



Canadian
Heritage

Patrimoine
canadien

**Internal Audit of
Canada's Participation in the
2005 Aichi, Japan World Exposition**

May 4, 2007

TABLE OF CONTENTS

Executive Summary	ii
1. Introduction.....	1
1.1 Authority for the project	1
1.2 Background	1
2. Objectives.....	2
3. Scope.....	2
4. Approach & Methodology.....	2
5. Conclusions.....	3
6. Observations & Recommendations	4
6.1. Management Controls	4
6.1.1 Financial Controls.....	4
6.1.2 Timing of Canadian Participation.....	5
6.1.3 Information Monitoring	6
6.2 Risk Management Framework	8
6.3 Program Governance Structure	8
6.4 Procurement and Financial Authorities	9
APPENDIX A: Audit Criteria	A

Executive Summary

Introduction

The International Expositions Branch (IEB) of Canadian Heritage (PCH) is responsible for the planning, implementation and management of Canada's participation in international expositions held abroad. Canada most recently participated in the 2005 World Exposition which was held in Aichi, Japan.

The objectives of Canada's participation in the 2005 Exposition were to broaden images of Canada in Japan and Asia by showcasing our diversity, creativity and innovation, to support Canada's diplomatic, business and cultural interests in Japan and Asia and to engage Canadians in Exposition 2005 through the use of modern technology and special events programming.

The objectives of this audit were to provide assurance that management controls, risk management frameworks and overall governance structure were effective and adequate, assurance that the procurement activities comply with policies and regulations and to provide recommendations to improve management and to develop risk management frameworks where appropriate.

The scope of this audit covered the management controls, risk management frameworks, governance structures and procurement activities for the 2005 World Exposition during the fiscal years ended March 31, 2003 to March 31, 2006. Audit work was conducted between October 2006 and March 2007.

Key Findings

The IEB and the Financial Management Branch have undertaken efforts to continuously improve Canada's participation in World Expositions since the previous World Exposition in Hanover, Germany. For Canada's participation in the World Exposition in Aichi, Japan, the IEB engaged an external firm to provide advice and recommendations on financial management in preparation for the event. This demonstrated IEB's commitment to enhancing the management control framework to mitigate against possible risks associated with the procurement and financial activities during the exposition.

In addition, Canada was the first country to announce its participation in the 2005 World Expo. This timing proved to be valuable as it allowed Canada to select one of the most opportune pavilion locations within the exposition site, and this contributed to the success of the exposition.

In general, the audit team found that:

- The management controls, risk management frameworks and overall governance structures were effective and adequate, with the exception of the recommended items detailed below.

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

- The finance and procurement activities complied with policies and regulations, with the minor exception of specific issues related to missing evidence of compliance with financial authorities.
- Based on the conclusions above, recommendations have been outlined below which can be used to improve management and develop risk management frameworks where appropriate.

The audit of the 2005 World Exposition was conducted in accordance with the Standards for the Professional Practices of Internal Auditing as per the Institute of Internal Auditors (IIA) and in accordance with Federal Government Policy on Internal Audit.

Recommendations

The following recommendations are provided to strengthen the control framework and build on improvement initiated by the program for the planning of future expositions, specifically the 2010 World Exposition in Shanghai, China.

It is recommended that:

1. The Director General, IEB and Director General, Financial Management Branch (FMB) should develop a financial control framework with clear definition of the role of the Program (IEB) and FMB related to International Expositions. This financial control framework should ensure that key financial controls are designed and operating effectively prior to and during the Exposition. These should include, but are not limited to:
 - a) Timely completion of bank reconciliations over local bank accounts be documented and maintained on file by IEB and that they be formally reviewed and approved by the DG, FMB;
 - b) Appropriate segregation of financial duties (both functional and within the financial system) between financial staff on site and if necessary, IEB Financial Services in Canada;
 - c) Formal documentation of roles and responsibilities for processes relevant to financial activities undertaken during the expo for financial officers and managers, and
 - d) Up front coordination of reporting needs of managers and appropriate reflection in the financial system for accuracy and completeness of information monitoring.
2. The Director General, IEB should attempt to secure significant contracts as early as possible within the planning process and identify the appropriate financial officers and other key representatives early enough to provide sufficient lead time to prepare for the pavilion opening.
3. The Director General, IEB should strengthen the accountability framework to ensure that decision-making and responsibilities for the daily operation of the

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

pavilion are clearly established between the Commissioner General and the Deputy Commissioner General, and their reporting lines are clear and understood by all Exposition staff in advance of and during the Exposition.

4. The Director General, IEB should ensure that a process is in place to maintain complete contract and expenditure files to demonstrate compliance with the applicable financial authorities and completion of procurement processes.
5. The IEB Director, Financial Services should maintain appropriate historical evidence of delegation of financial authorities. This will allow the IEB to demonstrate the appropriate delegated authority over specific contracts and expenditures.
6. The Director General, FMB should maintain appropriate historical evidence of delegation of financial authorities (Section 33). This will allow the FMB to demonstrate the appropriate delegated authority over specific payments.

1. Introduction

1.1 Authority for the project

This audit was conducted pursuant the Department of Canadian Heritage Risk-Based Audit Plan for 2006-07 that was approved by the Departmental Audit and Evaluation Committee.

1.2 Background

The International Expositions Branch (IEB) of the Department of Canadian Heritage (PCH) is responsible for the planning, implementation and management of Canada's participation in international expositions held abroad.

Canada most recently participated in the 2005 World Exposition that was held in Aichi, Japan. The main feature of the Canadian exhibit was the *Canada Pavilion* that was located close to the Exposition Plaza. Demonstrating and promoting the unique diversity of Canada, the Canada Pavilion featured six storytellers, who walked visitors through the spheres of Canada's diversity. These public presentations showcased dozens of Canadian artists and performers from across the Country. The Pavilion also hosted more than 130 events (from literary readings to international symposiums), which helped promote and reinforce Canada's diplomatic, cultural and economic relations with the Japanese hosts.

The objectives of Canada's participation in the 2005 Exposition were to:

- Broaden images of Canada in Japan and Asia by showcasing our diversity, creativity and innovation;
- Support Canada's diplomatic, business and cultural interests in Japan and Asia; and
- Engage Canadians in Exposition 2005 through the use of modern technology and special events programming.

The results of Canada's participation in the 2005 World Exposition exceeded original expectations. The Canadian Pavilion more than doubled its attendance goals by welcoming over 3.3 million visitors during the six-month period of the Exposition.

Initial funding provided by the Government of Canada was \$45 million over four fiscal years, from 2002/03 through to 2005/06. As a result of an internal reallocation, the amount of funding provided to IEB was reduced by \$5 million. This left a total of \$40 million in the budget. Actual expenditures totaled \$35 million with a resulting saving of \$5 million.

In addition to the multi-year nature of the program, Canada's participation in the 2005 World Exposition involved a number of complexities. For example Canada's participation involved:

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

- Several partnerships with Canadian businesses, non-profit organizations, associations and other federal, provincial/territorial and municipal governments;
- Transactions/contracts with international organizations;
- The use of local currency (Japanese Yen), transactions with local suppliers and institutions (such as banks) and liaison with local officials; and
- Requirement to abide by applicable local and Government of Canada laws, regulations and policies, including PCH's, Treasury Board Secretariat (TBS), and the Financial Administration Act (FAA).

2. Objectives

The purpose of the audit was to provide program management with assurance on the management controls, risk management frameworks, governance structures and procurement activities during the 2005 World Exposition and to identify opportunities to improve management practices for the next World Exposition. Accordingly, the audit addressed the following objectives:

- Provide assurance that management controls, risk management frameworks and overall governance structures were effective and adequate.
- Provide assurance that the procurement activities complied with policies and regulations.
- Provide recommendations that can be used to improve management and to develop risk management frameworks where appropriate.

3. Scope

The audit was conducted between October 2006 and March 2007.

The scope of this audit covered the management controls, risk management frameworks, governance structures and procurement activities for the 2005 World Exposition held in Aichi, Japan. The planning, delivery and finalization of the exposition took place over four fiscal years to the end of 2005/06. The scope of this audit covered all four fiscal years from 2002/03 to 2005/06.

This audit was limited to the activities of the Department of Canadian Heritage; however, activities both in Canada and Japan were subject to audit procedures. This audit did not extend to responsibilities/activities performed by other departments (i.e. Public Works and Government Services Canada).

4. Approach & Methodology

The audit of the 2005 World Exposition was conducted in accordance with the Standards for the Professional Practices of Internal Auditing as per the Institute of Internal Auditors (IIA) and in accordance with the Federal Government Policy on Internal Audit.

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

Work performed included:

- Interviews with the 2005 World Exposition management and staff;
- Reviewing relevant program documentation;
- Conducting a risk assessment of the activities and programs within the 2005 World Exposition; and
- Conducting detailed reviews of a sample of procurement files (contracts and expenditures) for compliance with PCH and TBS requirements.

Our audit approach to address the audit objectives included the development of audit criteria against which observations, assessments and conclusions were drawn. The audit criteria and lines of enquiry developed for this audit are included in Appendix A to this report.

5. Conclusions

The audit team's conclusions are based on the assessment of findings against the pre-established criteria as defined in Appendix A and reflect the audit work conducted between October 2006 and March 2007. In the audit team's opinion, sufficient audit work has been performed and the necessary evidence has been gathered to support the conclusions contained in this audit report.

The IEB and the Financial Management Branch have undertaken efforts to continuously improve Canada's participation in World Expositions since the previous World Exposition in Hanover, Germany. For Canada's participation in the World Exposition in Aichi, Japan, the IEB engaged an external firm to provide advice and recommendations on financial management in preparation for the event. This demonstrated IEB's commitment to enhancing the management control framework to mitigate against possible risks associated with the procurement and financial activities during the exposition.

In addition, Canada was the first country to announce its participation in the 2005 World Expo. This timing proved to be valuable as it allowed Canada to select one of the most opportune pavilion locations within the exposition site, and this contributed to the success of the exposition.

In general, the audit team found that:

- The management controls, risk management frameworks and overall governance structures were effective and adequate, with the exception of the recommended items detailed below.
- The finance and procurement activities complied with policies and regulations, with the minor exception of specific issues related to missing evidence of compliance with financial authorities.
- Based on the conclusions above, recommendations have been outlined which can be used to improve management and develop risk management frameworks where appropriate.

The detailed findings and recommendations that follow address these areas.

6. Observations & Recommendations

6.1. Management Controls

As a result of understanding the importance of a robust management control framework and the inherent risks associated with the procurement activities, the Program engaged a consultant to provide recommendations on financial management for the 2005 World Exposition. As such, financial controls were generally designed into the activities which took place on site. This included segregation of duties between Finance Officers and Managers, where possible.

Financial monitoring and oversight was performed regularly by Finance Officers, by Program Managers and by the Deputy Commissioner General on a regular basis. We learned that daily, weekly and monthly management meetings took place on-site, and as necessary, Managers would hold regular team meetings with their staff. The subjects of the meetings were varied but addressed the essential and critical issues faced by the teams. These ongoing meetings and the involvement by the Deputy Commissioner General in daily operations allowed for timely and appropriate decision making while on-site.

6.1.1 Financial Controls

Consistent with the PCH requirements, the 2005 World Exposition program was subject to the Financial Administration Act (FAA) of the Treasury Board Secretariat (TBS). Conducting operations in a foreign country, with significantly different local business practices and customs while ensuring compliance (including the maintenance of appropriate evidence) with Federal government requirements was an ongoing challenge faced by Finance Officers and overall program management. This required a solid control framework, developed and documented prior to arriving in Japan, to support the overall achievement of program objectives.

While key aspects of the program delivery led to success with regards to financial management during the course of the Exposition, we learned that some key controls required for effective stewardship were not formalized. Specific weaknesses included lack of formal review/approval of bank reconciliations for the Japanese bank account, inappropriate segregation of duties within the financial system and less formal, documented financial processes.

Based on the information gathered, no formal review or approval of the monthly bank reconciliation for the Japanese bank account was performed. The segregation of duties between the monthly preparation and approval of the bank reconciliation is considered a key control for a robust cash management control framework. The approval of the

monthly reconciliation of the Japanese bank account was even more critical due to the remote operations and limited segregation of duties available during the Exposition.

The audit team learned that the Finance Officer had access to the financial system and was responsible for updating master data (i.e. setting up new vendors as local contracts were negotiated and approved) and processing invoices associated with these contracts within the financial system. Further, the Finance Officer was an official signing authority on the Japanese bank account; although all payments from that account required two signatures. The Senior Finance Officer was another signing authority on the bank account and was generally responsible for Section 33 approvals for local transactions.

The Financial Officers were provided with training at headquarters in FMB. They were provided with documentation on financial processes and TBS policy requirements and the appropriate links to the TBS website for additional information.

Based on enquiry and documentation review, the audit team learned that no formal documentation on roles and responsibilities for the financial processes or procedural guidance were available, for Finance Officers and Managers while on site. Such documentation would ensure that roles, responsibilities and processes were clearly outlined and communicated. This included guidance and expectations on segregation of duties, processing of transactions and finalizing local contracts, reporting requirements for Managers and IEB Financial Services and maintenance of appropriate evidence for audit purposes.

Risk Assessment

Due to the relatively small number of financial representatives on site at the Exposition, the risk of inappropriate segregation of duties was increased. The absence of key financial controls to mitigate these risks, including segregation of duties and ongoing monitoring, increased the risk of inappropriate or unauthorized transactions being undetected.

6.1.2 Timing of Canadian Participation

One of the critical success factors for Canada's participation in the 2005 World Exposition in Aichi, Japan was the timing of participation. This included the point of officially announcing participation, securing a pavilion location within the Exposition site and the arrival of key staff in Japan.

Through procedures performed, the audit team learned that some contracts were not in place early enough during the planning process. Canada's participation in an Exposition requires several significant contracts (i.e. design/build of the pavilion, communications, staffing) which generally need as much lead time as possible to ensure deadlines are met and the infrastructure and people are ready once the pavilion is open to the public.

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

However, the procurement process takes time and as such, can lead to delays in finalizing contracts and delays in meeting deadlines.

We further understand that the contracting for local goods/services was a difficult task partly due to the lack of sufficient and qualified suppliers when IEB management was in a position to contract. The timing of local contracting had impacts on the quantity and quality of the goods/services available to the Canadians while on site.

Finally, the audit team learned that the Financial Officers, who were responsible for the finances during the Exposition, only became involved a few months prior to leaving for Japan. One of the Financial Officers did arrive in Japan earlier than most of the Exposition staff, but upon arrival, already had multiple invoices to be paid. The lag in arrival of Financial Officers did not allow sufficient time to organize the Japanese bank account and the appropriate lead-time to set-up accounts and financial controls/reporting. Once they arrived on site, they were immediately required to commence operations, including processing transactions and paying invoices.

Although the timing of the arrival of the financial officers could be improved, the Expo team benefited from the Canadian Embassy in Japan leading up to and during the expo as it was already well established and familiar with local customs/practices. This embassy contact facilitated IEB's capacity to establish the local contacts later required during the exposition.

Risk Assessment

Delays in finalizing significant operational contracts could impact the ability to ensure preparedness for the opening of the Canadian pavilion, impacting the ability for Canada to achieve its objectives. Further, without securing local contracts as early as possible prior to the Exposition opening, competition for local resources becomes more intense, impacting Canada's ability to ensure high quality and cost-efficient resources.

Without sufficient lead-time for Financial Officers in the local country to establish bank accounts and implement key processes, there is a risk that key controls may not get established or formalized for local financial processes prior to the requirement to commence operations.

6.1.3 Information Monitoring

The availability of current, accurate and reliable information was critical for management to deliver on their objectives and to ensure compliance with required policies. This information included financial information such as, budget to actual results and analysis, the status of contracts and related expenditures and relevant performance measures, such as statistics on visits to the Canadian Pavilion and media hits.

Timely and accurate information provided to the managers on the status of their actual spending compared to budget was critical for this program to allow for appropriate

planning and achievement of objectives. As such, the format of the information provided had to align with the needs and expectations of managers. We learned that the original cost structure within the financial reporting system was insufficiently detailed to provide managers with the information they required to make decisions.

Risk Assessment

Without a costing structure reflective of the program structure, it was challenging for managers to track and monitor their cost centres and areas of responsibility. This could have led to inappropriate decision making by managers. Further, preparing a manual report for ongoing financial reporting, instead of the availability of a system generated report, resulted in inefficiencies in an already time constrained environment and potential inaccuracies in the transfer and interpretation of data from the system of record.

Recommendations

It is recommended that:

1. The Director General, IEB and Director General, Financial Management Branch (FMB) should develop a financial control framework with clear definition of the role of the Program (IEB) and FMB related to International Expositions. This financial control framework should ensure that key financial controls are designed and operating effectively prior to and during the Exposition. These should include, but are not limited to:
 - a) Timely completion of bank reconciliations over local bank accounts be documented and maintained on file by IEB and that they be formally reviewed and approved by the DG, FMB;
 - b) Appropriate segregation of financial duties (both functional and within the financial system) between financial staff on site and if necessary, IEB Financial Services in Canada;
 - c) Formal documentation of roles and responsibilities for processes relevant to financial activities undertaken during the expo for financial officers and managers, and
 - d) Up front coordination of reporting needs of managers and appropriate reflection in the financial system for accuracy and completeness of information monitoring.
2. The Director General, IEB should attempt to secure significant contracts as early as possible within the planning process and identify the appropriate financial officers and other key representatives early enough to provide sufficient lead time to prepare for the pavilion opening.

Management Response

Agreed

6.2 Risk Management Framework

Risk management and risk mitigation activities are critical to the successful achievement of objectives for any international Exposition. These activities must be designed and implemented to manage risks at a level acceptable to management and aligned with program objectives. Ongoing monitoring activities are further required to ensure risks are re-evaluated and continue to be mitigated through existing controls.

While risks were not formally monitored or updated during the course of the Exposition, risk management activities were performed on a regular basis as part of the daily operation and management of the pavilion. Specifically, informal management meetings were held consistently in order to proactively deal with and manage issues at various levels on a timely basis. This allowed a forum for Managers to gain support for operational and strategic issues that had arisen and to avoid unilateral decisions that could affect Canada's public image, reputation and the overall success of the Exposition.

Risk Assessment

While the key risks associated with the achievement of program objectives were not formally monitored, the proactive approach to addressing issues allowed program management to mitigate any new or changing risks as they arose.

6.3 Program Governance Structure

Key values and expectations of the participants of the 2005 World Exposition program were both formally and informally communicated to employees and contractors, through ongoing team meetings and management monitoring. Employees received performance evaluations, ongoing feedback, training, informal support, formal reporting lines and detailed job descriptions. These defined processes and expectations ensured that employees continued to respect local customs, while representing Canada's values and expectations.

In anticipation of the Exposition, efforts were undertaken by the IEB to develop an accountability framework to specifically address different functions, including the Commissioner General and Deputy Commissioner General. The framework was developed to define and clarify authorities and accountabilities before and during the Exposition and formal job descriptions were defined for the Commissioner General and Deputy Commissioner General. However, the audit noted that there was lack of clarity on roles, responsibilities and accountabilities between the two roles during the Exposition. This resulted in overlap in decision making and leadership when the Commissioner General was on sight, leading to friction and stress within the management team of the program. Both individuals wanted to be very involved in the daily operation and decision-making with respect to the pavilion and related programs, but had very different management styles and approaches. Further, there were unclear reporting lines

and expectations of the Deputy Commissioner General while the Commissioner General was on site.

Risk Assessment

The inconsistency and overlap in program senior management made the ongoing delivery of programs more challenging as managers were unclear on the accountabilities and reporting lines related to key decisions. This inconsistency and tension with upper management added to the overall stress of everyday life at the pavilion.

Recommendation

It is recommended that:

3. The Director General, IEB should strengthen the accountability framework to ensure that decision-making and responsibilities for the daily operation of the pavilion are clearly established between the Commissioner General and the Deputy Commissioner General, and their reporting lines are clear and understood by all Exposition staff in advance of and during the Exposition.

Management Response

Agreed

6.4 Procurement and Financial Authorities

The Financial Administration Act (FAA) requires all financial commitments and expenditures to demonstrate evidence of approvals by those who have been delegated financial authority. Specifically, Section 32 requires appropriate approval by a delegated authority over the commitment and availability of funds (i.e. contract), Section 34 requires the approval of a delegated authority over the actual expenditure and Section 33 requires the approval of a delegated authority over the release of payment.

As a result of the understanding of the importance of the key controls and the potential risks associated with procurement activities, the management team engaged a consultant to provide recommendations on financial management for the 2005 World Exposition, who specifically recommended that contract files be complete and maintain documented evidence of the completed processes.

Generally, we observed compliance with the FAA and procurement process; however, our testing identified some weaknesses in the availability of evidence to support compliance with the respective financial authorities. The following outlines the results of the audit team's FAA compliance testing:

Section 34 – Of the 80 expenditures tested, we identified:

- Two expenditures not available to test for Section 34 approval;
- One expenditure had missing evidence of Section 34 approval;

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

- One expenditure where the evidence of the delegation of authority for the signatory was subsequent to the Section 34 approval; and
- One expenditure where the Section 34 signatory did not have delegated authority for the respective responsibility centre.

Section 33- Since this is an automated process, we tested 29 payments. As a result, we identified:

- One payment with missing evidence of delegated authority to the Section 33 signatory; and
- Six expenditures where the evidence of the delegation of authority for the signatory was subsequent to the Section 33 approval.

The expenditures identified were processed prior to December 2004 when FMB implemented signature cards for all Section 33 authorities including those above. FMB later provided information to the audit team to indicate that for the above payments, Section 33 authorities, did sign off on obtaining the EAA key that gives them access to issue payment.

Risk Assessment

Without evidence of approval by an appropriately delegated signing authority, compliance with the FAA and the due diligence performed prior to the approval may not be demonstrated.

Recommendations

It is recommended that:

4. The Director General, IEB should ensure that a process is in place to maintain complete contract and expenditure files to demonstrate compliance with the applicable financial authorities and completion of procurement processes.
5. The IEB Director, Financial Services should maintain appropriate historical evidence of delegation of financial authorities. This will allow the IEB to demonstrate the appropriate delegated authority over specific contracts and expenditures.
6. The Director General, FMB should maintain appropriate historical evidence of delegation of financial authorities (Section 33). This will allow the FMB to demonstrate the appropriate delegated authority over specific payments.

Management Response

Agreed

APPENDIX A: Audit Criteria

Audit Objective 1. To provide assurance that management controls, risk management frameworks and overall governance structures were effective and adequate.

Assessment of the adequacy and effectiveness of controls encompassing the organization's governance, operations and information systems

- | | |
|------------|--|
| Criteria 1 | The integrity of financial and operational information was maintained with regards to the accuracy, adequacy and timeliness of information provided to management for decision-making purposes |
| Criteria 2 | Program controls were designed and in place to deliver economic, efficient and administratively effective program operations and delivery systems |
| Criteria 3 | Controls were adequately designed and effective in order to ensure the appropriate safeguard of assets (including financial, intangible and capital assets) |
| Criteria 4 | Processes and practices in place during the planning and execution of the 2005 World Exposition were compliant with applicable laws, governing regulations and established contracts |

Assessment of the mechanisms that are in place to identify, monitor and assess significant exposures to risk and contribute to the improvement of risk management and control systems

- | | |
|------------|---|
| Criteria 5 | Risks associated with Canada's participation in the Exposition 2005 were identified and prioritized |
| Criteria 6 | Risk mitigation and risk management activities were designed and implemented to manage risk at levels that were determined to be acceptable to management and aligned with program objectives |
| Criteria 7 | Ongoing monitoring activities were conducted to periodically reassess risk and the effectiveness of controls to manage risk |
| Criteria 8 | Processes were in place to identify and incorporate enhancements to risk management and controls |

Internal Audit of Canada's Participation in the 2005 Aichi, Japan World Exposition

To assess whether adequate governance processes exist through which values and goals are established and communicated, the accomplishment of goals is monitored, accountability is ensured, and values are preserved

- Criteria 9 The organization promotes appropriate ethics and values within the organization and effectively communicates risk and control information to appropriate areas
- Criteria 10 The organization ensures effective organizational performance management
- Criteria 11 A clear accountability framework exists, whereby roles and responsibilities are defined, communicated and understood by those involved in Canada's participation at the 2005 World Exposition

Audit Objective 2. To provide assurance that the procurement activities complied with policies and regulations.

Procurement activities comply with the requirements from policies and regulations established by the Financial Administration Act (FAA) and Treasury Board Secretariat (TBS)

- Criteria 12 Processes for contracting and purchasing goods and services related to the 2005 World Exposition in Aichi, Japan were in accordance with TBS Contracting Policies and Guidelines, FAA requirements (Section 32) and related PCH procurement and contracting regulations / policies
- Criteria 13 Expenditures incurred were appropriately related to the program objectives, approved (as required by FAA Section 33 & 34) and are accompanied by supporting documentation

Audit Objective 3. To provide recommendations that can be used to improve management and to develop risk management frameworks where appropriate.