

Office of the Auditor General of Canada

Practice Review and Internal Audit Plan

Long-term audit plan, fiscal years 2009–10 to 2011–12

June 2009

Table of Contents

1	Executive Summary	3
2	Introduction	5
3	External and Internal Review	5
3.1	Practice Review and Internal Audit team	5
3.2	External and internal reviews of Office audit products and management systems, and external audit of financial statements	6
4	Developing the 2009–10 Practice Review and Internal Audit Plan	7
4.1	Risk management and control framework of the Office of the Auditor General	7
4.2	Focus of the 2009–10 Practice Review and Internal Audit Plan	9
5	Reporting	10
6	Resourcing	10
7	Performance Audit Practice	12
7.1	Background and overview of key changes	12
7.2	Practitioners	12
7.3	2009–10 plan	13
8	Annual Audit Practice	13
8.1	Background and overview of key changes	13
8.2	Practitioners	15
8.3	2009–10 plan	15
9	Special Examination Practice	16
9.1	Background and overview of key changes	16
9.2	Practitioners	17
9.3	2009–10 plan	17
10	Assessments of Agency Performance Reports	18
10.1	Background and overview of key changes	18
10.2	Practitioners	18
10.3	2009–10 plan	18
11	Internal Audit	18
11.1	Background	18
11.2	Internal audit, risk assessment, and alignment of risks with key systems and practices	19
11.3	Where we spend our dollars	20

11.4	Office’s strategic challenges	20
11.5	Types of audit we will perform	20
11.6	2009–10 plan	20
Appendix 1	Office of the Auditor General Practice Review and Internal Audit Charter	22
Appendix 2	Integrated Risk Management Framework—Identification and Risk Assessment Worksheet	26
Appendix 3	Overview of OAG Key Systems and Practices	27
Appendix 4	Alignment of the Office’s Risk Profile With OAG Systems and Practices	28
Appendix 5	Systems and Practices Not Scheduled for Audit	30
Appendix 6	Overview of the Office’s Legislative Auditing Practice	31
Appendix 7	Coverage of Quality Management Framework Elements	33
Appendix 8	Expenses of the Office of the Auditor General	34

1 Executive Summary

The Practice Review and Internal Audit team conducts practice reviews of audit products and internal audits of management and administration within the Office of the Auditor General (OAG). The objective of the activity is to provide the Auditor General with timely information, advice, and assurance about whether Office management systems, both for audit and administrative activities, are suitably designed and effectively operated.

Practice reviews and internal audits are part of an external and internal review regime of Office products and management systems. The regime consists of peer reviews of audit products, reviews by provincial institutes, practice reviews, internal audits, management reviews, and external audits.

This document focuses on the Practice Review and Internal Audit Plan for the 2009–10 fiscal year and recommends internal audits for the 2010–11 and 2011–12 fiscal years. The Auditor General, with the advice of the Audit Committee, approves the scope, coverage, and resourcing of this practice review and internal audit plan.

In the context of a rapidly changing environment that is characterized by new standards, methodologies, and audit tools, the Practice Review and Internal Audit Plan takes into consideration the following factors:

- Our risk assessment indicates that the Office has good controls in place and has no high-risk areas that practice review and internal audit must address.
- Because we follow Canadian Institute of Chartered Accountants (CICA) quality control standards, we must conduct a certain number of practice reviews every year. As well, our audit products represent areas of higher risk when compared with our management and administrative practices. As a result, we devote most of our resources to practice reviews of audit products, and normally conduct one or two internal audits a year.
- The work of OAG principals is one of the key elements of audit quality. The review coverage of our legislative auditing practice is based on systematic monitoring of the work of all principals on a cyclical basis. We will continue to generally review at least one product of every principal who completes a legislative audit product every four years. Regional offices are included in our plan.
- Each practice review focuses on higher-risk areas.
- Internal audits are selected based on an annual risk assessment.

We will conduct practice reviews that involve eight performance audit principals, seven financial audit principals, and three special examinations. We will not do any reviews of the assessments of agency performance reports. We will also follow up on previous years' observations and recommendations for improvement for all product lines and internal audits. Our coverage may be reduced if the peer review work includes the conduct of a review of an audit product file as part of their scope of work.

We will be monitoring the activities conducted by the Office leading to the adoption of Canadian Auditing Standards beginning in 2010 and International Financial Reporting Standards beginning in 2011. We therefore are keeping abreast of the approaching changes in accounting and auditing professional standards. We will be adjusting our review programs accordingly.

We will conduct a practice-wide review of the role of the Information Technology team in assisting annual audit teams in carrying out their work. We will also conduct a practice review of the extent of involvement of senior management in conducting audits in all product lines, and will follow up on previous internal audits. A detailed follow-up of the hospitality and staffing internal audits will be performed.

We have implemented most of the requirements of the Treasury Board of Canada Policy on Internal audit which follows the Institute of Internal Auditors' Standards for Professional Practice of Internal Auditing. We will continue progressing toward full implementation of these standards.

We operate with a core complement of five full-time equivalents. We currently have a full complement—a principal, two directors, and two audit project leaders. To deliver the 2009–10 plan, we require additional resources on a temporary basis. As in the past, we count on senior management to provide resources at the principal and director levels so that we can carry out practice reviews. All practice reviews will be carried out internally. External resources are retained to assist us in areas of special expertise (such as information technology) and for internal audits. Estimated resource requirements for practice review and internal audits for the 2009–10 fiscal year are about \$50,000.

This plan will be disclosed on the Office's website and summarized in the Office's Report on Plans and Priorities. A summary of our results will be presented in the Office's Performance Report.

2 Introduction

The Office of the Auditor General of Canada (OAG) conducts independent audits and provides objective information, advice, and assurance to Parliament, territorial legislatures, government, and Canadians. The Office has several product lines, including performance audits, financial audits, and special examinations. Its audit work is guided by a rigorous methodology and a quality management framework.

This document outlines the external and internal review regime of OAG audit products and management systems. It presents the Office's Practice Review and Internal Audit Plan for the 2009–10 fiscal year. The Auditor General, with the advice of the Audit Committee, approves the scope, coverage, and resourcing of the Practice Review and Internal Audit Plan.

Several sections of this plan—including those on external and internal review, developing the audit plan, reporting, and resources—provide background information on OAG products and practices, and outline our approaches to planning and conducting practice reviews and internal audits. The remainder of the document describes our plans for

- performance audit practice,
- audits of summary financial statements and Crown corporations,
- special examination practice,
- assessments of agency performance reports, and
- internal audit.

3 External and Internal Review

External and internal reviews based on our Quality Management Framework provide independent assurance that our audits are conducted according to established standards of professional practice. Management control systems guide the Office's management and administration. The Office's external and internal review regime consists of practice reviews, internal audits, peer reviews, reviews by provincial institutes, and external audit of financial statements.

3.1 Practice Review and Internal Audit team

The Practice Review and Internal Audit team is responsible for conducting practice reviews of the Office's audit products, as well as internal audits of the Office's management and administrative practices. The team's goal is to provide the Auditor General with timely information and advice, and to offer assurance that important OAG management systems for audit products and administrative activities are suitably designed and effectively operated, as described in the OAG Practice Review and Internal Audit Charter (Appendix 1). The team also provides administrative support to the Office's Audit Committee and assists with the peer review process when required.

Internal practice reviews of audit products. The Practice Review and Internal Audit team conducts practice reviews of selected performance audits, financial audits, special examinations, and assessments of agency performance reports. These reviews are conducted according to the monitoring section of The Canadian Institute of Chartered Accountants (CICA) *General Standards of Quality Control for Firms Performing Assurance Engagements* (CICA Handbook Section GSF-QC, December 2005). They are used to monitor compliance with quality control policies and procedures in a view to provide an evaluation of:

- whether professional standards and regulatory and legal requirements have been adhered to;
- whether the quality control system has been appropriately designed and effectively implemented; and
- whether the Office quality control policies and procedures have been appropriately applied, so that reports that are issued are appropriate in the circumstances.

Internal audits of management and administration. The Practice Review and Internal Audit team audits management and administration within the Office. This work is conducted according to the Office's Practice Review and Internal Audit Charter, which is based on the standards of the Institute of Internal Auditors and the Treasury Board Policy on Internal Audit, and which takes into account the Office's mandate and ability to maintain its independent status. The internal audits are conducted mainly by consultants, where appropriate. They also provide managers with recommendations.

3.2 External and internal reviews of Office audit products and management systems, and external audit of financial statements

External review of audit products. In 1999 the Office hired an audit firm to assess the Quality Management System for annual financial audits. In 2003, an international team of legislative auditors carried out a peer review of the Office's Quality Management Framework for performance auditing. The reviews found that the system and framework were suitably designed and operating effectively. The reviews also highlighted some good practices and made suggestions for improvement. The action plans to address these recommendations is posted on the OAG website.

The Office is now in the planning stage for the next external peer review of the Office's Quality Management Framework for all audit practices and related services. The review is expected to begin in summer 2009, with a report to be submitted in 2010.

In addition, about every four years, the provincial institutes of chartered accountants visit OAG headquarters and regional offices to determine whether the Office is compliant with professional standards and whether the training of chartered accounting students meets the institutes' requirements. The most recent reviews concluded that the Office was following professional standards and met the provincial institutes' requirements.

External audit of financial statements. Each year, an external auditor appointed by the Treasury Board audits the Office's financial statements. The most recent auditor's opinion stated that

the financial statements were presented fairly, in all material respects, the financial position of the Office as at 31 March 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The auditor also stated that the Office was in compliance with its authorities. The financial audit for the 2008–09 fiscal year is currently under way and will be reported to the Audit Committee at its July 2009 meeting. Results of the audit will be reported in the OAG Departmental Performance Report.

Participation in peer reviews of international audit offices. The Office also conducts peer reviews of international legislative audit offices, and uses these reviews as an opportunity to learn and improve OAG practices and procedures.

4 Developing the 2009–10 Practice Review and Internal Audit Plan

In preparing the plan for the 2009–10 fiscal year, Practice Review and Internal Audit consulted with the audit product leaders, corporate service leaders, and selected individuals, including those with responsibility for audit methodology and strategic planning. We requested their input to better understand their activities and identify whether they had any particular areas of concern that should be included in our reviews and audits.

Our 2009–10 plan builds on the experiences and lessons learned from previous years. It also builds on the key changes in each product lines. For more information about the key changes in the various audit practices, see sections 7 to 11.

4.1 Risk management and control framework of the Office of the Auditor General

Risk management. This plan was developed taking into consideration the Office's Integrated Risk Management Framework. The major elements of the framework are outlined in Appendix 2.

In compliance with the spirit of the Treasury Board Policy on Internal Audit, the OAG's Practice Review and Internal Audit Charter requires us to prepare an internal audit plan that is based on a systematic identification of business risks. This plan identifies relevant key systems and practices (Appendix 3). Auditable components are identified in Appendix 4, along with a risk and control assessment. Appendix 5 identifies low-risk activities and activities not scheduled for audit, as well as the reasons they are not included for audit. This forms the basis for selecting internal audits annually.

Our 2009–10 Practice Review and Internal Audit Plan also takes into consideration the following factors:

- Our risk assessment and review of controls indicates that the Office has good controls in place, and has no high-risk areas that Practice Review and Internal Audit should address. Because we follow Canadian Institute of Chartered Accountants quality control standards, we must conduct a certain number of practice reviews every year. As well, our audit products represent areas of higher risk compared with our management and administrative practices. As a result, we devote most of our resources to practice review of audit products, and normally conduct one or two internal audits a year.
- The work done by the principal (the senior audit professional of an audit team) is one of the key elements of audit quality. The practice review coverage of the legislative auditing practice is based on systematic monitoring of the work of all principals on a cyclical basis. Our selection also considers higher-risk audit products, as well as principals who are newly appointed.
- Currently the Office employs 57 principals, 48 of whom produce one audit product or more each year (Appendix 6). We plan to do about 12 practice reviews each year so that we can cover all principals in a four-year cycle.
- All regional offices will be covered over the same four-year cycle for practice review and internal audit work.

We will integrate the focus of practice review and internal audit work where possible. Integration helps to ensure effective coverage, on a cyclical basis, of all Quality Management Framework elements (Appendix 7).

We also consider new professional standards, Office practice advisories, and new methodology when we annually update our review methodology for all product lines.

Management controls. The Office has a strong internal control system. For example, leadership is provided from the top by the Auditor General. The Executive Committee sets policy and provides overall professional and administrative direction for the Office. An Audit Committee has been established; the majority of its voting members are external. The Auditor General and the Commissioner of the Environment and Sustainable Development receive advice from a number of committees with external members on the objectives, approach, and reports of many audit products.

The Office has a clearly defined vision, focus areas, and values that align with its mandate. It also has operational plans in place that align with its objectives. The Office monitors external and internal environments through surveys of parliamentarians, audited organizations, and employees. The Office has a Code of Values, Ethics, and Professional Conduct that sets out in detail the values and the ethical, professional, and other standards that guide staff, on a daily basis, in their work for the Office. Employees formally acknowledge compliance with the Code annually. The Office also has a documented approach to risk management that includes both a risk management policy and profile, and an Integrated Risk Management Framework.

Controls over audit products. An Assistant Auditor General is appointed product leader for each product line. The Office establishes policies and procedures to guide its work in accordance with the standards of The Canadian Institute of Chartered Accountants. This includes a manual and a Quality Management Framework for each product line, to build quality

into the examination process. The framework guides auditors through a set of required steps to ensure that audits are conducted according to professional standards and Office policies. The manual and the framework are complemented by templates and checklists for each product line. Process controls, such as a quality reviewer and committees that review key documents and decisions, help to build quality into the process.

4.2 Focus of the 2009–10 Practice Review and Internal Audit Plan

Activities planned for the 2009–10 fiscal year include the following:

- We will continue to review at least one product of every principal who completes a legislative audit product every four years. We will review performance audits, annual audits, special examinations, and assessments of agency performance reports. We plan to conduct a total of 18 practice reviews in 2009–10. Our coverage may be reduced if the peer review work includes the conduct of a review of an audit product file as part of their scope of work. For details on the plan for each product line, see sections 7 to 10.
- For each practice review, we will strive to conduct a review that focuses on key elements of the Quality Management Framework. We will do more in-depth work only when circumstances warrant. We will also strive to identify potential opportunities to improve efficiencies in the audits that are being carried out.
- A practice wide review of the extent of involvement of senior management in audit products will be carried out across all product lines. Another review of the role of the Information Technology team in assisting annual audit teams will also be performed.
- Internal audits are selected based on an annual risk assessment. Based on our risk assessment, we will not carry out any internal audit of an administrative process in 2009–10. In 2010–11, we plan to conduct a review of the implementation of the new Electronic Document Management System implemented in 2008–09, followed by a review of contracting in 2011–12. For details on the internal audit plan, see Section 11.
- We will continue to follow up on the implementation of previous years' recommendations.
- We will be monitoring the activities conducted by the Office leading to the adoption of Canadian Auditing Standards beginning in 2010 and International Financial Reporting Standards beginning in 2011. We will be adjusting our review programs accordingly.

During the past year, Internal Audit and an external consulting firm performed a joint assessment of the design of the Office's quality management system for all product lines based on the General Standards of Quality Control for Firms Performing Assurance Engagements CICA Handbook Section—GSF-QC and the CICA handbook section 5030—Quality Control Procedures for Assurance Engagements. The report made several recommendations. Management has committed to bring about improvements in all areas mentioned in the report and has developed an action plan. We will monitor the implementation of recommendations coming out of this assessment.

Practice reviews are not conducted on activities of the Forensic Audit Team (other than performance audits), discussion papers, the Auditor General's Report on Matters of Special Importance, and the Report on the Commissioner's Perspective. Other reports from the Commissioner are subject to practice reviews and are part of the performance audit product line.

5 Reporting

Our 2009–10 Practice Review and Internal Audit Plan will be publicly disclosed on the Office's website and summarized in the Office's Report on Plans and Priorities. Summaries of our results will be presented in the Office's 2009–10 Performance Report. The Auditor General is the client for the reports of the Practice Review and Internal Audit team.

Practice reviews. For individual practice reviews, comments are shared with the Auditor General and the appropriate Assistant Auditor General and principal. For the practice review of each product line, a summary report is prepared that focuses on the matters we believe are significant from a practice-wide perspective. The summary report is reviewed and responded to by the appropriate product leader and Assistant Auditor General responsible for audit methodology. The report, including management responses, then goes to the Audit Committee for review, to the Auditor General for her approval, and to the Executive Committee. Finally the summary report is posted on the Office's website and intranet.

Throughout completion of the practice review and as required by professional standards, audit teams are expected to promptly take appropriate remedial action to address the observations of the reviewers in a view to bring the audit file compliant with the quality management system and professional standards. Practice review will follow-up rapidly on corrective actions taken by audit teams in a view to subsequently report to the auditor general that files are now compliant with office policies and procedures and professional standards and that the audit report is appropriate in the circumstances.

Internal audits. The results of internal audits are shared with the responsible Assistant Auditor General and principal. The appropriate principal and Assistant Auditor General prepare the management response and an action plan. The report then goes to the Audit Committee for review, to the Auditor General for her approval, and to the Executive Committee.

6 Resourcing

Any audit institution committed to excellence and professionalism confronts a key question: What resources should be devoted to the practice review and internal audit function? In July 2005 the Office did a benchmarking study that compared OAG corporate services with public-sector audit offices and the Canadian public sector. It found that the OAG spends less than its counterparts on internal audit but spends more time on practice reviews than its counterparts.

We operate with a core complement of five full-time equivalents. We currently have a full complement of five—a principal, two directors, and two audit product leaders. To deliver the 2009–10 plan, we require more resources on a temporary basis. As in the past, we count on senior management to provide support at the principal and director levels so that we can carry out practice reviews. All practice reviews will be carried out internally. External resources are retained to assist us in areas of special expertise (such as information technology).

To further enhance our independence, internal audits are performed with the assistance of contractors who are supervised by the principal of the Practice Review and Internal Audit team. The current budget for resource requirements for internal audits and practice reviews during the 2009–10 fiscal year is \$50,000.

The following table indicates how we intend to budget our time.

Practice reviews and internal audits—Time requirements, 2009–10	
Activity	Hours
Practice reviews	
Conduct of practice reviews and related reports	5,000
Follow-up of previous recommendations ¹	800
Practice-wide evaluation of the role of the Information Technology team in financial audits	500
Practice review on senior management's involvement in conducting audits	700
Total hours planned for practice reviews	7,000
Internal audits	
Follow-up of previous years' internal audits ²	700
Follow-up on the assessment of the Quality Management Framework report	150
Total hours planned on internal audits	850
Management, external relations, and others³	1,000
Total hours planned	8,850
Notes: 1 Includes the follow-up of assessments of agency performance reports carried forward from the 2008–09 fiscal year. 2 Includes a detailed follow-up of the hospitality and staffing internal reports carried out in 2007 and 2002. 3 Includes time to adjust our work program for the introduction of Canadian Auditing Standards and International Financial Reporting Standards.	

Practice review and Internal Audit has 6,500 hours available. Additional resources for the equivalent of 2,350 hours will have to be provided from other internal groups to allow us to complete our planned activities for the year. Each audit group is expected to provide an average of 2 individuals at the principal and director level for about 150 hours each over the July to December 2009 period. Individual practice reviews are expected to be completed by the end of December 2009.

7 Performance Audit Practice

7.1 Background and overview of key changes

Performance audits examine, against established criteria, whether government programs are being managed with due regard for economy, efficiency, and environmental impact, and whether measures are in place to determine their effectiveness.

This audit practice is well established and has a methodology in place that guides auditors and ensures the quality of the practice. Guidance includes the Quality Management Framework for performance audits, the Performance Audit Manual and practice advisories, and numerous templates and guidelines. As well, for each performance audit, the Performance Audit Management Committee and quality reviewer perform key process controls.

Territorial performance audits are reported to the legislative assemblies of the territorial governments. They follow the Quality Management Framework for performance audits and are considered part of the performance audit practice.

There has been no major change in the performance audit practice over the past year. In November 2007 the Office introduced the use of an audit logic matrix for performance audits. The matrix is a tool that enables the Office to better plan audits and resource requirements. We will continue to monitor how teams are using this tool in the development and conduct of audits. In November 2008 a practice advisory was issued to provide further guidance on the work to be conducted on auditing results measurement and reporting. When carrying out our reviews, we will give particular attention to the way teams implement this practice advisory.

7.2 Practitioners

There are 34 principals who are responsible for performance audits. Twenty-five performance audits will be tabled during the 2009–10 fiscal year (Appendix 6, Section 2). Principals will table

- federal and territorial performance audit reports,
- long-form reports for international organizations,
- environmental petitions, or
- reports on sustainable development monitoring of activities.

7.3 2009–10 plan

In the 2009–10 fiscal year, our review will assess compliance against selected key elements of the Quality Management Framework for performance audits, including work of the quality reviewer.

We will conduct focused practice reviews of performance audits reported in 2009–10. We intend to do practice reviews of performance audits conducted by eight principals.

In the previous fiscal year we conducted four practice reviews as planned. The summary practice review report identified opportunities for improvement in some areas. One such area was documentation, including working papers and substantiation. Another area was consultation with internal/external advisers and the quality reviewer, including on the nature of their work. The report's findings further support the findings from the assessment of the Quality Management Framework conducted earlier in the year. They will provide the focus for our work in 2009–10.

We will also pay particular attention to

- compliance with practice advisories,
- the role of the quality reviewer,
- adequacy of documentation,
- the role of specialists in providing comments to the audit team and the way their comments are addressed, and
- senior management involvement in the audit.

At the request of the auditor general, we will undertake a practice-wide review of the extent of management's involvement in the conduct of audits. Results of the practice reviews conducted in 2008–09 fiscal year indicated a need for improvement in the extent of management's involvement in the planning, examination and reporting phases of the all product lines. The audit will look more closely at key controls as identified by the quality management framework of each product line.

8 Annual Audit Practice

8.1 Background and overview of key changes

Annual audits of financial statements comply with Canadian generally accepted auditing standards and provide an opinion on whether

- financial statements are presented fairly in accordance with Canadian generally accepted accounting principles, and
- the transactions examined conform to laws and regulations.

This practice is well established and has a robust methodology that guides auditors and ensures the quality of the practice. The guidance includes

- the Quality Management System for annual financial audits,
- the Annual Audit Manual,
- practice advisories,
- pre-established audit programs, and
- numerous templates and guidelines.

The Annual Audit Practice and Information Technology financial teams, along with the product leader responsible for annual audits, guide auditors on the application of the Canadian Institute of Chartered Accountants (CICA) standards and reporting requirements. A quality reviewer conducts key process controls for annual audits that are considered high-risk.

As noted in the Introduction, the Office's annual audit practice undergoes periodic external reviews by provincial institutes of chartered accountants. Institutes in British Columbia, Alberta, Ontario, Quebec, and Nova Scotia perform reviews of our annual audit files. The reviews occur about every four years, depending on the requirements of each provincial institute. The most recent reviews were completed in 2008. The review reports indicated compliance with practice requirements.

We stay abreast of the annual audit practice generally by reviewing the Annual Audit Manual, the Quality Management System, practice advisories, Office policies, CICA standards, and other documentation relevant to annual audits.

In particular, the Office has issued several practice advisories in the past year relating to the International Financial Reporting Standards. The 2009–10 fiscal year will be spent monitoring and preparing for audit entity transition to the standards, which will come into effect in January 2011. We will ensure that our practice review program reflects the requirements outlined in the practice advisory. Audit teams have been asked to include a checklist to monitor entities' progress at two points during the audit: the planning and reporting phases. Our program will be updated to include these steps. We will also ensure that the work has been adequately documented, as required by Office policy.

One of the practice advisories issued in the past year deals with auditing considerations in the current economic situation. Where higher risks are identified as a result of the actual economic environment, auditors should pay particular attention to any significant transactions or year-end adjustments and assess their potential impact on the audit entities' compliance with the relevant authorities. The practice review program will include steps to consider how audit teams took account of the situation, including fair value accounting and accounting estimates if applicable.

8.2 Practitioners

There are 21 principals responsible for annual audits of Crown corporations as well as territorial, international, and other entities. Twenty-two principals are responsible for the annual audits of the large entities that are included in the Audit of the Summary Financial Statements of the Government of Canada, performed under section 6 of the *Auditor General Act*. Twenty-one of these principals are responsible for more than one product. For more information, see Appendix 6.

8.3 2009–10 plan

In the 2009–10 fiscal year, we plan to carry out practice reviews of seven annual audit engagements.

In the 2008–09 fiscal year, we performed 12 practice reviews of annual audits. The summary practice review report identified several opportunities for improvement in accordance with the assessment of the Quality Management Framework and professional standards. These included the use of a controls-reliant approach, documentation, the role of the quality reviewer, and senior management's involvement in the audit. Practice in these areas will continue to be reviewed in 2009–10.

Our reviews will focus on

- the role of the quality reviewer,
- the use of internal specialists in the areas of information technology and financial instruments,
- new practice advisories and new CICA compliance standards, and
- senior management involvement in the audit.

We are also planning a practice-wide review of the role of the Information Technology team in assisting audit teams to carry out their work and as indicated earlier, the extent of involvement of senior management in conducting audits will be reviewed across all product lines.

We will be monitoring the activities conducted by the Office leading to the adoption of Canadian Auditing Standards beginning in 2010 and International Financial Reporting Standards beginning in 2011. We therefore are keeping abreast of the approaching changes in accounting and auditing professional standards, and of the Office's level of preparedness to meet the new standards. We will be adjusting our review programs accordingly.

9 Special Examination Practice

9.1 Background and overview of key changes

The *Financial Administration Act* requires each parent Crown corporation (with certain exceptions) to have a special examination of its organization conducted by the Office or another examiner. Until recently, Crown corporations were required to undergo special examinations at least once every five years. In March 2009 the Act was amended to change the five-year reporting cycle to 10 years. Special examinations could be carried out more frequently if required by the Governor in Council, the appropriate minister, the board of directors of the corporation, or the Auditor General.

The Act requires the Office to provide an opinion on whether the financial and management control and information systems and management practices of the organization are maintained in a manner that provides reasonable assurance that

- the assets of the organization are safeguarded and controlled; and
- the financial, human, and physical resources of the organization are managed economically and efficiently, and the operations of the organization are carried out effectively.

The Office has a lengthy history of special examination experience that dates back to the mid-1980s. We are currently in the fifth round of special examinations. The Office expects to conduct about 47 special examinations during this round.

A number of events have occurred over the past year, both internally and externally, that will have a significant impact on the special examination practice:

- The Executive Committee has approved a revised special examination schedule to reflect the new reporting cycle. The schedule reduces the number of special examinations to be completed in any one year. Starting in the 2010–11 fiscal year, the number of practice reviews will decrease to reflect this change.
- The March 2009 amendments to the *Financial Administration Act* also included new governance rules for Crown corporations. Within 30 days of receiving a special examination report, the corporation's board of directors is now required to submit the report to the appropriate minister and the President of the Treasury Board. Also, within 60 days of receiving a special examination report, the board of directors is required to make the report available to the public. Previously Crown corporations posted special examination reports on their websites, making them public documents. The Office is associated with the information presented in the reports, and professional standards require that we carry out additional procedures before the reports are made public. As part of the individual practice reviews, we will monitor special examinations to ensure that audit teams carry out these procedures.

- A special examination practice team has been in place since early September 2008. The team is responsible for delivering on the Special Examination Improvement Plan, approved by the Executive Committee in June 2008. The plan includes 12 initiatives intended to enhance methodology, ensure compliance with quality control standards of the Canadian Institute of Chartered Accountants, continue quality oversight, and provide training. At the time this report was prepared, the initiatives were being worked on and were at various stages of implementation. We will monitor developments in these areas and update our practice review program to reflect new requirements for audit teams.

The summary practice review report for the 2008–09 fiscal year identified opportunities for improvement in some areas. One such area was documentation, including working papers and substantiation. Another area was consultation with internal/external advisers and the quality reviewer, including on the nature of their work. The report's findings further support the findings from the assessment of the Quality Management Framework conducted earlier in the year. They will provide the focus for our work in the 2009–10 fiscal year.

9.2 Practitioners

There are 21 principals responsible for special examinations; 13 will be completing reports in the 2009–10 fiscal year (Appendix 6).

9.3 2009–10 plan

As we do with practice reviews for all product lines, in the 2009–10 fiscal year we plan to check compliance with selected elements of the Office's Quality Management System for special examinations.

In the previous fiscal year we performed three practice reviews of individual special examinations, as planned. The summary practice review report identified several opportunities for improvement. We will continue to include the areas where opportunities for improvement have been noted.

We intend to perform three practice reviews of special examinations reported in 2009–10. We will pay particular attention to

- compliance with the Canadian Institute of Chartered Accountants (CICA) standards and with practice advisories,
- progress made on recommendations in our previous reports,
- the role of internal specialists and the special examination practice team,
- the development of the risk assessment analysis and related approach, and
- senior management involvement in planning and conducting the audits.

Finally, the extent of involvement of senior management in conducting special examinations will also be examined as part of our product-wide review.

10 Assessments of Agency Performance Reports

10.1 Background and overview of key changes

Assessments of agency performance reports are a relatively new activity for the Office. Since 2006 they have been part of the performance audit practice. The Office is required by law to conduct an assessment of three performance reports of three agencies: Parks Canada, the Canadian Food Inspection Agency, and the Canada Revenue Agency. An assessment enables the Office to determine whether each of these agencies presents its performance information (published in its statutory reports) in a fair and reliable way. Only two of the agencies are required to have annual assessments; the third is subject to periodic assessments.

All three assessments of agency performance reports were subject to a practice review in the 2005–06 fiscal year. The practice review report made several observations and identified opportunities for improvement. We will follow up on the progress made to date.

10.2 Practitioners

There are currently three principals responsible for the three assessments of agency performance reports subject to review-level assurance by the Office.

10.3 2009–10 plan

For the 2008–09 fiscal year, a follow-up was planned on implementation of management's action plan stemming from the 2005–06 practice review. However, the follow-up has been carried over to 2009–10. No practice reviews of assessments of agency performance reports will be conducted in 2009–10. We will concentrate our efforts on following up on the progress made to address previous recommendations and to adjust methodology for agency performance reports. Assessments of agency performance reports do not represent a significant portion of the Office activities.

11 Internal Audit

11.1 Background

Over the last several years, internal audit has had good coverage of low- and medium-risk areas, including

- professional service contracts;
- security at headquarters and in the regions;
- travel, compensation, and classification;
- hospitality expenses;

- human resources management;
- professional development; and
- staffing.

The assessment of corporate services practices and processes identified no high-risk areas.

11.2 Internal audit, risk assessment, and alignment of risks with key systems and practices

In compliance with the spirit of Treasury Board Policy on Internal Audit and International Internal Auditing Standards, the Practice Review and Internal Audit team prepared an Internal Audit Plan that addresses areas of high risk:

- First, we defined the key systems and practices.
- Second, we identified, classified, and analyzed business risks.
- Third, we aligned the risks with key business systems.

The OAG Integrated Risk Management Framework—Identification and Risk Assessment Worksheet (Appendix 2) is used to assess risks and controls. All of the risks described in the framework were deemed to be significant. Also identified in the framework are the risks most amenable to internal audit or practice review. As a general rule, we consider that the highest potential impact of the risks relevant to practice review is higher than the highest potential impact of risks relevant to internal audit. Therefore, we focus most of our efforts on practice review.

The Overview of OAG Key Systems and Practices (Appendix 3) identifies key systems and practices in the Office. It is broadly based on the OAG Financial Management Capability Model, and it provides an overview of Office activities as they relate to OAG systems and practices. While this is a high-level overview, it highlights the major systems and can be linked to the Office's organizational structure.

The table in Appendix 4 shows the alignment of risks relevant to internal audit with the control and risk assessment and with the relevant internal Office systems and practices (identified in Appendix 3). The potential impact, the likelihood of occurrence of the risk event, and risk management effectiveness are listed according to the risk category and statement. There are two categories of relevant systems and practices listed: low- and medium-risk.

In our current analysis of risk, we found that there are no high-risk areas. For the Auditor General's information, we have charted the low- and medium-risk areas over a cycle, taking into account our internal audit resources. We estimate that it would take about nine years to cover all of the low- and medium-risk areas. This means that within the ten-year mandate of an Auditor General, we could perform an internal audit of most low- and medium-risk activities if we chose to do so. The coverage is suitable to the Auditor General.

Our intention is to do an annual risk assessment and to conduct internal audits on areas of higher risk. However, we will keep the charted cycle in mind, to provide the Auditor General with the assurance she needs.

The table in Appendix 5 identifies systems and practices that were deemed to be low-risk and are not scheduled for internal audit. Also identified are areas that are reviewed by another audit or review organization. For example, the audit of our financial statements is covered by external audit.

Risk management is reviewed by the Audit Committee once a year and the Practice Review and Internal Audit team also reviews risk management every year when it prepares this plan. The practice review function is audited as part of the external peer review.

11.3 Where we spend our dollars

Appendix 8 summarizes Office expenses by major classification. Of particular interest are the expenditures, which include salaries, employee benefits, professional services, accommodation, informatics, Office accommodations and others. For the purpose of planning internal audits, we included professional services, travel, communications, information technology, office equipment, materials and supplies, and printing and publications services.

11.4 Office's strategic challenges

In planning our internal audits, we are mindful of the Office's strategic challenges:

- integrating changes to professional standards into our policies, methodology, training, and practices;
- sustaining our capacity as an office; and
- improving resource allocation and project management.

11.5 Types of audit we will perform

Most of our internal audits will be a mix of compliance and performance audits.

Internal audit generally does not review best practices in other jurisdictions. We rely on others to do this benchmarking work.

11.6 2009–10 plan

During the 2008–09 fiscal year, the Practice Review and Internal Audit team conducted an audit of the internal controls over transactions of the new financial system (GX Financial).

There will be no internal audit of administrative processes in 2009–10. We will rather focus our efforts on reviews related to audit products. The following areas have been retained and are recommended for internal audit over the next three fiscal years. They will be reassessed on a yearly basis and are based on our risk assessment, discussions with management, and resources available.

- For 2009–10: None –focus is on audit products.

- For 2010–11: **Implementation of the Electronic Records and Document Management System (Proxi)**. In 2008 the Office implemented a corporate Document Management and Records application. The audit would look at the use of this system throughout the Office.
- For 2011–12: **Contracting**. Contracting of services is subject to specific policies and procedures. We would look at the compliance with contracting policies.

In the 2008–09 fiscal year, we also conducted a self-assessment of the Practice Review and Internal Audit unit against the Treasury Board Policy on Internal Audit and the Institute of Internal Auditors' Standards for Professional Practice of Internal Auditing. We noted that the core elements of the Treasury Board Policy on Internal Audit are in place. This process highlighted opportunities for improvements. We will continue working toward implementing these requirements over the next few years and will keep monitoring upcoming developments in the internal audit community. We will notably closely monitor and assess the impact of the introduction of a maturity model for internal audit groups by the Institute of Internal Auditors on the Practice Review and Internal Audit group planned for 2009.

We will also

- follow up on previous internal audits of the 2002 hospitality audit and the 2007 staffing audit;
- request that the responsible principals provide an update on progress made in addressing the observations and recommendations in these internal audit reports;
- review the responses to determine whether they are adequate and whether more in-depth internal audit work is needed; and
- plan any necessary follow-up on the internal audit, including timelines and recommendations on the type and depth of follow-up work.

Appendix 1 Office of the Auditor General Practice Review and Internal Audit Charter

11.6.1 Mission and scope of work

- The purpose of the Practice Review and Internal Audit (PR&IA) function is to provide independent and objective information, advice, consulting, and assurance services to the Auditor General to add value and improve the Office's operations. This includes determining whether important OAG management systems for audit practices, administrative services, and management processes are appropriately designed and effectively operated to comply with legislative requirements, professional standards, the OAG's policies, guiding principles, and Code of Values, Ethics and Professional Conduct and Quality Management System.
- PR&IA helps the Office accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the risk management, control, and governance processes.
- The spirit of the Treasury Board Policy on Internal Audit (April 1; 2006) is followed taking into consideration the special circumstances of the OAG mandate and the need to maintain the Office's independent status.
- PR&IA follows The Canadian Institute of Chartered Accountants (CICA) General Standards of Quality Control for Firms Performing Assurance Engagements and other related CICA standards.

11.6.2 Accountability

- The Auditor General is the client for practice review and internal audit reports. The Auditor General approves the scope and coverage of the practice review and internal audit plans, taking into account the advice of the Audit Committee. The plan focuses primarily on the provision of assurance services for the conduct of internal audits and practice reviews. Other services are provided by Practice Review and Internal Audit only as an exception.

11.6.3 Independence and professional qualifications

- The Principal, Practice Review and Internal Audit, is responsible for the practice review and internal audit function and acts as the Chief Audit Executive (CAE) for the Office. The CAE is appointed by the Executive Committee. This position is independent from the Office's management and operations. The CAE reports to the Deputy Auditor General and functionally to the Audit Committee, and has direct access to the Auditor General.
- The CAE is required to hold an accounting designation (CA/CMA/CGA) or to be a Certified Internal Auditor.
- The CAE has unfettered access to the Audit Committee.
- PR&IA will ensure that individuals involved in internal audits and practice reviews are sufficiently qualified and independent of the activities under examination.

- Generally the Office's practices will meet the intent and spirit of the Treasury Board's Internal Audit Policy. However, the Office will not provide the Comptroller General with access to internal audit staff and working papers as required by the Policy. By doing so, this access would put the Comptroller General in a management role in the implementation of the Policy and would compromise the independence of the Office if it were followed. The Office will not normally participate in government-wide audits initiated by the Comptroller General.
- PR&IA will be made available to the public.
- PR&IA plans and results will be shared, on request, with the Advisory Panel on the Funding of Officers of Parliament and with the appropriate standing committees of the House of Commons.

11.6.4 Responsibilities and operating principles

- Specifically, the Principal, Practice Review and Internal Audit, is responsible for:
 - developing and periodically reviewing PR&IA's charter, and obtaining Audit Committee approval;
 - developing a practice review and internal audit plan that is consistent with the Office's objectives, based on a risk assessment, done at least annually, and that considers the input of senior Office management and the Audit Committee;
 - developing the guidance and tools to be used in carrying out reviews and audits;
 - conducting practice reviews and internal audits;
 - coordinating internal audit activities and plans with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of effort;
 - meeting quarterly with the Auditor General;
 - attending all meetings of the Audit Committee;
 - reporting the results of practice reviews and internal audits to the Auditor General after review by the Audit Committee; and
 - developing and maintaining a quality assurance and improvement process/practices that covers all aspects of PR&IA and that continuously monitors its effectiveness.
- All audit and other derived practices are subject to practice review including:
 - performance audits of departments and agencies;
 - financial audits of the Government of Canada, Crown corporations, territorial governments and corporations and other entities;
 - special examinations of Crown corporations;
 - sustainable development monitoring activities,
 - studies; and
 - assessments of agency performance reports.

- Practice reviews of a selection of completed audits will be performed on a cyclical basis and will include at least one engagement for each Principal over four years.
- Engagements are selected without prior notification to management.
- Results of the practice reviews should be communicated at least annually to the Auditor General. The reports follow the CICA's monitoring section of the general standards of quality control of the CICA's General Standards of Quality Control for Firms Performing Assurance Engagements and include:
 - a description of the review procedures performed;
 - the conclusions drawn from the review procedures;
 - where relevant, a description of systemic, repetitive or other significant deficiencies and of actions taken to resolve or amend those deficiencies; and
 - recommendations for appropriate remedial action.
- Practice Review and Internal Audit will be periodically subject to independent reviews and findings will be presented to the Audit Committee.
- In selecting areas for internal audit and practice review, PR&IA uses a risk-based methodology and the criteria of significance, relevance, and auditability. As well, the scope includes all important aspects of the OAG's risk management strategy and practices, management control frameworks and practices, and information used for decision-making and reporting.
- PR&IA has access to all OAG information needed to carry out its practice reviews and internal audits. All OAG employees are expected to cooperate fully with PR&IA staff and staff assigned to conduct the work under the direction of PR&IA.
- Practice review and internal audit are elements of continuous improvement. They identify areas where improvements in systems, practices, or professional development can be made.
- Openness and communication with management and staff characterize all practice reviews and internal audits. The views of key players are sought before a PR&IA report is finalized.
- Practice reviews and internal audit reports together with management responses are presented to the Executive Committee for information.
- PR&IA will follow up and report semi-annually to the Audit Committee and the Auditor General on management's action plans resulting from practice review and internal audit recommendations, to ensure that necessary corrective actions are implemented.
- The Office will ensure that the necessary financial and human resources, including staff at an appropriate level and with appropriate experience, are made available to the Principal, Practice Review and Internal Audit to conduct the reviews and audits based on approved plans.
- PR&IA follows the OAG's Code of Values, Ethics, and Professional Conduct which is intended to be consistent with that of professional associations, and in some cases may be more specific or demanding

Secretarial support

- The Office will provide a secretary to the Audit Committee. The Chief Audit Executive will assist the secretary facilitating the work of the Audit Committee.

Appendix 2 Integrated Risk Management Framework—Identification and Risk Assessment Worksheet

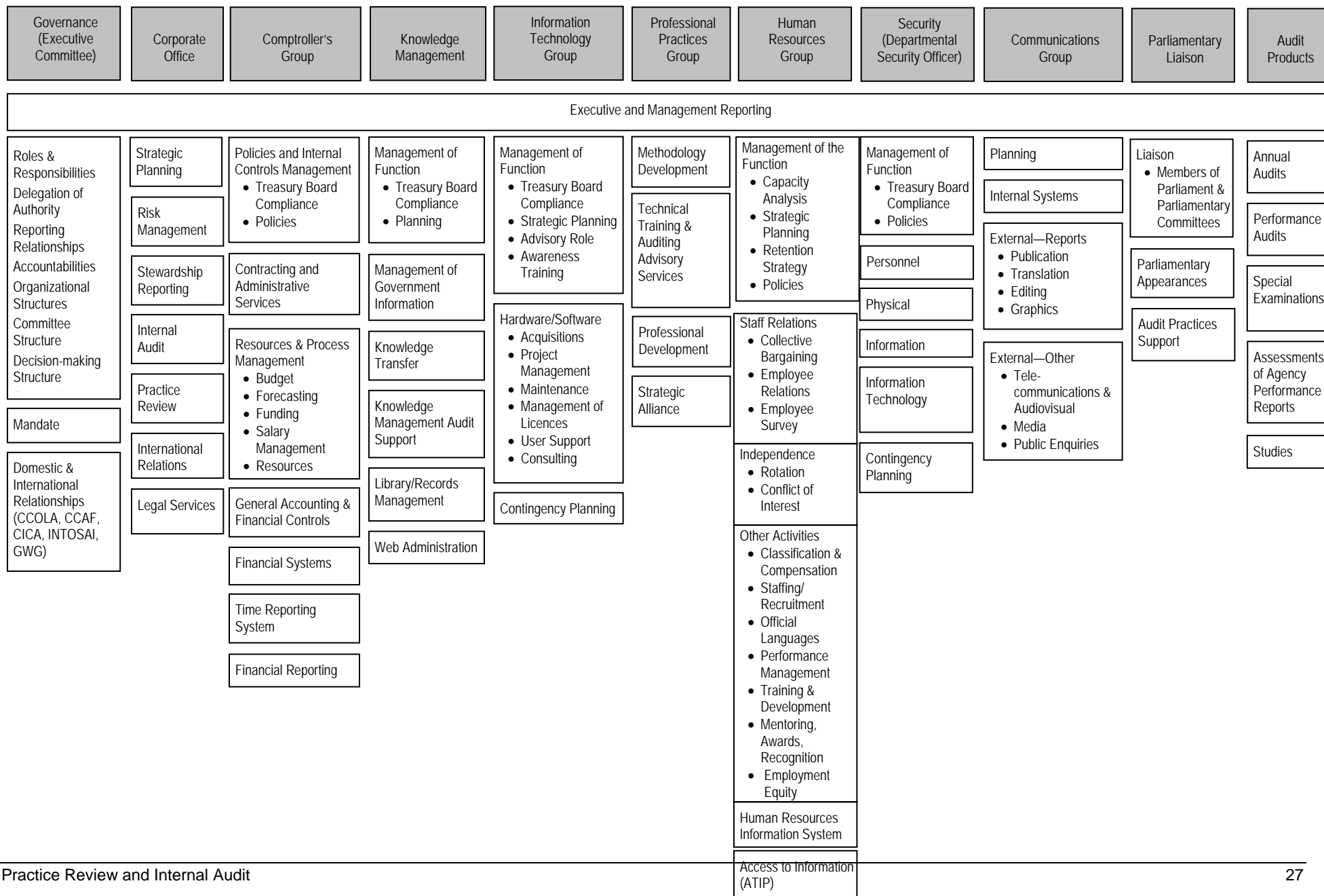
Overall Risk: Risk to the Office's credibility among parliamentarians, with federal and territorial governments, and with the public

	Risk and Controls Assessment			Relevant Instrument	
	Impact	Inherent Likelihood	Risk Management Effectiveness	Internal Audit (Assessment of Management Controls)	Practice Review (Assessment, Quality Mgmt Framework and professional standards)
Three determinants of credibility, linked to the values expressed in our strategic plan:					
1. Independence and objectivity					
The risk that our independence and objectivity are compromised.	H	M	H		X
2. Relevance—Serving the public interest					
The risk that we fail to serve the public interest.	H	L-M	H	X	X
3. Professionalism					
Commitment to excellence The risk that our standards of excellence are eroded.	H	M	M	X	X
Leading by example The risk that we fail to lead by example.	M	M	M	X	
Trust and integrity The risk that we fail to conduct ourselves with honesty and integrity.	H	M	M	X	
Respectful workplace The risk that we fail to provide a respectful workplace.	M	M	M	X	X

Legend: H—High M—Moderate L—Low

Appendix 3 Overview of OAG Key Systems and Practices

Lead Organizational Unit



Appendix 4 Alignment of the Office's Risk Profile With OAG Systems and Practices

Lead Organizational Unit Core Values	Risk Category/ Statement	Assessments				Relevant Systems and Practices								
		Control and Risk			Internal Audit Cycle	Corporate Office	Human Resources Group	Comptroller's Group	Knowledge Management (KM) Group	Information Technology Group	Security	Communications Group	Professional Practices Group	Parliamentary Liaison
		Impact	Likeli- hood	Risk Mgmt Effective- ness										
<u>Independence and Objectivity</u>	The risk that our independence and objectivity are compromised	H	M	H	Low Risk	Practice Review Strategic Planning	Policies (Code of Values, Ethics, & Professional Conduct)					Internal External	Methodology Development	Parliamentary Appearances
<u>Relevance— Serving the Public Interest</u>	The risk that we fail to serve the public interest	H	L-M	H	Low Risk	Strategic Planning Risk Management • Executive and Mgmt Reporting	Executive and Management Reporting Capacity Analysis Professional Development	Executive and Management Reporting	Executive and Management Reporting	Executive and Management Reporting	Executive and Management Reporting Management of Function Information Technology	Executive and Management Reporting • External	Methodology Development	Executive and Management Reporting Liaison
<u>Professionalism</u> • Commitment to Excellence	The risk that our standards of professionalism are eroded	H	M	H	Medium Risk	Practice Review Strategic Planning	Management of Function Professional Development	Resources and Process Management	KM Audit Support Knowledge Transfer Library/ Records Management Management of Function	Management of Function Hardware/Software Contingency Planning		External	Methodology Development	
• Leading by Example	The risk that we fail to lead by example	M	M	M	Low Risk	Internal Audit Practice Review Risk Management Strategic Planning	Capacity Analysis Professional Development Strategic Planning	Resources and Process Management	Management of Function Management of Government Information Knowledge Transfer	• Management of Function			Methodology Development	

Core Values	Lead Organizational Unit	Risk Category/Statement	Assessments				Relevant Systems and Practices								
			Control and Risk												
			Impact	Likelihood	Risk Mgmt Effectiveness										
					Internal Audit Cycle	Corporate Office	Human Resources Group	Comptroller's Group	Knowledge Management (KM) Group	Information Technology Group	Security	Communications Group	Professional Practices Group	Parliamentary Liaison	
• Trust and Integrity		The risk of a major ethical, administrative, or human resources breach	H	M	M	Medium Risk	• Stewardship Reporting • Internal Audit	• Classification and Compensation • Staffing/ Recruitment • Policies (Code of Values, Ethics, & Professional Conduct)	• Policies & Internal Controls Mgmt • Financial Reporting • Financial Systems	• Management of Government Information		• Personnel • Physical • Information Technology	• External		
• Respectful Workplace		The risk that we fail to manage stress and overtime to minimize erosion of staff morale and loss of productivity	M	M	M	Low Risk	• Practice Review	• Management of Function • Performance Management • Staff Relations • Professional Development • Mentoring, Awards, and Recognition • Classification and Compensation	• Resources and Process Mgmt						

Legend

H—High

M—Moderate

L—Low

Appendix 5 Systems and Practices Not Scheduled for Audit

Excluded system or practice	Exclusion Code ¹
Corporate Office	
▪ Risk Management	E1
▪ Internal Audit (subject to external review)	E2
▪ Practice Review (subject to peer review)	E2
▪ International Relations	E1
Professional Practices Group	
▪ Audit Product Methodology Development (included in Practice Review)	E1
Human Resources Group	
▪ Employee Relations	E1
▪ Official Languages	E2
▪ Employment Equity	E2
▪ Mentoring, Awards, and Recognition	E1
▪ Access to Information	E2
Comptroller's Group	
▪ Facilities Management	E1
▪ Public Accounts and Financial Statements (audited by external auditors)	E2
Knowledge Management Group	
▪ Library/Records Management	E1
▪ Web Administration	E1
Information Technology	
▪ Hardware/Software	E1
Communications	
▪ Internal	E1
▪ Media Relations	E1
▪ Public Enquiries	E1
Parliamentary Liaison (covered largely by Practice Review)	
▪ Liaison	E1
▪ Parliamentary Appearances	E1
▪ Audit Practices Support	E1

¹ The exclusion code gives the reason for exclusion from audit, as follows:

E1: low risk

E2: audit or review by another organization

Appendix 6 Overview of the Office's Legislative Auditing Practice

1. Total Legislative Auditing Practitioners

- Total number of practitioners: 48 leading one product or more
- Annual practice reviews (4-year cycle): about 12 per year, covering all product lines

2. Performance Audit Practice

- Total number of principals responsible: 34
- Total number of performance audits to be reported in 2009–10: 25
- Total number of principals reporting a performance audit in 2009–10: 22
- Total number of principals to undergo practice review: 8

3. Annual Audit Practice

Crown corporations and other entities, territorial entities, and international entities for which an audit is performed annually by the Office

- Number of annual audits: 128
- Number of principals responsible: 21
- Number of annual audits to be subject to practice review: 7

Audit of the Summary Financial Statements of the Government of Canada, performed every year under Section 6 of the *Auditor General Act*

- Number of large entities: 22
- Number of principals responsible: 15
- Number of large entities to be subject to practice review: 2

4. Special Examinations Audit Practice for Round 5 (2007–08 to 2017–18)

Crown corporations for which a special exam is currently conducted every 10 years*

- Number of special examinations in Round 5: 47
- Number of principals responsible: 21
- Number of special examinations to be completed in 2009–10: 13
- Number of special examinations to undergo practice review during 2009–10: 3

* The *Financial Administration Act* requires each parent Crown corporation (with certain exceptions) to have a special examination of its organization conducted by the Office every 10 years. Each 10-year period is referred to as a “round.”

5. Assessments of Agency Performance Reports

- Assessments of agency performance reports conducted in 2009–10: 2
- Number of principals responsible: 3
- Number of assessments to be subject to practice review in 2009–10: 0

Exclusions: Discussion papers
Auditor General’s Report on Matters of Special Importance
Report on the Commissioner’s Perspective

Appendix 7 Coverage of Quality Management Framework Elements

Quality Management Framework Element	Coverage	
	Practice Review	Internal Audit
Leadership and Planning		
1. Strategic direction		N/A
2. Selecting the audit	X	
3. Operational planning		X
4. Methodology	X	
Audit Management		
5. Conducting the audit	X	
6. Managing the project	X	
7. Planning the audit	X	
8. Obtaining accessible, sufficient, and appropriate evidence	X	
9. Reporting the audit	X	
10. Consultation	X	
11. Independence, objectivity, and integrity	X	
12. Security, access, and file retention		X
Client Focus		
13. Communicating audit message	X	
14. Feedback from clients and stakeholders		X
15. Effective reporting	X	
People Management		
16. Resourcing	X	
17. Leadership	X	
18. Respectful workplace	X	
19. Performance management		X
20. Professional development		X
Continuous Improvement		
21. Practice review	N/A	N/A
22. Lessons learned	X	X

Appendix 8 Expenses of the Office of the Auditor General

OAG Expenses
(in thousands of dollars)

	2009 Unaudited	2008 Actual
Salaries and Employee Benefits	\$74,065	\$69,599
Professional Services	9,543	8,343
Office Accommodation	8,508	6,975
Travel, Relocation, and Communications	4,723	4,269
Informatics, IT Maintenance and Repairs, Office Equipment, Furniture, and Fixtures	2,603	2,470
Printing and Publications Services	720	601
Utilities, Materials, and Supplies	782	773
Total cost of operations	\$100,943	\$93,030

Source: 2007–08 Estimates Performance Report and Comptroller's Group