistical support for the Canadian Armed Forces, peacekeeping, accountability related to the intelligence community, accountability and governance of Crown corporations, and program performance – Correctional Service and infrastructure program</li> <li>• Revisions to funding arrangements for First Nations following our 1996 value-for-money chapter, to take into consideration accountability issues raised</li> <li>• Audit findings discussed as part of the need to clarify the role and responsibilities of the new Parks Agency</li> <li>• Increased transparency of government operations – for instance, federal debt management, government’s overall financial position, intelligence community audits, foreign aid programs, infrastructure program, and peacekeeping activities</li> </ul>

OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
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**Efficiency, Productivity and Cost Effectiveness in the Public Service**

Refers to opportunities to reduce costs or achieve more with resources provided

- 23 audit chapters reported on issues of efficiency, productivity and cost effectiveness
- Office attended 6 committee hearings to discuss issues related to efficiency, productivity and cost effectiveness
- Report issued on the Federal Court of Canada and the Tax Court of Canada noting possible efficiency and cost reduction issues
- Work under way on 3 special examinations — third cycle; one report issued in 1996–97
- Findings and observations reported in chapters on revisions to the government’s job classification initiative and other public service renewal initiatives

**Cost effectiveness/use of resources:**

- Assurance provided to Crown corporations’ boards of directors about the adequacy of management systems and practices following our special examinations
- Concerns expressed, recognized and debated by parliamentarians on National Defence readiness, logistical support and training for peacekeeping
- Significant cost-saving opportunities of tens of millions of dollars recognized as part of the management of the Canada Pension Plan Disability Program, National Defence’s materiel management, major capital projects, and export development activities
- Agreement on the identified need to clarify further the role of the Treasury Board Secretariat in certain responsibility areas such as service standards, information technology, and materiel management
- Pressure put on the government by 7th report of the Public Accounts Committee to correct long-standing issues related to materiel management

**Management practices:**

- Management improvement noted or under way in several areas to address program management issues and improve monitoring of delivery and results, including Correctional Service Canada’s creation of a Task Force on Reintegration and changes to the Rehabilitation Program; Canada Pension Plan Disability management; Veterans Affairs Canada health care; Parks Canada; National Defence management of assets, information systems and support productivity, and defence planning; internal audit and program evaluation communities; management practices for major capital projects
- Examples of good practices noted that can be used by others to improve management practices: risk assessment for food inspection; management of Revenue Canada’s administrative consolidation; Canadian Security Intelligence Service building construction
- Progress noted in program evaluation and internal audit activities since previous audits; Office input sought to further improve practices
- Increased pressure by parliamentarians to fully implement the government’s Service Standards Initiatives in departments and agencies and report on progress

OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
	<ul style="list-style-type: none"> <li>• Our views on public service renewal initiatives provided during one committee hearing</li> <li>• Two chapters devoted to findings and observations on systems under development and information technology</li> <li>• Office participated in a hearing on information technology and public service renewal</li> </ul>	<ul style="list-style-type: none"> <li>• Increased collaboration among key players to resolve program management and delivery issues, for instance, Correctional Service and information sharing with others, Human Resources Development Canada’s Disability program, Veterans Affairs Canada health care</li> </ul> <p><b>Cost recovery issues:</b></p> <ul style="list-style-type: none"> <li>• Office advice on cost recovery requirements and user fees requested and considered by parliamentary committees, for example, Parks Canada canal operations; impact on the government’s financial position</li> </ul> <p><b>Public Service Renewal:</b></p> <ul style="list-style-type: none"> <li>• Input provided to central agencies on job classification initiatives in the public service, acknowledged by the Treasury Board Secretariat</li> <li>• Consideration given to cost-effective options for job evaluation based on our findings on classification</li> <li>• Human resource morale issues identified that impact on productivity in Revenue Canada</li> </ul> <p><b>Information technology:</b></p> <ul style="list-style-type: none"> <li>• Impact of chapter findings and subsequent Public Accounts Committee hearings – additional funding for information technology (IT) project management allocated</li> <li>• Clarification of roles and responsibilities debated for IT projects; request to the Office by Committee to help clarify roles and responsibilities for large systems under development</li> <li>• Further parliamentary pressure for implementation of government’s enhanced framework for the management of information technology projects; Treasury Board committed to implement the framework in all projects, and all submissions subject to increased scrutiny by Treasury Board Secretariat; improved management of large information technology projects currently considered a priority initiative by the Chief Informatics Officer</li> <li>• Improved management of large IT projects; larger departments committed to improve processes and do regular risk assessments; observable effect on management priorities such as increase in awareness of risk management</li> </ul>

OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
		<p><b>Public service renewal using information technology:</b></p> <ul style="list-style-type: none"> <li>• Greater awareness of issues to be further resolved in government-wide electronic infrastructure; increased pressure from parliamentarians to implement initiatives supporting public service renewal</li> <li>• Increased focus on accountability in shared systems; increasing support for reduced customization in one major cluster of departments</li> <li>• Advice provided by the Office to interdepartmental group on public service renewal initiatives</li> </ul>
<b>Revenue Collection</b>		
<p>Refers to the increased effectiveness of revenue collection and maintaining the tax base</p>	<ul style="list-style-type: none"> <li>• 7 of 39 chapters dealt with revenue collection and tax issues</li> <li>• Office participation in 4 hearings by the Public Accounts Committee and the Standing Committee on Finance to discuss family trust issues</li> </ul>	<p><b>Tax legislation issues:</b></p> <ul style="list-style-type: none"> <li>• Findings highlighting for Parliament the complexity of tax legislation and effect on non-compliance and the tax burden; increased awareness of long-standing legislative issues</li> <li>• Commitment by Revenue Canada to work more closely with Department of Finance Canada on tax matters and their monitoring</li> <li>• Significant parliamentary debate about the movement of capital to foreign countries and related tax implications – taxable Canadian property; reports issued by the Public Accounts Committee and Standing Committee on Finance confirming our concerns and proposing corrective actions; subsequent changes to tax legislation proposed to eliminate tax loopholes and increase penalties for abusers</li> <li>• Department of Finance Canada commitment to complete its review of <i>Excise Act</i></li> </ul> <p><b>Tax management and revenue collection issues:</b></p> <ul style="list-style-type: none"> <li>• Departmental commitment to provide Parliament with more information on the underground economy at the request of the Public Accounts Committee</li> <li>• Measures implemented to better document tax decisions and provide for improved tax data analysis</li> <li>• More resources and training sought and allocated to tax collection, anti-smuggling and anti-evasion activities; improved management of tax information to increase productivity in tax collection</li> </ul>



OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
		<ul style="list-style-type: none"> <li>• Greater focus by Revenue Canada on compliance and collection efforts and on combatting tax avoidance to improve fairness and effectiveness of tax administration</li> <li>• More public information on advance tax rulings</li> <li>• Revenue Canada action plan prepared to address the Office's concerns related to management of GST credits and child tax benefits – program take-up, monitoring and enforcement</li> <li>• Office methodology shared with Revenue Canada management on program input analysis</li> </ul>

### Providing assurance

<p>Help ensure that financial statements are presented fairly and in compliance with appropriate standards; also refers to whether systems and practices provide assurance that assets are safeguarded, resources managed economically and efficiently and operations carried out effectively</p>	<ul style="list-style-type: none"> <li>• Audit opinion and related observations on the government's overall financial statements included in the Public Accounts of Canada for the fiscal year 1995–96</li> <li>• Audit opinion on the condensed financial statements in the government's Annual Financial Report</li> <li>• Testimony at two hearings about a significant issue raised during the audit of the government's financial statements (accounting for GST harmonization)</li> <li>• Some 100 financial audit opinions of federal Crown corporations and agencies and territorial governments and Crown corporations</li> <li>• Special services and advice provided to auditees on internal controls and accounting systems</li> <li>• Work under way on 3 special examinations – third cycle; one report issued in 1996–97</li> <li>• Participation in Senate committee hearing on governance and accountability of a particular Crown corporation</li> </ul>	<p><b>Reliability of financial information (attest)</b></p> <ul style="list-style-type: none"> <li>• Contribution to maintaining management's transparency and accountability through the financial statement reporting process</li> <li>• Contribution to the credibility and understandability of the information provided in the government's financial statements, and the financial statements of Crown corporations and other entities</li> <li>• Government's response in the 1997 Budget to issues raised in observations by the Auditor General on the government's financial statements for 1995–96; disagreement noted on accounting for GST harmonization; work proceeding to address the other issues – accounting for employees' pensions, accounting for tax revenues, capitalization of physical assets, accounting for investments in Crown corporations and accounting for environmental liabilities and contingencies</li> <li>• Assurance provided to Parliament about controls over interim payments – Western Grain Transition Payments – past problems avoided</li> <li>• Guidance provided to management on disclosure requirements for the fair presentation of financial information in some Crown corporations and agencies of the Northwest Territories; improvement in compliance with professional accounting standards for disclosure requirements, for instance, disclosure of financial instruments information and improved disclosure on the measurement of management estimates</li> <li>• Advice accepted by clients in work resulting from special requests dealing with asset protection, management and transfer, internal controls, and risk analysis for grants and contributions</li> </ul>
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OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
	<ul style="list-style-type: none"> <li>• 2 Crown corporation audit opinions qualified because of non-compliance with generally accepted accounting principles; management and boards of directors advised of the issues</li> <li>• Participation in various professional activities aimed at improving the disclosure and understanding of the government’s financial condition, such as the Canadian Institute of Chartered Accountants’ research on the identification of financial performance indicators</li> <li>• Auditor General’s annual award of excellence for the best annual report by a Crown corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Work under way in Human Resources Development Canada to better disclose financial information, as a result of value-for-money chapter on financial disclosure in Canada Pension Plan financial statements;</li> </ul> <p><b>Special examinations</b></p> <ul style="list-style-type: none"> <li>• Corrective action taken by management in areas of concern</li> <li>• Survey of Crown corporation chairs and CEOs showing their support for special examination process and results</li> </ul>

#### Compliance with Authorities

<p>Refers to whether operations were conducted in compliance with the relevant legislative framework, and the required rules and regulations</p>	<ul style="list-style-type: none"> <li>• Compliance with authorities integrated into attest audits; 76 audit opinions referring to compliance with authorities</li> <li>• 12 value-for-money audits reporting compliance with authority issues</li> </ul>	<p><b>Compliance issues:</b></p> <ul style="list-style-type: none"> <li>• No significant non-compliance issues reported in the audit opinions of federal Crown corporations and other entities</li> <li>• Provided advice to audit clients on compliance issues</li> <li>• Public Accounts Committee 6th Report reaffirming concern about moneys spent not in accordance with Parliament’s intent – infrastructure program; reaffirm need for compliance audits by Treasury Board</li> </ul>
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#### Deterrence of Fraud and Dishonesty

<p>Refers to the Office’s contribution to reducing the risks of wrongdoing, conflict of interest and fraud and maintaining sound ethics and values</p>	<ul style="list-style-type: none"> <li>• Ongoing audit of removal of household goods at the request of the Public Accounts Committee</li> <li>• Monitoring of the DND–PWGSC Canadian Patrol Frigate Program</li> </ul>	<p><b>Ongoing audits:</b></p> <ul style="list-style-type: none"> <li>• Management recognition of its primary responsibility for detection and deterrence as part of its reporting responsibilities</li> <li>• No financial audit opinion or special examination reporting significant fraud risks; deterrent effect difficult to measure but significant fraud and abuse would be reported</li> <li>• On-site presence of audit staff as a deterrent</li> <li>• Increased awareness of fraud issue</li> </ul>
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OAG Objectives and Effects	Key Outputs in 1996–97	Key Achievements in 1996–97
Refers to the Office’s contribution to reducing the risks of wrongdoing, conflict of interest and fraud and maintaining sound ethics and values	<ul style="list-style-type: none"> <li>• 47 cases of complaints and referrals of suspected fraud or impropriety</li> <li>• Since 1992–93, 558 complaints and referrals screened; 157 cases retained for examination, 67 cases still under review and 90 cases completed</li> <li>• Ongoing vigilance related to fraud and abuse as part of all audit activities</li> </ul>	<p><b>Fraud awareness:</b></p> <ul style="list-style-type: none"> <li>• In response to a previous audit, the Clerk of the Privy Council established a Task Force on Values and Ethics in the public service, which suggested an ethics regime similar to that suggested by the OAG. The Clerk has emphasized the importance of honesty, integrity and probity in her most recent reports to the Prime Minister on the Public Service. The <i>Lobbyists Registration Act</i> has been enacted with the objective of informing the public as to who is attempting to influence government.</li> </ul>

### Environment and Sustainable Development

Refers to the audit work carried out on the government’s efforts on environmental issues; also refers to the Auditor General’s new mandate related to the newly created position of Commissioner of the Environment and Sustainable Development	<ul style="list-style-type: none"> <li>• Two value-for-money chapters and one audit note dealing with environmental issues</li> <li>• The first report of the Commissioner of the Environment and Sustainable development issued in March 1997, indicating the Commissioner’s areas of concern and plans and priorities for the future</li> <li>• Commissioner’s participation in hearings of the Standing Committee on Environment and Sustainable Development to discuss Commissioner’s role and to study his first annual green report and content of value-for-money chapter on contaminated sites</li> <li>• Appearance by the Commissioner at a hearing of the Sub-Committee of the Senate Committee on Agriculture and Forestry to discuss the management of boreal forests</li> <li>• Advice provided to audit entities on adequate disclosure of environmental costs and liabilities in financial statements</li> <li>• Provided input for development of environmental compliance audit methodology for the Yukon Territorial Government</li> </ul>	<p><b>Environment and sustainable development</b></p> <ul style="list-style-type: none"> <li>• Appreciation by, clarification for, parliamentarians of the role, responsibilities, priorities and work plans of the Commissioner</li> <li>• Questions raised in the House that put additional pressure on departments to correct problems related to management and costs of contaminated sites; interdepartmental committee set up to address issues raised in contaminated sites chapter</li> <li>• Findings and advice provided to departments for the elaboration of departmental sustainable development strategies and plans; first plans due in December 1997</li> <li>• Improved disclosure related to accounting for environmental-type costs in financial statements</li> <li>• Acknowledgement of the need for Environment Canada to provide more information on the status of greening initiatives</li> <li>• Chapter findings used as input to discuss future of departmental branch dealing with hazardous waste within Environment Canada</li> </ul>
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### Unintended Effects

29. We are always looking out for any unintended effects of our work. We try to avoid proposing the creation of unnecessary or excessive controls or systems so that management can focus on priority issues.

30. In some cases, departments are undergoing significant changes and resource reductions. Our observations and recommendations may result in additional entity resources being expended. Any significant issues raised may create additional pressures on departmental resources and further affect staff morale.

31. As well, reported cases of mismanagement may have a negative effect on the public's confidence in the government. Despite this potential drawback, we believe that significant cases must continue to be reported.

## C. Key Reviews

### Scrutiny of Office Operations

32. As a professional auditing body, the Office is subject to professional and ethical standards. For this reason, in addition to being subject to professional examination, the Office has developed its own mechanisms to ensure that audit quality is maintained. Furthermore, the Office's operations are subject to examination by the Public Accounts Committee. The following table provides more information about the reviews carried out on the Office's operations.

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#### List of Reviews Completed during the Year Ended 31 March 1997

Study Title/ Topic	Fiscal Year of Completion	Description/ Significance of Review
Independent financial audit of the Office of the Auditor General and issuance of an auditor's report	1997	<ul style="list-style-type: none"><li>• Qualified auditor nominated by Treasury Board</li><li>• Conducted each fiscal year</li><li>• Auditor examines the receipts and disbursements of the Office, and annually reports the outcome of the examinations to the House of Commons through the President of the Treasury Board</li><li>• Done in accordance with section 21(1) and (2) of the <i>Auditor General Act</i></li></ul>

Study Title/ Topic	Fiscal Year of Completion	Description/ Significance of Review
Periodic reporting by the Auditor General of Canada – a review undertaken by the Office of the Auditor General	1997	<ul style="list-style-type: none"> <li>• Study conducted on the periodic reporting system three times a year introduced in 1995 to replace the former annual report</li> <li>• Valuable suggestions to current and future work were obtained</li> <li>• Broad support for periodic reporting</li> </ul>
Provincial chartered accountants institutes/ ordre practice inspection programs	Periodic – depends on province	<ul style="list-style-type: none"> <li>• Purpose of inspection is to ensure that a practising member (in this case, the OAG) who employs one or more accounting students provides practical experience and instruction and affords opportunities that will enable the student to acquire the art, skill, science and knowledge of a chartered accountant</li> <li>• Inspections done at various times depending on institute/ordre</li> <li>• OAG the only federal organization where chartered accounting students can fulfil their educational requirements and secure practical experience</li> <li>• Practice inspection committee has power to make any inspection it deems necessary, including inspection of member’s books and records</li> </ul>
OAG Quality Review Program	Regularly	<ul style="list-style-type: none"> <li>• Independent reviews of OAG’s audit quality and adherence to Office policies and professional standards of value-for-money and financial statement audits, done by our Practice Review team.</li> </ul>
Review of OAG quality management process	1997	<ul style="list-style-type: none"> <li>• Assessed key quality control points during audits and compliance by audit teams</li> </ul>
Report on Official Languages and Information Technology – conducted by Consulting and Audit Canada for the Treasury Board Secretariat	1996	<ul style="list-style-type: none"> <li>• Review of information technology and official languages procedures at the Office and conduct of interviews and surveys</li> </ul>
1997–98 Estimates of the Office of the Auditor General – appearance before the Public Accounts Committee	1997	<ul style="list-style-type: none"> <li>• Appearance before the Public Accounts Committee to explain the subsequent year’s spending estimates and answer questions on the management practices of the Office</li> </ul>

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## Section IV

### Supplementary Information

#### A. Listing of Statutory Reports

• Report of the Auditor General of Canada to the House of Commons	published periodically and available in a variety of formats, including on the Internet at <a href="http://www.oag-bvg.gc.ca">http://www.oag-bvg.gc.ca</a>
• Report of the Commissioner of the Environment and Sustainable Development to the House of Commons	published annually and available in a variety of formats, including on the Internet at <a href="http://www.oag-bvg.gc.ca">http://www.oag-bvg.gc.ca</a>
• Auditor General's Opinion and Observations on the Financial Statements of the Government of Canada	published annually in the Public Accounts of Canada, Volume I and available on the Internet at <a href="http://www.pwgsc.gc.ca/text/pubacc-e.html">http://www.pwgsc.gc.ca/text/pubacc-e.html</a>
• Opinion on the Condensed Financial Statements of the Government of Canada	published annually in the Annual Financial Report of the Government of Canada
• Opinions by the Auditor General on some 100 sets of financial statements of parent Crown corporations, federal departmental corporations and other federal entities, territorial governments and organizations, other Canadian entities and international organizations	published in the various statutory reports containing the financial statements of these organizations and Treasury Board's Annual Report to Parliament on Crown Corporations and Other Corporate Interests in Canada
• Special examinations of Crown corporations	published every five years for each Crown corporation and submitted to the respective boards of directors
• Annual Report on Other Matters to the Yukon Legislative Assembly and to the Northwest Territories Legislative Assembly	published annually and available from the Clerk of the respective assemblies

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## **B. Contacts for Further Information**

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Ottawa, Ontario  
Canada K1A 0G6

(613) 995-3708  
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### **Audit Operations Branch**

Raymond Dubois, Deputy Auditor General

### **Corporate Services Branch**

Michael J. McLaughlin, Deputy Auditor General

### **Environment and Sustainable Development**

Brian Emmett, Commissioner of the Environment and  
Sustainable Development

## C. Financial Summary Tables

### Authorities for 1996–97 – Part II of the Estimates Financial Requirements by Authority (\$ millions)

Vote	(millions of dollars)	1996–97 Total Authorities	1996–97 Actual
<b>Auditor General</b>			
30	Program expenditures	44.3	44.5
(S)	Salary of the Auditor General	0.2	0.2
(S)	Contributions to employee benefit plans	4.5	4.7
<b>Total Office</b>		<b>49.0</b>	<b>49.4</b>

**Table 1  
Summary of Voted  
Appropriations**

(\$ millions)

Business Line	Actual 1993–94	Actual 1994–95	Actual 1995–96	Total Planned 1996–97	Actual 1996–97
<b>Contributions</b>					
Legislative Auditing	0.4	0.4	0.4	0.4	0.4

**Table 2  
Transfer Payments  
by Business Line**

(\$ millions)

Business Line	Actual 1993–94	Actual 1994–95	Actual 1995–96	Total Planned 1996–97	Actual 1996–97
Legislative Auditing	5.0	4.8	4.8	4.7	4.9

**Table 3  
Statutory Payments  
by Business  
Line/Activity**



**Table 4**  
**Details on Net Cost of Program for 1996–97**

1996–97 Audit Costs and Hours (in Brackets) by Audit Type (both dollars and hours are in thousands)

**1. Federal Government Organizations**  
**a. Departments, Agencies and Special Audits**

	Attest		(Thousands)		Total	
			Value for Money			
Atlantic Canada Opportunities Agency	\$12	(0.1)	\$16	(0.1)	\$28	(0.2)
Canada Space Agency	17	(0.2)			17	(0.2)
Canadian International Development Agency	65	(0.7)	8	(0.1)	73	(0.8)
Correctional Service Canada	29	(0.3)	579	(5.5)	608	(5.8)
Department of Agriculture and Agri-Food	429	(5.1)	686	(6.0)	1,115	(11.1)
Department of Canadian Heritage	21	(0.2)	703	(6.5)	724	(6.7)
Department of Finance	199	(2.6)	814	(7.3)	1,013	(9.9)
Department of Fisheries & Oceans	44	(0.6)	880	(7.7)	924	(8.3)
Department of Foreign Affairs and International Trade	43	(0.5)	484	(4.2)	527	(4.7)
Department of Human Resources Development	127	(1.5)	1,395	(12.7)	1,522	(14.2)
Department of Indian Affairs and Northern Development	113	(1.5)	527	(4.9)	640	(6.4)
Department of Industry	83	(1.2)	386	(3.6)	469	(4.8)
Department of Justice	14	(0.2)			14	(0.2)
Department of Citizenship & Immigration	27	(0.4)	493	(4.8)	520	(5.2)
Department of National Defence	155	(2.1)	1,760	(19.6)	1,915	(21.7)
Department of Health	101	(1.2)	584	(6.6)	685	(7.8)
Department of Revenue	1,283	(14.0)	3,448	(32.6)	4,731	(46.6)
Department of Natural Resources	58	(0.7)	528	(4.9)	586	(5.6)
Department of Public Works and Government Services	87	(1.2)	1,679	(17.0)	1,766	(18.2)
Department of the Environment	17	(0.3)	884	(7.9)	901	(8.2)
Department of the Solicitor General			97	(1.0)	97	(1.0)
Department of Transport	114	(1.3)	1,035	(10.0)	1,149	(11.3)
Department of Western Economic Diversification	16	(0.2)	42	(0.4)	58	(0.6)
Federal Office of Regional Development – Québec	38	(0.3)	1		39	(0.3)
Federal Court of Canada, Tax Court of Canada and Commissioner for Federal Judicial Affairs			827	(8.1)	827	(8.1)
National Energy Board	37	(0.4)	6		43	(0.4)
National Film Board	283	(2.8)			283	(2.8)
National Transportation Agency	8	(0.1)			8	(0.1)
Northern Pipeline Agency	5	(0.1)			5	(0.1)
Public Accounts (audit planning, coordination, reporting)	1,651	(16.9)			1,651	(16.9)
Royal Canadian Mounted Police	38	(0.5)			38	(0.5)
Statistics Canada			3		3	(0.0)
Superintendent of Financial Institutions (Office)			265	(2.3)	265	(2.3)
Treasury Board Secretariat			304	(3.4)	304	(3.4)
Veterans Affairs	42	(0.4)	28	(0.2)	70	(0.6)

	(Thousands)					
Attest	Value for Money		Total			
<b>Government-wide and Special Audits</b>						
Accountability – Internal Studies	282	(2.7)	282	(2.7)		
Acquisition Cards – Use and Control	400	(4.1)	400	(4.1)		
Climate Change	40	(0.3)	40	(0.3)		
Environmental Assessment of Projects in the Federal Government	423	(4.0)	423	(4.0)		
Financial Management and Control	771	(6.5)	771	(6.5)		
First Nations Accountability Study	102	(1.1)	102	(1.1)		
Functional Responsibility – Authority Issues	101	(1.3)	101	(1.3)		
Household Goods Removal Services	641	(4.8)	641	(4.8)		
Human Resource Management – Classification Reform	237	(2.2)	237	(2.2)		
Human Resource Management – Changes in Senior Ranks	3		3			
Human Resource Management – Downsizing at the Department of National Defence	415	(4.0)	415	(4.0)		
Information for Parliament	71	(0.6)	71	(0.6)		
Information Technology – Development	112	(1.1)	112	(1.1)		
Information Technology – Preparedness for the Year 2000	235	(1.9)	235	(1.9)		
Information Technology – Procurement	19	(0.2)	19	(0.2)		
Major Capital Projects	251	(2.1)	251	(2.1)		
Managing Telecommunications	15	(0.1)	15	(0.1)		
Materiel Management	634	(6.3)	634	(6.3)		
Moving Toward Managing for Results	231	(2.0)	231	(2.0)		
New Realities for the Public Service	520	(3.3)	520	(3.3)		
Parliamentary Officers	4		4			
Protection of Public Assets	464	(4.4)	464	(4.4)		
Reporting Performance in the Expenditure Management System	633	(6.5)	633	(6.5)		
Results Measurement	1,391	(13.2)	1,391	(13.2)		
Regulatory Reform	73	(0.7)	73	(0.7)		
Role of Chief Informatics Officer	255	(2.4)	255	(2.4)		
Security and Intelligence	354	(2.8)	354	(2.8)		
Status of Public Service Renewal	6		6			
Systems Under Development – Revenue Canada	311	(2.8)	311	(2.8)		
Systems Under Development: Getting Results	348	(3.0)	348	(3.0)		
Tax Expenditures	647	(5.8)	647	(5.8)		
Follow-up Audits	2,622	(24.0)	2,622	(24.0)		
Knowledge of the Business and Service to Audit Entities	1,046	(10.2)	1,046	(10.2)		
Reports to the House of Commons	4,140	(35.2)	4,140	(35.2)		
Total Departments, Agencies and Special Audits	\$5,156	(57.6)	\$36,259	(337.0)	\$41,415	(394.6)

## b. Crown Corporations

### Attest

Annual audit work conducted in Crown corporations to express an opinion pursuant to section 132 of the *Financial Administration Act* and annual audit work conducted to express an opinion on corporations exempted pursuant to section 85 of the *Financial Administration Act*.

### Value for Money

Special examination work conducted in Crown corporations pursuant to section 138 of the *Financial Administration Act* and value-for-money audits conducted at the request of corporations exempted pursuant to section 85 of the *Financial Administration Act*.

	Attest		(Thousands) Value for Money		Total	
Atlantic Pilotage Authority	\$60	(0.8)	\$		\$60	(0.8)
Atomic Energy of Canada Limited	366	(3.4)	27	(0.3)	393	(3.7)
Canada Council	90	(1.2)			90	(1.2)
Canada Deposit Insurance Corporation	215	(2.3)			215	(2.3)
Canada Development Investment Corporation	33	(0.2)			33	(0.2)
Canada Lands Company (Vieux-Port de Quebec) Inc.	10	(0.1)			10	(0.1)
Canada Lands Company Limited	122	(0.9)			122	(0.9)
Canada Mortgage and Housing Corporation	297	(3.2)			297	(3.2)
Canada Museums Construction Corporation Inc.	10	(0.1)			10	(0.1)
Canadian Broadcasting Corporation	557	(5.4)			557	(5.4)
Canadian Commercial Corporation	120	(1.5)			120	(1.5)
Canadian Dairy Commission	123	(1.3)			123	(1.3)
Canadian Film Board Development Corporation	143	(1.3)			143	(1.3)
Canadian Museum of Civilization	84	(1.0)			84	(1.0)
Canadian Museum of Nature	127	(1.4)			127	(1.4)
Cape Breton Development Corporation	311	(2.9)	376	(2.7)	687	(5.6)
Defence Construction (1951) Limited	37	(0.5)			37	(0.5)
Enterprise Cape Breton Corporation	112	(1.1)			112	(1.1)
Export Development Corporation	359	(4.0)			359	(4.0)
Farm Credit Corporation	352	(3.3)	554	(4.0)	906	(7.3)
Federal Business Development Bank	286	(2.6)	8	(0.1)	294	(2.7)
Freshwater Fish Marketing Corporation	74	(0.9)			74	(0.9)
Great Lakes Pilotage Authority Ltd	61	(0.7)	137	(1.3)	198	(2.0)
International Development Research Centre	113	(1.5)			113	(1.5)
Laurentian Pilotage Authority	87	(0.9)	2		89	(0.9)
Marine Atlantic Inc.	183	(1.9)			183	(1.9)
National Arts Centre Corporation	126	(1.6)			126	(1.6)
National Capital Commission	193	(2.3)	68	(0.5)	261	(2.8)
National Gallery of Canada	73	(0.9)			73	(0.9)
National Museum of Science & Technology	71	(0.9)			71	(0.9)
Old Port of Montreal Corporation Inc.	90	(0.9)			90	(0.9)
Pacific Pilotage Authority	48	(0.6)			48	(0.6)
Petro Canada Limited	18	(0.2)			18	(0.2)
Queens Quay West Land Corporation	19	(0.2)			19	(0.2)
Royal Canadian Mint	308	(3.6)			308	(3.6)

	Attest		(Thousands) Value for Money		Total	
Standards Council of Canada	41	(0.4)			41	(0.4)
The Jacques Cartier and Champlain Bridges Incorporated	89	(0.9)			89	(0.9)
The Seaway International Bridge Corp. Ltd	63	(0.6)			63	(0.6)
The St. Lawrence Seaway Authority Ltd	160	(1.5)			160	(1.5)
Via Rail Canada Inc.	218	(2.2)	14	(0.1)	232	(2.3)
Treasury Board Quarterly Reports	9	(0.1)			9	(0.1)
Total Crown Corporations	\$5,858	(61.3)	\$1,186	(9.0)	\$7,044	(70.3)

**c. Other Corporations and Entities**

	Attest		(Thousands) Value for Money		Total	
Agriculture Products Board	\$ 7	(0.1)			\$7	(0.1)
Atomic Energy Control Board	44	(0.5)			44	(0.5)
Canada Pension Plan Account and Canada Pension Plan Investment Fund	392	(4.8)			392	(4.8)
Canadian Centre for Occupational Health and Safety	39	(0.3)			39	(0.3)
Canadian Grain Commission	101	(1.2)			101	(1.2)
Canadian Polar Commission	5	(0.1)			5	(0.1)
Canadian Transportation Accident Investigation and Safety Board	19	(0.3)			19	(0.3)
Exchange Fund Account	98	(1.2)			98	(1.2)
Government Annuities Account	59	(0.5)			59	(0.5)
International Centre for Human Rights & Democracy	105	(1.0)			105	(1.0)
Market Development Incentive Payments	23	(0.3)			23	(0.3)
Medical Research Council	37	(0.5)			37	(0.5)
National Battlefields Commission	28	(0.2)			28	(0.2)
National Research Council of Canada	4	(0.1)			4	(0.1)
National Round Table on the Environment and the Economy	16	(0.2)			16	(0.2)
Natural Sciences and Engineering Research Council	57	(0.8)			57	(0.8)
Nunavut Implementation Commission	30	(0.3)			30	(0.3)
Royal Canadian Mounted Police (Dependants) Fund	6	(0.1)			6	(0.1)
Social Sciences and Humanities Research Council	43	(0.6)			43	(0.6)
Unemployment Insurance Account	225	(2.4)			225	(2.4)
Total Other Corporations and Entities	\$1,338	(15.5)			\$1,338	(15.5)

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**d. Requests from Minister of Finance**

	Attest		(Thousands) Value for Money		Total	
Child Tax Benefit	\$43	(0.4)			\$43	(0.4)
Debt Servicing Reduction Account	18	(0.2)			18	(0.2)
Provincial Income Tax – Opinion to the Minister	567	(6.1)			567	(6.1)
Total Requests from Minister of Finance	\$ 628	(6.7)			\$628	(6.7)

**2. Territorial Organizations****a. Departments and Agencies**

	Attest		(Thousands) Value for Money		Total	
Northwest Territories						
Workers' Compensation Board	\$ 174	(1.7)	\$		\$174	(1.7)
Government of Northwest Territories	545	(5.3)	350	(3.4)	895	(8.7)
Legislative Assembly Retiring Fund	16	(0.2)			16	(0.2)
Petroleum Products Revolving Fund	56	(0.6)			56	(0.6)
Yukon Territory						
Workers' Compensation Fund	103	(1.0)			103	(1.0)
Government of Yukon Territory	276	(2.7)	116	(1.0)	392	(3.7)
Total Departments and Agencies	\$1,170	(11.5)	\$466	(4.4)	\$1,636	(15.9)

**b. Territorial Corporations**

	Attest		(Thousands) Value for Money		Total	
Northwest Territories						
Aurora College	\$78	(0.8)			\$78	(0.8)
Nunavut Arctic College	83	(0.8)			83	(0.8)
Business Corporation	48	(0.5)			48	(0.5)
Development Corporation	83	(0.9)			83	(0.9)
Housing Corporation	149	(1.5)			149	(1.5)
Liquor Commission	30	(0.1)			30	(0.1)
Power Corporation	191	(1.9)			191	(1.9)

			(Thousands)			
	Attest		Value for Money		Total	
Yukon Territory						
Development Corporation	8	(0.1)			8	(0.1)
Energy Corporation	22				22	(0.0)
Housing Corporation	113	(1.2)			113	(1.2)
Liquor Corporation	50	(0.5)			50	(0.5)
Surface Rights Board	9	(0.1)			9	(0.1)
Yukon College	71	(0.7)			71	(0.7)
Total Territorial Corporations	\$ 935	(9.1)			\$935	(9.1)

### 3. Other Canadian Organizations (Order-in-Council Requests)

			(Thousands)			
	Attest		Value for Money		Total	
National Tripartite Stabilization Board	\$55	(0.6)			\$55	(0.6)
Total Other Canadian Organizations	\$55	(0.6)			\$55	(0.6)

### 4. International Organizations (Order-in-Council Requests)

			(Thousands)			
	Attest		Value for Money		Total	
International Atomic Energy Agency	\$(159)	(0.2)	\$		\$(159)	(0.2)
International Civil Aviation Organization	296	(4.5)	43	(0.7)	339	(5.2)
United Nations Educational Scientific and Cultural Organization (UNESCO)	265	(4.1)	42	(0.8)	307	(4.9)
Total International Organizations	\$ 402	(8.8)	\$85	(1.5)	\$487	(10.3)
Subtotal	\$15,542	(171.1)	\$37,996	(351.9)	\$53,538	(523.0)
International Activities					952	(13.1)
Total					\$54,490	(536.1)