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Canada

Horizontal Internal Audit of Governance in Small Departments and Agencies

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Office of the Comptroller General

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Executive Summary

The objective of this audit was to determine whether the governance framework applicable to small departments and agencies (SDAs) is able to maintain sensitivity to SDA mandates and independence, support the accountability of their deputy heads, and provide for the implementation of government objectives in accordance with public sector values.

Why this is important

Key to building public confidence in the effectiveness and integrity of the public service is governance that ensures accountability, effectiveness, sound management, and adherence to public service values. Although the annual spending of SDAs (approximately $2 billion) is small relative to the overall government budget, SDAs are relied on to achieve government goals and objectives, and to provide services that the public expects. It is critical that their actions demonstrate good governance by ensuring prudence, probity, stewardship of public funds, and effective control.

Key findings

Structures are in place to support the effective involvement of SDAs in the broader government agenda. The effectiveness of portfolio coordination is heavily dependent on the personal relationships established between portfolio partners, which range in practice from formal to informal. The Community of Federal Agencies facilitates information sharing among SDAs and the development of solutions to common challenges. Although this group adds considerable value to SDAs, it should not preclude a more formal, active role on the part of the Treasury Board of Canada Secretariat (the Secretariat), which is a key partner in the overall governance framework of SDAs. More opportunity exists to formalize this role.

There are opportunities to improve the provision of training and assessment tools to enable SDA deputy heads to understand and assess performance related to their management responsibilities. Deputy heads noted that considerable effort and time is required to understand how to successfully run a government department, and that this is inefficient. In addition, for deputy heads not subject to performance pay, there is no process in place to assess and manage their individual performance related to their management responsibilities.

Conclusion

Overall, the governance framework is able to support accountability in SDAs in accordance with public sector values. The Community of Federal Agencies and recent

efforts by the Secretariat have been effective in enabling SDAs to support the broader government agenda and other priorities. However, there are opportunities to develop and maintain a more systematic approach to the training of deputy heads, in support of their role as leaders, accounting officers, and stewards of public monies.

Conformance with Professional Standards

The conduct of this engagement was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. [1]

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Background

The Institute of Internal Auditors defines public sector governance as "policies and procedures used to direct an organization's activities to provide reasonable assurance that objectives are met and that operations are carried out in an ethical and accountable manner." [2] This definition acknowledges the complexity of governance, focusing on the importance of the processes that underpin effective, timely communication with ministers and support their accountability to Parliament. There is no single comprehensive internationally accepted framework outlining the processes and structures that constitute good governance. For the purposes of this audit, we have focused on SDAs in the broader government agenda and on deputy heads' management responsibilities as stewards of public money.

The SDA community in the Government of Canada is extremely diverse. SDAs vary in organizational structure and size, budget, nature of work and relationship with larger departments, ministers, and other key government stakeholders. SDAs are generally governed as statutory agencies or departmental corporations. Some also have status as separate employers. Regardless of the governance structure, responsibility and accountability rests with the deputy head of the SDA.

In the Government of Canada guidance and support, as well as the requirements for effective oversight and control, are derived from a variety of sources. These include

Treasury Board policies and acts of Parliament. However, much of the overall governance regime is less formal in nature.

Regarding parliamentary reporting and keeping ministers well informed, the Secretariat has developed *Guidelines for Portfolio Coordination: Management Accountability Framework Considerations and Overview of Practices*. This guidance includes general principles and suggested practices that define expectations for portfolio [3] coordination and outline the responsibilities of ministers and the deputy minister of the portfolio lead department. It recognizes that the deputy heads of SDAs have a responsibility to keep the minister sufficiently informed to facilitate reporting to Parliament.

The *Financial Administration Act* designates the deputy head as the accounting officer of his or her entity. This requires deputy heads to appear before parliamentary committees and answer questions about a specified range of responsibilities and duties relating to the management of their organizations, including managing departmental resources in accordance with government-wide policies, maintaining effective systems of internal control, and signing departmental accounts. In this way, accounting officers support ministerial accountability by providing Parliament with information about how management responsibilities are being exercised.

Audit Objective, Scope, and Approach

Objective and scope

The objective of this audit was to determine whether the governance framework applicable to SDAs is able to maintain sensitivity to SDA mandates and independence, support the accountability of their deputy heads, and provide for the implementation of government objectives in accordance with public sector values.

The scope of the audit included the oversight processes and structures applicable to selected SDAs as of October 2010.

Audit approach

Planning

As part of the planning phase of this audit, an environmental scan of the governance regime relevant to SDAs was conducted with a view to highlighting key areas of risk and selecting a representative sample of SDAs. The audit team met with policy experts at the Secretariat and other key governance stakeholders. The audit team reviewed the 2008–

09 Annual Report of the Public Sector Integrity Commissioner, which highlights special risks in federal agencies, as well as recent Office of the Auditor General audit reports that cover aspects of governance in SDAs. These included the Governor-in-Council appointment process and portfolio coordination. Finally, the audit team reviewed internal audit reports of large departments and agencies related to governance. See Appendix 4 for a list of policies, directives, and other reference material used for this audit.

Examination

A detailed examination phase was conducted using the audit criteria outlined in Appendix 2. The examination consisted of interviews and documentation review.

Reporting

Following the validation of audit findings with participating departments and agencies, the audit team developed horizontal findings from the results of its detailed examination. A draft report and a summary of the applicable recommendations were sent to the departments and agencies that participated in the audit. Action plans to address the findings and recommendations were requested.

Detailed Findings and Recommendations

Finding 1: SDAs in the broader government agenda

> **Structures are in place to support effective SDA involvement in the broader government agenda.**

We examined the extent to which expectations for communication within a portfolio, including the desired outcomes of portfolio coordination, are articulated in a manner that is consistent with each SDA's statutory mandate and degree of independence. We assessed whether structures and processes exist to support the effective involvement and participation of SDAs in the broader government agenda. We also examined whether the role of key government stakeholders in the governance framework of the Government of Canada as it relates to SDAs is clearly communicated. Finally, we assessed whether mechanisms are in place for SDAs to access and receive guidance from the Secretariat on key issues or concerns.

In fulfilling their statutory mandates, SDAs must operate within the broader regime of the Government of Canada. Although SDAs are aligned with specific portfolio lead departments, the independence of certain SDAs in carrying out their mandates is critical. Portfolio coordination must therefore respect independence needs in both appearance and in fact. To operate in the broader government agenda, SDAs can work with other departments and agencies to keep informed about government-wide priorities and management practices. SDAs can also work together to overcome their challenges and develop solutions.

Where appropriate, portfolio relations are in place and working effectively.

Portfolio coordination supports coherence in achieving the government's objectives. Where the need for independence is paramount to delivering on a mandate (i.e., quasi-judicial or regulatory agencies), an appropriate respect for independence exists to allow for the sharing of information with the lead department.

Structures and processes for an SDA's effective participation and involvement in its portfolio exist as a continuum from formal to informal. This is consistent with the Secretariat's issued guidance that leaves it up to the lead department to establish a coordination structure aligned with its portfolio needs. The effectiveness of portfolio coordination is attributable to, and heavily dependent upon, the personalities of the individuals involved. Deputy heads of SDAs attribute effective involvement in their portfolio to the concerted effort to cultivate relationships with their portfolio lead department.

Some structures are in place to support the effective involvement of SDAs in the broader government agenda; however, the Secretariat needs to play a more active role.

The role of the Treasury Board in the oversight regime is clear. However, there is an opportunity for greater involvement of the Secretariat, in support of the Treasury Board, in enabling information sharing of the broader government agenda and sound management practices. The Treasury Board sets direction for government-wide policies and priorities. The Secretariat develops and propagates these policies, conducts management accountability framework assessments, and provides support to SDAs in obtaining approval from the Treasury Board on program objectives and resource needs. However, SDAs have not historically had sufficient access to the Secretariat's machinery to discuss issues of specific concern to their community.

The SDA community has formed a network of committees designed to discuss common challenges and to share information. This network is referred to as the Community [4] of

Federal Agencies. It is a member-founded, member-funded network created to support deputy heads of federal entities that, as a matter of recognized practice, do not have regular access to the key players in decision making, such as ministers, Cabinet and central agencies. Its committees facilitate information sharing and discussions toward the development of solutions to common challenges in meeting government requirements. The network fills a vacuum for SDAs; its value in supporting SDAs cannot be overstated. However, the existence and benefits of the Community of Federal Agencies should not preclude the Secretariat from playing a more active role in supporting SDAs.

The Secretariat has recently initiated an SDA liaison function to coordinate communications with the Community of Federal Agencies and ensure that information is gathered and shared in a timely manner, and that support is offered for common challenges. This has been noted as a positive step that should continue to operate at the Secretariat. Furthermore, given that the Secretariat and other federal departments increasingly use the Community of Federal Agencies as a forum for sharing knowledge, attendance at these community events by SDAs is critical.

The role of the Privy Council Office in supporting the governance regime of SDAs is not fully understood by SDAs.

The role of the Privy Council Office (PCO) in supporting the governance regime includes the Governor-in-Council appointment process for new deputy heads and the orientation of new appointees. Orientation includes a welcome package for new deputy heads that contains information that a new appointee needs to know on subjects such as ethical guidelines for public office holders, guidelines on the political activities of public office holders, and other responsibilities and accountabilities. The package also includes resources and links to further information on these subjects. Furthermore, PCO facilitates one-on-one deputy head briefings (if requested by deputy heads) with senior executive officials who have broad government mandates. Finally, PCO supports the performance management process for deputy heads who are eligible for performance pay.

Deputy heads' understanding of the role of PCO in the governance regime of SDAs is not sufficient. This may be attributable to the limited role of PCO in the day-to-day governance framework.

Finding 2: Deputy head as accounting officer

> **A more systematic approach is needed for the development, training and performance management of SDA deputy heads.**

We examined whether SDAs had adequate and effective support to enable a deputy head to appear before parliamentary committees and answer questions about their management responsibilities. The *Financial Administration Act* designates deputy ministers and deputy heads as accounting officers for their department, within the framework of ministerial responsibility. Deputy heads of SDAs are accountable before Parliament to answer questions related to their management responsibilities, which consist of the following:

- Ensuring that resources are organized to deliver departmental objectives in compliance with government policy and procedures;
- Ensuring that there are effective systems of internal control;
- Signing departmental accounts; and
- Performing other specific duties assigned by law or regulation in relation to administration of the department.

In this context, we examined whether deputy heads of SDAs had received sufficient training or guidance and appropriate performance management feedback on their management responsibilities to support them in their role as accounting officer. We also examined whether they were aware of the *Values and Ethics Code for the Public Service* to enable them to carry out operations in an ethical manner.

It is important that SDAs operate within the policies and good management practices established by government and that they do so in accordance with public sector values. Although independence is essential for many SDAs in delivering their mandate, their independence does not preclude them from managing in accordance with government-wide expectations for management and from being thereby accountable. It is also imperative that those charged as accounting officers understand the extent of their management responsibilities and the management framework of the Government of Canada. This includes knowledge of their key responsibilities within government-wide legislation and policies, and other sound management practices.

Stewardship of public resources is managed through delegated authorities.

Human resources (staffing) delegations are formally managed and appropriately directed from by the President of the Public Service Commission. Accountability in this respect is clearly and explicitly outlined.

Financial authorities need to be formally delegated by the portfolio ministers. For all SDAs, there are formal delegations related to the purchase of goods; for most SDAs, there are formal delegations related to the acquisition of services. However, at least one SDA, established in 2007, has not received contracting authority for services from the

appropriate portfolio minister. This makes the ability to conduct day-to-day operations challenging. Although central agencies are aware of this issue, more work needs to be done to resolve it within a reasonable period of time.

Most deputy heads of SDAs have not received sufficient training or guidance to support them in their role as accounting officer.

The majority of SDA deputy heads are recruited from outside the public service as Governor-in-Council appointees. They are generally recruited for their technical expertise or knowledge of the subject matter, rather than for their experience in public administration. SDA deputy heads are not subject to the mandatory training courses and exams that other government executives must take and pass, including training related to their financial delegations of authority. Many deputy heads expressed strong desire and commitment to acquire training related to their management responsibilities including an understanding of their role in Treasury Board policies; however, they also indicated that considerable effort and time is required to obtain sufficient knowledge in this area, and that this is inefficient. Although a deputy head orientation course and one-on-one deputy head briefings are available, neither of these learning opportunities are mandatory, and attendance was found to be irregular.

Furthermore, a deputy head's critical management roles and responsibilities are not addressed sufficiently by either the briefing sessions or the deputy head orientation package. This issue is of particular concern in view of the depth and breadth of these management responsibilities in the Government of Canada.

A working group was established by PCO to identify the learning needs of deputy heads of federal agencies. This was transferred to the Canada School of Public Service (CSPS) in 2009, which formalized terms of reference for the Heads of Federal Agencies Learning Advisory Committee. The purpose of this committee is to provide a forum to discuss the learning and development needs of the heads of federal agencies and how these needs can be met by the CSPS. The Learning Advisory Committee includes SDA deputy heads as representatives of the Community of Federal Agencies, as well as members from the CSPS and PCO. However, the Committee has only met once in 2010 due to challenges in getting the members together.

The management responsibilities of accounting officers that are answerable to parliamentary committees are largely under the responsibility of the Secretariat in its role of disseminating Treasury Board policies and monitoring departmental accounts and internal controls. The CSPS should therefore actively engage the Secretariat to take a leadership role in ensuring that a learning framework and resulting learning tools are established.

In the absence of training directed toward the management responsibilities of deputy heads, the Heads of Federal Agencies, a committee within the Community of Federal Agencies, has taken a proactive role in facilitating the sharing of knowledge with new deputy heads of SDAs. As noted earlier in this report, while this organization plays an important and valuable role, its involvement in the development of deputy heads and their teams should not be seen to replace central agency direction and leadership.

The Office of Public Sector Integrity Commissioner has developed "50 Good Questions" that a newly appointed deputy head should ask in order to better understand his or her role and the federal government context. This has been noted as helpful to new deputy heads, who may not be aware of the kinds of questions they should be asking. At the time of the audit, the Secretariat was planning to publish and disseminate across the SDA community *A Guide for Deputy Heads: Essential Information for Leading a Small Department or Agency* (fall of 2011). This guide addresses over 50 key questions covering the areas of financial and human resource management; performance, results and reporting; liaison with central agencies; and additional corporate and statutory responsibilities and information. The Secretariat plans to update the guide on a regular basis. This is noted as a positive step; however, more formal training still needs to be done.

SDA deputy heads are aware of the *Values and Ethics Code for the Public Service*.

The *Values and Ethics Code for the Public Service* is covered in the deputy head orientation package, as are the *Ethical Guidelines for Public Office Holders*. It is evident that deputy heads have adopted this code by their communication of its importance within their respective SDAs and by their efforts to compliment it by developing their own, more specific code of conduct.

The presence of a strong corporate services function, capable of supporting the deputy head as accounting officer, is of paramount importance.

Deputy heads, as accounting officers, must respect Treasury Board policies and government-wide legislation. The effective functioning of this responsibility is reinforced by the presence of a strong corporate service function. The role of a corporate services function is often multifunctional and, therefore, requires a breadth and depth of skills and capacity. The corporate services function can be in the form of one or several individuals and is often in the role of chief financial officer, who can provide the deputy head with valuable advice, technical knowledge, and insight. However, because of the small size of SDAs, there is a higher risk of turnover among corporate service employees that is, on

the one hand, too rapid because career progression is more limited than in larger departments and, on the other hand, insufficient, which can lead to isolation and lack of exposure to changing government directions and priorities. Support from the Secretariat to provide for succession planning in this functional community would help to mitigate the risk of inadequate corporate services functions in SDAs. In addition, attendance at information sharing events held by the Community of Federal Agencies helps to reduce the effects of isolation; as noted earlier in this report, this is critical.

Some SDAs have opted to purchase corporate services functions from other government departments to leverage from larger teams where the breadth of skills and the capacity required are easier to obtain and manage through turnover. This addresses most of the risks previously discussed. For SDAs that have chosen to use the service functions of another department, the need for a memorandum of understanding that includes a service level agreement and dispute resolution methods is considered good practice.

Without a strong corporate services function capable of guiding decision making, deputy heads can be exposed to unintentionally disregarding government-wide policy requirements. Indeed, some SDAs can have ineffective or non-existent control processes and fail to understand any of the flexibilities that help make their operating environment more efficient. Because the role of the corporate services function is multifunctional, the manager reporting to the deputy head must have experience and training in a breadth of management and leadership practices.

In some cases, the presence of a strong corporate services function to guide the transition of a newly appointed deputy head can mitigate the absence of effective training for deputy heads. However, the presence of an effective corporate services function should not replace the formal learning framework for deputy heads.

Processes for the individual performance management of deputy heads are used as a tool in support of performance pay, and not for constructive management and continuous improvement in the areas of leadership and management responsibilities.

While deputy heads are held accountable for the achievement of their mandates through various reporting requirements, the processes for assessing the individual performance of SDA deputy heads in their management responsibilities are not consistently in place. PCO has developed performance management guidelines for application to SDA deputy heads who are subject to performance pay. However, in most cases where SDA deputy heads are not entitled to performance pay, no formalized mechanism exists through which the deputy head is personally accountable for sound management. Although some SDAs such as quasi-judicial agencies require independence in the operations of their agency,

this principle does not apply to every aspect of the SDA's work, only to decisions made in a quasi-judicial capacity. Of the 48 SDAs included in the definition of an SDA for the *Policy on Internal Audit*, only 16 of these deputy heads are personally subject to a performance appraisal process.

In its role of disseminating Treasury Board policies across government, the Secretariat is responsible for monitoring the effectiveness of these policies in departments and agencies. This includes both the specific responsibilities of deputy heads and of the department in general. The Secretariat accomplishes this through Management Accountability Framework assessments, as well as through core control audits that are designed to assess the effectiveness of core controls over financial management to ensure they are conducted in a manner compliant with specified legislation, policies, and directives. The Secretariat and PCO should do more to provide feedback to deputy heads about their management responsibilities or enable them to self-assess by providing the appropriate tools with which to do so.

In some cases, deputy heads have taken it upon themselves to establish performance agreements and performance appraisal processes with their respective Board Chairs to proactively gain insight into expectations and their performance in relation to them. This indicates a strong commitment to leadership and accountability on the part of the deputy head and should be continued as a good practice. However, reliance on this commitment should not be considered a sufficient compensating measure.

The risk associated with insufficient performance management of SDA deputy heads cannot be overstated. As noted earlier, these individuals are often recruited from outside government, with limited knowledge of public administration. This reality, together with the lack of mandatory training and the depth and breadth of their role as accounting officer, must be borne in mind. The proactive and constructive management of performance is a critical control for ensuring that these individuals are adequately supported and equipped in the areas of leadership and public administration and, specifically, in their management responsibilities to support their role as accounting officer.

Recommendations

1. The Canada School of Public Service, through the Heads of Federal Agencies Learning Advisory Committee, should actively engage the Treasury Board of Canada Secretariat in developing an effective learning framework for newly appointed SDA deputy heads on the management responsibilities of an accounting officer.
2. The Treasury Board of Canada Secretariat, in consultation with the Community of Federal Agencies, should examine succession planning and training for the

corporate services functions reporting to deputy heads in SDAs to support the breadth of skills and leadership required.

Management Action Plans

The findings and recommendations of this audit were presented to each of the departments and agencies included in the scope of the audit. The Office of the Comptroller General has asked each department and agency that has received recommendations as a result of the audit to prepare detailed management action plans.

Appendix 1: SDAs and Other Departments and Agencies Included in the Audit Engagement

Small departments and agencies

- Assisted Human Reproduction Canada
- Canadian Artists and Producers Professional Relations Tribunal
- Human Rights Tribunal of Canada
- Canadian Transportation Agency
- National Battlefields Commission, The
- National Energy Board
- National Round Table on the Environment and the Economy
- Public Servants Disclosure Protection Tribunal Canada
- Registrar of the Supreme Court of Canada
- Transportation Safety Board of Canada
- Veterans Review and Appeal Board

Departments and agencies playing a central role

- Canada School of Public Service
- Treasury Board of Canada Secretariat
- Privy Council Office

Appendix 2: Objectives and Related Criteria

The objective of this audit was to determine whether the governance framework applicable to small departments and agencies (SDAs) is able to maintain sensitivity to

SDA mandates and independence, support the accountability of their deputy heads, and provide for the implementation of government objectives in accordance with public sector values.

Objectives	Criteria
Assessing the effectiveness of the following: • Overall governance regime as it relates to SDAs in the government-wide context. • Information sharing to enable SDAs to contribute to government-wide priorities.	• Expectations for SDAs within a portfolio are clearly articulated, including the desired outcomes of portfolio coordination consistent with each SDA's statutory mandate and degree of independence. • The role of key government stakeholders in the governance regime of the Government of Canada as it relates to SDAs is clearly communicated and respects SDA independence requirements. • Mechanisms are in place for SDAs to access and receive guidance from the Secretariat on key issues or concerns.
Examining the measures taken to support the deputy head in their role as accounting officer.	• SDAs have established a sound governance structure(s) that fosters prudent stewardship of public resources. • Responsibility, accountability and authority for sound management are formally delegated, and deputy heads of SDAs are held to account.

Appendix 3: Risk Ranking of Recommendations by Department and Agency

The following table presents the recommendations and assigns risk rankings of high, medium or low. Risk rankings were determined based on the relative priorities of the recommendations.

Recommendations	CSPS	Secretariat	Priority
1. The Canada School of Public Service, through the Heads of Federal Agencies Learning Advisory Committee, should actively engage the Treasury Board	A	N/A	High

of Canada Secretariat in developing an effective learning framework on the management responsibilities of an accounting officer for newly appointed SDA deputy heads.			
2. The Treasury Board of Canada Secretariat, in consultation with the Community of Federal Agencies, should examine succession planning and training for the corporate services functions reporting to deputy heads in SDAs to support the breadth of skills and leadership required.	N/A	A	High
Legend: A: Applicable N/A: Non-applicable CSPS: Canada School of Public Service Secretariat: Treasury Board of Canada Secretariat			

Appendix 4: Links to Applicable Policies, Directives, Guidance, and Other References

Sources of Audit Criteria

1. *Federal Accountability Act*
2. *Financial Administration Act*
3. *Guidelines for Portfolio Coordination: Management Accountability Framework Considerations and Overview of Practices*
4. Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*
5. Management Accountability Framework
6. *Policy on Financial Management Governance*
7. *Policy on Internal Audit* [5]
8. *Policy on Internal Control*
9. *Policy on Management, Resources and Results Structures*
10. *Values and Ethics Code for the Public Service*

Reference Material

1. *50 Good Questions*, Office of the Public Sector Integrity Commissioner of Canada

2. _2008 December Report of the Office of the Auditor General of Canada,_ Chapter 2—Governance of Small Federal Entities, Office of the Auditor General of Canada
3. _2008-2009 Annual Report,_ Office of the Public Sector Integrity Commissioner of Canada
4. _2009 March Status Report of the Auditor General of Canada,_ Chapter 2—Governor in Council Appointments Process, Office of the Auditor General of Canada
5. _2010–11 Report and Plans and Priorities,_ Section 1: Departmental Overview, Responsibilities, Treasury Board of Canada Secretariat
6. _Accountable Government: A Guide for Ministers and Ministers of State, 2011_
7. _Accounting Officers: Guidance on Roles, Responsibilities and Appearances before Parliamentary Committees 2007_
8. _Audit of the Governance and Strategic Directions,_ Canadian Heritage, Office of the Chief Audit and Evaluation Executive Audit and Assurance Directorate, March 2009
9. _Audit of the Treasury Board of Canada Secretariat Governance Framework,_ Treasury Board of Canada Secretariat
10. _Core Management Controls: A Guide for Internal Auditors_, Office of the Comptroller General, Internal Audit Sector, November 2007 - Draft (unpublished)
11. _Corporate Governance – King III Report,_ PricewaterhouseCoopers, September 2009
12. _Internal Control Management and Evaluation Tool,_ United States General Accounting Office, August 2001
13. Key Leadership Competencies,Treasury Board of Canada Secretariat
14. _Protocol for the Appearance of Accounting Officers as Witnesses before the Standing Committee on Public Accounts_
15. _Public Servants Disclosure Protection Act_
16. _Review of Governance: Service Delivery, Audit Report May 2010,_ Library and Archives Canada

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1. The Office of the Comptroller General has not undergone an external assessment at least once in the past five years of its internal audit activity to confirm its conformance with these standards.

2. Institute of Internal Auditors, _The Role of Auditing in Public Sector Governance_, 2006, p. 3.

3. A portfolio is a grouping of government entities under the responsibility of one minister.

4	The SDA community, as defined by the Community of Federal Agencies, is broader than that defined by the *Policy on Internal Audit*.
5	This audit was conducted according to the 2006 *Policy on Internal Audit*. This policy was amended as of April 1, 2012, changing the definition of what constitutes a small department with regards to the application of this policy.

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