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Parks Canada Multi-Year Internal Audit Plan 2015-2016 to 2017-2018

March 2015

Office of Internal Audit and Evaluation Parks Canada

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Her Majesty the Queen in Right of Canada, represented by
the Chief Executive Officer of Parks Canada, 2015
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EXECUTIVE SUMMARY

The Parks Canada Multi-Year Internal Audit Plan 2015-16 to 2017-18 outlines the mandate, organizational structure and resources for internal audit in the Agency, the considerations employed in developing the risk based plan and describes the audit projects and activities for the next three years.

Parks Canada's Office of Internal Audit and Evaluation (OIAE) adheres to the government's policy, directive and standards for internal audit. The audit function consists of the Chief Audit and Evaluation Executive (CAEE) and nine auditor positions.

The audit universe (i.e., the individual programs, processes or systems that may be subjected to IA activity) consists of 30 entities based on a modified version of the Agency's Program Alignment Architecture (PAA), including internal services. Audits entities are described and prioritized based on considerations of significance, public visibility and risk. In principle, audit activities should focus on the entities with the highest priority scores, as determined by a yearly review, for the three year period of the plan.

For 2015-2016 the function will focus on five assurance engagements, and continue to work on internal projects. Over the three year period 19 assurance audit engagements are planned.

INTRODUCTION

The Parks Canada Multi-Year Internal Audit plan 2015-2016 to 2017-2018, consistent with the Treasury Board (TB) *Policy on Internal Audit*, outlines the mandate, organizational structure and resources for internal audit in the Agency, the considerations employed in developing the risk based plan and describes the audit activities for the next three years.

PARKS CANADA AGENCY

Parks Canada was established as a separate departmental corporation in 1998. The Agency's mandate is to:

“Protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.”

Responsibility for the Parks Canada Agency rests with the Minister of the Environment. The Parks Canada Chief Executive Officer (CEO) reports directly to the Minister.

INTERNAL AUDIT FUNCTION

APPLICABLE POLICIES AND PROFESSIONAL STANDARDS

The internal audit function at Parks Canada adheres to the Treasury Board Policy on Internal Audit (2012), and the associated directive and standards. In March 2015, a revised audit charter for the function was approved.

MANDATE AND SERVICES OFFERED

The mandate of the function is to:

“Provide independent and objective assurance and consulting services designed to add value and improve the Agency's operations. It helps the Agency accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance processes, risk management strategies and practices, and management control frameworks, systems and practices.”

In this context, the function provides the CEO and audit committee with assurance that:

- Risks are appropriately identified and managed;
- Governance arrangements are in place to support strategic direction, monitoring and accountability;
- Significant financial, managerial and operating information is accurate, reliable and timely;
- Activities and actions are in compliance with applicable laws, regulations policies, standards, and procedures;
- Resources are acquired economically, used efficiently and adequately protected;
- Programs, plans and objectives are achieved;
- Quality and continuous improvement are fostered in the Agency's control processes;
- Significant legislative or regulatory issues impacting the Agency are recognized and addressed properly.

Services include:

- **Assurance Audits** that provide an assessment on the adequacy of the governance and controls in place to ensure that the organization's risks are managed effectively, that its goals and objectives will be achieved efficiently and economically and that rules, regulations and policies are followed;
- **Investigations** of possible fraud or wrong doing;
- **Consulting, analysis and advice** related to policies, programs, risks, systems and controls.

FOLLOW-UP ON MANAGEMENT RESPONSES

The audit cycle includes a systematic follow-up on the management responses to each audit recommendation four months after the final approval of the audit report by the Chief Executive Officer; and every six months afterwards until recommendations are fully addressed. A summary of progress made in implementing action plan is a standing item on the Audit Committee's agenda.

GOVERNANCE

The CAEE reports directly and exclusively to the Chief Executive Office (i.e., deputy head) of the Agency. Consistent with TB Policy on Internal Audit, oversight of the function is provided by an independent audit committee composed of three members external to the public service. The Chief Executive Officer, the Chief Audit and Evaluation Executive and the Chief Financial Officer are ex officio members of the committee.¹ The committee is responsible for reviewing and providing advice and/or recommendations to the CEO, as required, on issues related to:

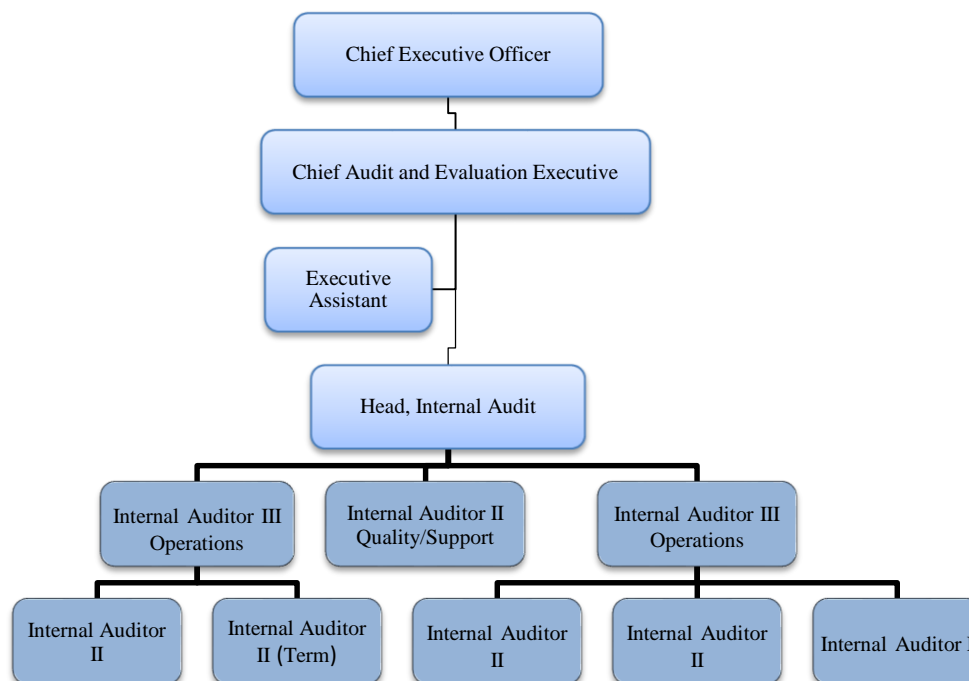
- Internal audit function and products;
- External audit and review;
- Financial statements and public accounts reporting;
- Risk management;
- Agency accountability reporting;
- Values and ethics;
- Management control framework.

ORGANIZATIONAL STRUCTURE AND RESOURCES

The organizational chart for the function is shown below. The function currently consists of eight funded positions and one term position. Two of these positions are new in 2015-2016 as a result of the Agency receiving significant new funding for infrastructure investment as announced by the Prime Minister on November 24, 2014.

The effective staff complement for 2015-2016 is estimated to be 8.5 FTEs due to positions not being filled up at the beginning of the year. The function will pursue alternative strategies (i.e., contracting, use of temporary or term employees and/or students to ensure a full FTE complement is available for the fiscal year).

¹ The terms of reference for the committee were updated in March 2015.



The available budget for the audit function in 2015-2016², along with actual expenditures in 2014-2015 and forecasted expenditures in 2015-2016 are shown in the table below.

	Available Budget	Expenditures		Forecasted Expenditures as % of Available Budget
		2014-2015	2015-2016	
		Actual	Forecast	
Salaries	820,820	499,984	550,000	67%
Project Costs	282,362	39,710	77,000	49%
Non Project O&M		42,289	60,000	
	1,103,182	581,983		

AUDIT PLANNING METHODOLOGY AND CONSIDERATIONS

Audit planning is based on a listing of auditable entities (i.e., the programs, process or activities that may be subject to audit) call the audit universe. For 2015-2016, the universe is the entities that make up the internal services component of the Agency's Program Alignment Architecture (PAA).³

² Salary and operating costs of the audit committee, typically about \$100K per year of which 80% to 85% covers salaries (i.e., costs in 2014-2015 were \$75.1K of which 77% was salary) appear under a separate budget.

³ Previously the universe included all the PAA sub-programs. This was changed for this round of planning since in practice many of the traditional sub-programs were never identified as high audit priorities (i.e., they were covered by evaluation or external audit). In some cases, aspects of the traditional programs (e.g., management of environmental impact assessment, contaminated sites) are included in our definitions of specific internal services.

Each entity is assigned a priority rating on an assessment of its significance, public visibility and risk exposure of the entity. The ratings are combined and classified based on ranges of scores as very high, high, moderate and low audit priority. Appendices A, B, C and D provide more details on the planning process, some of the inputs to the ratings (i.e., Corporate Risk Profile and past audit coverage).

In addition to audit priority ratings, the function takes account of several additional factors in planning including external commitments to conduct an audit (i.e., typically in the context of special funding approved by TB for new programs or initiatives); past or planned coverage by other assurance providers (OAG/CESD, other Agents of Parliament, the OCG, and program evaluation within the Agency); management priorities and audit committee recommendations; and the availability of audit resources.

For this planning cycle, priorities were assessed through a series of discussions and meetings with members of Executive Management Committee and in some cases their management teams between November 2014 and February 2015. Audit staff then revised audit priority ratings for various entities based on the consultations and business knowledge of other important processes and changes in the Agency.

The major audit entities and sub-processes considered in rating entities are shown below along with final priority ratings.

Table 1: Audit Entities and Priority Ratings

Entity	Priority
Real Property	3.6
Land Management	
Built Asset Management	
Material management (inventory, fleet, asset below \$10K)	
Environmental Management	
Water Power	
Information Management	2.8
Includes access to information and privacy, libraries. Record keeping etc.	
Financial Management	2.8
Planning Forecasting and Budgeting (including costing)	
Revenues Receivables and Receipts	
Purchases, Payables and Payments	
Financial statements (write-off, PAYE, Special purpose accounts...)	
Environmental Liabilities	
Travel/Hospitality, Events and Conferences	
Partnerships and Procurement including G&Cs	
Management and Oversight	2.5
Strategic Policy, Planning and Government Relations	
Integrated Risk Management	
Investment Planning and Project Management	
Performance and Reporting	
Values and Ethics	
Human Resources Management	2.5
Workplace Relations Branch (includes labor relations, classification, OHS, Compensation)	
Workforce Management and Leadership Branch (includes staffing, official language,)	

HR Business Information and Systems Branch (system and data management)	
Information Technology/Information Systems	2.0
National information systems (SAP, POS, BMO, campground, travel...)	
Security	2.0
Security (property, personal etc.)	
Business Continuity and Emergency Preparedness	
Internal Communication	2.0
Legal	2.0

PLANNED PROJECTS FOR THE NEXT THREE YEARS

In 2015-2016, the function:

- will undertake four assurance engagements and will completed two engagements started in 2014-2015
- Continue to implement 3 internal projects

Details of planned projects for the next three years are presented below.

YEAR 1: 2015-2016**SECTION A: ASSURANCE WORK**

Objectives	Scope/Rational		
<p>1. Two Audits of Key Financial and Administrative Processes These audits aim to provide assurance to senior management that financial and administrative practices in place at a business unit level (i.e., a field unit, or national office directorate) are in compliance with government and Agency policies, directives and standards. The financial and administrative practices to be audited may vary from one entity to the other as well as from one year to the other based on priorities and risks.</p>	<p>Moderate Audit Priority</p>	<p>Maps to Corporate Risks: Information management</p>	<p>Maps to MAF: Stewardship Risk Management Citizen-focused service</p>
<p>2. Point of Sale (POS) System The audit will assess the adequacy of the control framework (governance, roles and responsibility, risks management and controls) supporting data collection through POS (i.e., revenue and social science data).</p>	<p>Moderate Audit Priority</p>	<p>Maps to Corporate Risks: Information Management</p>	<p>Maps to MAF: Stewardship Financial Management and Control Citizen-focused service</p>
<p>The audits will focus on compliance with government and Agency's policies and directives with respect to revenue collection, procurement & acquisition and travel costs at the Quebec and Ontario Waterways</p> <p>The project is expected to start in the Spring of 2015 and a report tabled at Audit Committee in March 2016.</p>			
<p>A new common point of sale system was implemented across most of the Agency's operations in 2012-2013. The scope of this audit includes a review of processes and procedures to ensure completeness, timeliness, and accuracy of the data collected. The audit will also consider the impact of the use of the POS system on the visitor's experience.</p> <p>This audit project started in the Fall of 2014 and a report is expected to be tabled at Audit Committee in December 2015.</p>			

Objectives	Scope/Rational		
3. Audit of the Campground Reservation System To provide assurance that the framework in place allows for sound management of the revenue collected through Parks' Campground Reservation System (PCRS)	Moderate Audit Priority	Maps to Corporate Risks: Information Management	Maps to MAF: Stewardship Financial Management and Control Citizen-focused service
	<p>The new campground reservation system, implemented in 2013-2014, allows visitors to choose and reserve ahead of time a campsite in one of the 20 National Parks of Canada. Reservations can be made on line or by phone.</p> <p>Revenue collected through PCRS represent more than a third of Parks' revenue collection. The audit will provide assurance that controls in place are functioning to ensure completeness and accuracy of revenue data.</p> <p>The project will begin in the September 2015 and a report tabled to Audit Committee in Fall 2016.</p>		
4. Business Continuity and Emergency Preparedness The audit will assess the existence of a framework for business continuity and emergency preparedness at Parks and its compliance with existing TB policies and directives.	Low Audit Priority	Maps to Corporate Risks: Environmental Forces Asset Management	Maps to MAF: Risk management Management of Security Citizen-focused service
	<p>Business continuity planning is important in order to provide the "development and timely execution of plans, measures, procedures and arrangements to ensure minimal or no interruption to the availability of critical services and assets". The Treasury Board's <i>Operational Security Standard – Business Continuity Planning (BCP) Program</i> requires departments to implement a Business Continuity Planning Program (BCPP) and to plan for emergencies or disruptions that could affect the delivery of critical government services. The audit will focus on Agency compliance with the relevant directive and standards.</p> <p>The project began in January 2015 and a report tabled at Audit Committee in November 2015.</p>		
5. Frameworks of Infrastructure Funding The audit will assess governance, risk management and control frameworks in place to ensure effective management of the investment planning program as well as the delivery of projects from an operational perspective.	High Audit Priority	Maps to Corporate Risks: Asset Management	Maps to MAF: Risk management Stewardship Financial Management and Control
	<p>On November 24, 2014 the Prime Minister announced more than \$2B in planned investment in Agency Infrastructure over the next several years. In the first year of the funding internal audit work will focus on providing assurance that national frameworks with respect to 1) planning, risk management and organizational capacity and 2) monitoring and reporting are in place and functioning effectively.</p>		

SECTION B: OTHERS WORK

Objectives	Scope/Rational
OAG- Audit of the Implementation of the Labrador Inuit Land Claims Agreement	The audit will be looking at whether selected entities' have implemented their obligations as per the Agreement. Parks Canada is one of the entities with obligations as stated in the Agreement.

SECTION C: INTERNAL PROJECTS

Objectives	Scope/Rational
1. Analysis in Support of Continuous Auditing	The function focus on identifying key processes and questions that can be addressed through continuous auditing and on writing scripts to extract relevant data from the financial system. Although consultations with TBS experts and the working group will continue, the Internal Audit function expect to have one FTE fully dedicated to data extraction and analysis to support our audit work. The analysis will be used to create a framework for standardizing the use of continuous auditing in the function.
2. Team Mate Implementation	The Team Mate audit software was acquired through PWGSC in 2013-2014. Initial configuration system took place at the end of March 2014. Lack of human resources and in-depth knowledge delayed the implementation of the system. It is expected that the implementation be completed in the first half of 2015-2016 and that the system will be used in parallel with old system for the rest of the year.

PROJECT RESOURCES	Size ⁴	Hours ⁵	O & M (\$) 2015-2016	Total (\$) ⁶
Two Audits of Key Financial and Administrative processes	Medium	2,000	20,000	110,000
Point of Sale (POS) System (2-year project)	Large	1,000	22,000	67,000
Audit of the Campground Reservation System (2-year project)	Large	1,000	5,000	50,000
Business Continuity and Emergency Preparedness	Small	750	7,000	40,750
Frameworks of Infrastructure Funding	Large	2,000	10,000	100,000
Total		6,750	64,000	367,750
Internal Projects				
Continuous Auditing		1,200		52,800
Team Mate Implementation		800	1,500	36,700
Sub Total Internal Projects		2,000	1,500	96,300
Overall Total		8,750	65,500	417,300

⁴ Size is being define by the overall amount of time spent on a project (sometimes over more than one fiscal year) using the following guideline: small <1K hrs, medium between 1K and 1.5K hrs and large over 1.5K hrs.

⁵ Hours and O&M reflects the expected amount of money to be spent on the project during the fiscal year.

⁶ The total dollars is the cost for auditor salary and expenses associated with the various projects for the current fiscal year.

YEAR 2: 2016-2017

Preliminary Objectives	Preliminary Scope/Rational		
1. Audit of Information Management To assess the state of the current control framework (governance, roles and responsibilities, risk and control) for information management and provide assurance about the level of readiness to comply with applicable TB policies.	Moderate Audit Priority	Maps to Corporate Risks: Information Management	Maps to MAF: Managing for Results Risk Management
	The scope will include progress being made towards the implementation of the TB <i>Policy on Information Management</i> , the <i>Directive on Information Management Roles and Responsibilities</i> including ensuring that governance structures, mechanisms and resources are in place to support the continuous and effective management of information.		
2. Two Audits of Key Financial and Administrative Processes These audits aim to provide assurance to senior management that financial and administrative practices in place at a business unit level (i.e., a field unit, or national office directorate) are in compliance with government and Agency policies, directives and standards. The financial and administrative practices to be audited may vary from one entity to the other as well as from one year to the other based on priorities and risks.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF: Stewardship Results and performance Financial Management
	The selection of the two directorates for 2016-2017 (CFOD and ERVE) is based on major operational changes that took place over the last two years and the inherent risk of the nature of their operations.		
3. Project management (Infrastructure funding) The audit will aim to assess PCA’s project management compliance with rules and regulations as well as PCA’s framework in completing major capital projects using dedicated funds from budget 2014 and budget 2015.	High Audit Priority	Maps to Corporate Risks: Asset Management	Maps to MAF: Investment Planning and Management of Projects
	Selection of projects to be assessed will be done at a local level or national level based on project magnitude, complexity and materiality as well as progress of work and/or phase completed.		
4. Realty Governance The audit will assess the framework in place to ensure quality of realty data and active management of realty obligations as set out in various realty instruments.	High Audit Priority	Maps to Corporate Risks:	Maps to MAF: Stewardship
	The scope include the control and oversight regime in place to monitor adherence to the TB <i>Policy on Management of Real Property</i> and the <i>Reporting Standard on Real Property</i> with respect to land management and obligations related to land use (i.e., an estimated 8,500 land-use documents, ranging from leases to concessions to utility agreements).		

5. Audit of Compliance with Organizational Design Requirements To provide assurance that decisions made with respect to organizational models and control of salary costs are being implemented as intended.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF:
6. BMO Credit Card Controls This audit aims to provide assurance to senior management that controls in place are sufficient and functioning to ensure that use of acquisition card complies with existing policies and directives.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF: Stewardship Financial management
	The Agency has created a suite of organizational models for various functions (e.g., External Relations, Visitor Experience, and Resource Conservation) and implemented requirements to control salary costs (e.g., costed organizational charts). The audit is focused on assessing continued compliance across the Agency with respect to organizational design and control of salary expenditures.		
	As of March 2015, the Agency implemented the new acquisition card payment process. Starting with only National Office transactions for the first year, the process is to be expanded to all FUs and Directorates in 2016-2017. Post payment verification activities should have been determined and applied to mitigate the risk originating from the removal of typical pre-payment verification controls.		

PROJECT RESOURCES	Size	Hours	O & M (\$)	Total (\$)
Carry forward from 2015-2016				
Audit of the Campground Reservation System (2-year project) ⁷	Large	1,000	30,000	75,000
New projects for 2016-2017				
1. Audit of Information Management	Large	1,500	9,000	76,500
2. Two Audits of Key Financial and Administrative Processes	Medium	1,500	13,000	80,500
3. Monitoring and Project Delivery	Medium	1,500	35,000	102,500
4. Realty Governance	Large	1,500	8,000	75,500
5. Audit of Compliance with Organizational Design Requirements	Medium	1,200	8,000	62,000
6. BMO Credit Card Controls	Medium	1,000	8,000	53,000
Total		9,200	111,000	525,000
Internal Projects				
Continuous Auditing		1,200		54,000
Overall Total		10,400	111,000	569,000

⁷ Completion of a 2-year project started in 2015-2016. We estimated the cost for salaries and expenses associated with the project for the fiscal year 2016-2017.

YEAR 3: 2017-2018

Preliminary Objectives		Preliminary Scope/Rational		
1. Two Audits of Key Financial and Administrative Processes These audits aim to provide assurance to senior management that financial and administrative practices in place at a business unit level (i.e., a field unit, or national office directorate) are in compliance with government and Agency policies, directives and standards. The financial and administrative practices to be audited may vary from one entity to the other as well as from one year to the other based on priorities and risks.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF: Stewardship Results and performance Financial Management	
			Sites and topics will be determined at the beginning of the fiscal year based on risks and materiality.	
2. HR data integrity (PeopleSoft and paper files) This audit aims to provide assurance to senior management that controls are in place to ensure accuracy of payment of employees' salary as well as compliance of PCA's employees' files with established guidelines.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF: Stewardship	
			While Miramichi will process the payment as presented, the Agency retains the accountability of ensuring completeness and accuracy of the information provided by the employees. Part of the Pay consolidation, the Agency also led a file data clean up exercise to ensure consistency in the relevant information to maintain within Parks while ensuring transfer of required paper records to Miramichi. Also, information other than for payroll are kept in the paper file of the employee or in PeopleSoft system such as training, language requirements and test results, etc. and will be subject of the audit.	
3. Project management (Infrastructure Funding) The audit will assess PCA's project management efficiency in completing major capital projects using dedicated funds from budget 2014 and budget 2015.	High Audit Priority	Maps to Corporate Risks: Information Management Asset Management	Maps to MAF: Investment Planning and Management of Projects Procurement	
			Selection of projects to be assessed will be done at a local level or national level based on project magnitude, complexity and materiality as well as progress of work and/or phase completed.	
4. Revenue collected by third party The audit will assess the framework and the effectiveness of the controls surrounding the collection of revenue on behalf of PCA to ensure the Agency is receiving all revenues its entitled to.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF:	
			Field units enter into contracts with third parties (mostly bus tour, tourism associations and hotels) that allow them to collect revenue on behalf of PCA (e.g., entry fees that are embedded in a package fee). These amounts are to be remitted to the Agency at the time the tour is taking place or according to pre-established schedules.	

Preliminary Objectives	Preliminary Scope/Rational		
5. Occupational Health and Safety (OHS) The audit will assess that OHS activities within the Agency are in compliance with the existing framework at the national level as well as the local level.	Moderate Audit Priority	Maps to Corporate Risks:	Maps to MAF:
	According to PCA's Occupational Health and Safety Policy, each and every employees are responsible for working in a manner that safeguards themselves, their colleagues and the environment. Their duties are derived from the Canada Labour Code, Part II.		

PROJECT RESOURCES	Size	Hours	O & M (\$)	Total (\$)
1. Two Audits of Key Financial and Administrative Processes	Small	1,500	14,000	81,500
2. HR data integrity (PeopleSoft and paper files)	Large	1,500	20,000	87,500
3. Monitoring and delivery -Infrastructure funding	Medium	1,200	15,000	69,000
4. Revenue collected by third party	Small	900	15,000	55,500
5. Occupational Health and Safety	Small	900	7,500	48,000
Total		6,000	71,500	341,500

APPENDIX A. STEPS IN AUDIT PLANNING

1. Audit Universe

The Office of Internal Audit and Evaluation has chosen to divide in two stream its original universe that consisted of 30 entities reflecting sub-programs in the PAA and internal services with some adjustments and modifications to amalgamate sub-programs where it makes sense and to add a few entities that are not part of the PAA structure.⁸ As of 2015-2016, the Internal Audit function will focus its activities on entities that make up the internal services component of the PAA.

2. Describing and documenting Audit Entities

A description of each audit entity is prepared with basic information (purpose, budget, expenditures, governance framework, owner, partners, stakeholders, supporting information systems, and financial coding, etc.). Additional information is gathered to then rate the entity on three dimensions adapted from the OCG *Practice Guidebook --- Internal Audit Planning for Departments and Agencies (2006)*:

- **Significance** reflects the overall importance of the entity to Agency, the scope of its reach, the dollar value (materiality) associated with it and/or impact of the entity on stakeholders;
- **Public Visibility** reflects the extent to which an entity is routinely subject to scrutiny by the general public, stakeholder groups and the media;
- **Risk Exposure** takes account of the number, nature and types of risk to which an entity is exposed and the severity and breath of possible consequences.

3. Prioritization of Audit Entities

Prioritization consists of assigning a significance, public visibility and risk exposure score to each entity (i.e., each with a five point scale ranging from 1 very low significance, visibility or exposure to 5 very high significance, visibility or exposure), and then combining the scores (i.e., weighted 30% for significance, 20% for visibility and 50% for risk exposure) to create a final priority score for each entity.

Level	Range	Description
Very High	4.26 – 5.00	Entities considered to be highly important from an audit standpoint and should be subject to internal audit activity. Where possible, audits of these priorities should be conducted early in the planning cycle to permit the generation of assurance in a timely fashion.
High	3.51. – 4.25	Entities considered as an important audit priority and should be audited in the planning cycle, but not necessarily in the first year of the plan.
Moderate	2.51 – 3.50	Audit resources may be expended; however these areas are only of moderate audit priority during this planning cycle.
Low	0.00 – 2.50	Little to no justification for audit resources to be expended in these areas during this planning cycle.

⁸ These are the Law Enforcement Program and the General Class Contribution Program.

APPENDIX B. CORPORATE RISK PROFILE 2015-2016 TO 2017-2018

Risk Category and Label	Risk Statement	Risk Owner
Public		
Aboriginal Support	A diminished level of Aboriginal support for Parks Canada may impact the Agency's ability to deliver on and advance its programs.	Director, Aboriginal Affairs Secretariat
Partnering	Parks Canada may not be able to effectively collaborate with potential partners due to internal capacity (such as deficiencies in financial authorities) or external factors. This could limit our ability to leverage opportunities, extend our reach, grow our base of support, and advance our programs.	VP, External Relations and Visitor Experience
Public Awareness and Support	Local communities, stakeholders, NGOs, and the Canadian public may not be sufficiently aware or supportive of Parks Canada, compromising the Agency's ability to fulfill its mandate.	VP, External Relations and Visitor Experience
Socio-economic		
Competitive Position	Parks Canada programs, services and experiences may be less attractive or less of an interest to Canadian compared to alternative leisure activities.	VP, External Relations and Visitor Experience
External Development Pressures	Development pressures may limit opportunities for establishment of new national parks and national marine conservation areas; and may affect the ecological integrity of national parks, the ecologically sustainable use of national marine conservation areas, the commemorative integrity of national historic sites, and the heritage value of cultural resources in heritage places.	VP, Protected Areas Establishment and Conservation; VP, Heritage Conservation and Commemoration
Environmental		
Natural Disasters	Natural disasters may lead to the loss or impairment of natural and cultural resources, visitor experience opportunities and contemporary assets, resulting in increased operational costs and compromising the Agency's ability to deliver its mandate.	VP, Operations, Eastern Canada; VP, Operations, Western and Northern Canada
Environmental Forces	Environmental forces may limit the Agency's ability to maintain or improve ecological integrity in national parks and to foster ecologically sustainable use of National Marine Conservation Areas.	VP, Protected Areas Establishment and Conservation
Parks Canada's Business Operations		
Asset Condition	The Agency's ability to deliver on its mandate is impaired due to an inability to make appropriate ongoing investments for maintenance and recapitalization of its built asset portfolio.	Chief Administrative Officer; VP, Heritage Conservation and Commemoration
Information Management	Failure to identify, capture, manage, share and report pertinent data, plus maintain security of information and knowledge, may hinder the ability to effectively manage all program areas and meet legal requirements.	Chief Administrative Officer
<i>Source: Parks Canada Agency Corporate Risk Profile 2015-16</i>		

APPENDIX C. RISK TAXONOMY

The list below provides potential risk areas adapted from the Guide to Risk Taxonomies developed by the TBS Center of Excellence on Risk Management. The likelihood and impact of these risks varies for each audit universe element.

Risk Domain	Definition	Risk Area	Risk Area Definition
A. Strategic	Loss or damage caused by external conditions or events which may negatively affect the government's policy or program position, asset base or other decisions.	1. Organizational Transformation and change management	The risks associated with significant structural or behavioral change within an organization related to mandate, operating context, leadership and strategic direction.
		2. Governance and strategic direction	The risks associated with the Agency's approach to leadership, decision-making and management capacity.
		3. Reputational	The risks associated with the Agency's reputation and credibility with its partners, stakeholders and the Canadian public.
		4. Economic	The risks associated with major disruptions in the Canadian or world economy.
B. Operational	Loss or damage caused by failures in people, processes or internal systems.	1. Business processes	The risks associated with business process design and implementation
		2. Capital Infrastructure	The risks associated with deteriorating or damaged capital infrastructure including hard assets (e.g., buildings, vessels, scientific equipment), but excluding IT infrastructure.
		3. Communication	The risks associated with the approach and culture of communication, consultation, transparency and information-sharing, both within and outside the Agency.
		4. Conflict of interest	Risks associated with perceived or potential conflicts between private and public interests.
		5. Financial management	Risks associated with the structures and processes to ensure sound management of financial resources and the compliance with financial management policies and standards.
		6. Fraud	The risks associated with illegal acts or irregularities resulting from intentional misrepresentation or corruption by internal personnel, a partner or the public for personal gain.
		7. Human Resources	The risks associated with staff/management turnover; employment/work culture; recruitment, retention and staffing processes and

			practices; succession planning and talent management; employee development, training and capacity building.
		8. Information management	Risks associated with the Agency's capacity and sustainability of information management procedures and practices.
		9. Information Technology	The risks associated with the Agency's capacity and sustainability of information technology, both the infrastructure and utilization of technological applications.
		10. Knowledge Management	The risks associated with collection and management of knowledge, including intellectual property, organizational or operational information and records, and scientific data.
		11. Legal	The risks associated with management of legislative, advisory and litigation activities, including the development and renewal of, and compliance with, laws, regulations, international treaties/agreements and policies.
		12. Policy development and implementation	Risks associated with the design, implementation and compliance with the government-wide policy suite as well as PCA's internal policies and procedures.
		13. Privacy/Information stewardship	Risks associated with protection of personal information.
		14. Project management	Risks associated with process and practice of developing and managing major projects in support of the overall mandate. Risks associated with specific projects that may require ongoing management.
		15. Stakeholders and partnerships	The risks associated with partners and stakeholders demographics, characteristics and activities.
		16. Values and ethics	Risks associated with the Agency's culture and capacity to adhere to the spirit and intent of the Values and Ethics Code.
C. Hazard	Loss or damage caused by natural, accidental or pre-meditated actions	1. Natural Hazards	The risks associated with natural, e.g., biological or climatic hazards.
		2. Human Actions – intentional or unintentional	The risks associated with chemical, nuclear or other hazards, resulting from deliberate actions or accidents.

APPENDIX D. PAST COVERAGE BY ENTITY

PA Number	Entity	Audits
6.2.3	Information Management	Audit of Information Management (2010)
6.2.2	Financial Management	7 Finance And Administrative Audits between April 2010 and March 2015. OCG Audit of financial forecasting (2013-2014) Audit Management of Revenue Rentals and Concessions (2012) Acquisition Card Process (2012)
6.2.4	Information Technology	Performance Audit of the GIS (2012) SSC IT security & disaster recovery controls Assessment (2014-2015)
6.3.1	Real Property	Audit of Staff Housing (2014)
6.1.1	Management and Oversight	OCG Audit of Compliance with the MRRS Policy (2012)
6.2.5	Other Administrative Services (security, business continuity)	
6.2.1	Human Resources Management Services	Independent 5 Year Review Of Human Resources Regime (2014-2015) HR Process In Coastal BC (2011) OCOL Audit Of Delivery of Bilingual Services to Visitors by Parks Canada (2012)
6.1.2	Internal Communication	
6.1.3	Legal	