



Spring 2019

Reports of the Auditor General of Canada to the Parliament of Canada

Independent Auditor's Report

REPORT 4

Oversight of Government of Canada Advertising



Office of the
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of Canada

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Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada under the authority of the *Auditor General Act*.

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- conclude against the established audit objectives, and
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Introduction

Background

Government advertising

4.1 The Government of Canada uses different communications tools, including advertising, to inform the public of its programs and services. Advertising is defined as communications that involve paid placement in media in Canada or abroad. Paid placement can take place in traditional media, such as newspapers, magazines, television, radio, cinema, or billboards, or in digital media, such as the Internet or social media platforms.

4.2 The 2016–17 fiscal year was the first year that the Government of Canada spent more on digital advertising than on television advertising. In the 2017–18 fiscal year, 55 government organizations spent a total of \$39.2 million on advertising. Most of it was spent on digital media, for which advertising costs are typically lower.

4.3 In 2016, for the first time, the Government of Canada defined non-partisan communications, which includes advertising, in the Policy on Communications and Federal Identity. It also put in place a process that requires that all advertising campaigns with a budget greater than \$500,000 be reviewed by an external organization, using a specific set of criteria, to ensure non-partisanship. The Treasury Board's policy and its Directive on the Management of Communications define non-partisan communications as follows:

- Objective, factual, and explanatory;
- Free from political party slogans, images, identifiers; bias; designation; or affiliation;
- The primary colour associated with the governing party is not used in a dominant way, unless an item is commonly depicted in that colour; and
- Advertising is devoid of any name, voice, or image of a minister, member of Parliament or senator.

4.4 Federal government organizations are responsible for ensuring that all their communications are non-partisan. However, only advertising undergoes reviews outside the organization to ensure that non-partisanship requirements are met.

4.5 Advertising campaigns with budgets greater than \$500,000 are reviewed by Ad Standards (formerly Advertising Standards Canada), while those with budgets less than \$500,000 are reviewed by Public Services and Procurement Canada.

4.6 When federal government organizations spend money to produce videos, graphics, or digital content, these communication products are not considered advertising unless the organizations pay for their placement in the media. These communications products do not need to be reviewed for partisanship outside the organizations. Exhibit 4.1 provides examples of the government’s advertising and other communications.

Exhibit 4.1 Government advertising involves paid placement, while other government communications do not

Examples of government advertising	Examples of other government communications
Paid ad placement on a third-party website Paid ad placement on social media Paid placement of a video on a third-party website Paid public notices Billboard on commercial land	All Government of Canada website content Free publication on social media accounts of government organizations Video on a government website Notices on a government website Billboard on a government building or Crown land Ministerial messages, events, or press conferences

Roles and responsibilities

4.7 **Treasury Board of Canada Secretariat.** The Secretariat is responsible for

- designing, implementing, and monitoring the Government of Canada’s external review process for non-partisanship in advertising campaigns with budgets greater than \$500,000; and
- monitoring compliance with the Treasury Board’s policy requirements, including those related to non-partisanship in advertising.

4.8 **Public Services and Procurement Canada.** The Department’s responsibilities for government advertising include

- facilitating the external review process between government organizations and Ad Standards for advertising campaigns with budgets greater than \$500,000;
- providing advisory services and technical advice related to the Government of Canada’s legislative and policy requirements for government advertising; and
- reviewing advertising campaigns for compliance with policy requirements for non-partisanship, the *Official Languages Act*, and the Federal Identity Program.

4.9 **Ad Standards.** External reviews of government advertising campaigns valued at more than \$500,000 are conducted by Ad Standards, a not-for-profit organization that administers the Canadian Code of

Advertising Standards and that has experience reviewing advertising against legislative and regulatory requirements.

4.10 **Government organizations.** Individual federal government departments and agencies are accountable for ensuring that all of their communications, including advertising, are non-partisan. They must submit their advertising campaigns for review to ensure compliance with non-partisanship requirements.

Focus of the audit

4.11 This audit focused on whether the Treasury Board of Canada Secretariat and Public Services and Procurement Canada provided adequate oversight to ensure that the Government of Canada was meeting its commitment to non-partisan advertising. In this context, adequate oversight meant that the review processes were designed, implemented, operated, and monitored to meet the federal government's own requirements.

4.12 This audit is important because the Government of Canada committed to ensuring that public funds are not used to pay for partisan advertising.

4.13 We did not examine the activities of individual government organizations in developing their advertising campaigns prior to submitting them for review. We did not audit Ad Standards. However, we accessed its files via the Treasury Board of Canada Secretariat, which oversees the Government of Canada contract with Ad Standards.

4.14 More details about the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this report (see pages 14–16).

Findings, Recommendations, and Responses

Overall message



4.15 Overall, in our view, the Government of Canada's oversight of advertising was not sufficiently robust to ensure that the Government of Canada was meeting its commitment that public funds were not to be spent on partisan advertising.

4.16 The decision to send government advertising for external review by an independent body is driven by a \$500,000 threshold established by the Treasury Board of Canada Secretariat. When the process was established, the threshold was based entirely on the value of a campaign, with no consideration of important risk factors such as a campaign's audience reach or topic. In our opinion, high-value campaigns do not necessarily represent a higher risk of partisanship than campaigns with a smaller budget, or than other types of government communications.

4.17 We also found little evidence that Public Services and Procurement Canada consistently and thoroughly reviewed all advertising campaigns with a budget of less than \$500,000 against all non-partisanship criteria. For example, we found no indication that reviewers requested information to confirm facts and statistics presented in campaigns.

4.18 The Treasury Board of Canada Secretariat did not monitor the quality of the reviews of government advertising conducted by Ad Standards. As a result, it may have missed opportunities to identify and rectify weaknesses in the oversight process that the government put in place to ensure that advertising paid for with public funds was non-partisan.

Designing the review process

Context

4.19 The Government of Canada committed to modernizing its communications to reflect the modern digital environment and to ban partisanship in advertising. In 2016, the Treasury Board updated the Policy on Communications and Federal Identity, and it issued the Directive on the Management of Communications. It also established a process by which high-value advertising campaigns had to be submitted for external review to ensure that they were non-partisan.

4.20 The Treasury Board of Canada Secretariat based its design of the advertising review process and selected criteria on an analysis of mechanisms and legislation in other jurisdictions to guide reviewers in their assessments. Also, on the basis of an analysis of government spending on advertising before 2016, the Secretariat established \$500,000 as the threshold for government advertising campaigns to undergo an external review to ensure non-partisanship.

The government's external review process was limited in scope

What we found

4.21 We found that the Treasury Board of Canada Secretariat's approach to requiring the external review of advertising campaigns considered only the cost of the campaigns. However, in our opinion, going forward, cost should not be the only risk factor used to determine whether a campaign should be subject to external review.

4.22 Our analysis supporting this finding presents what we examined and discusses the following topic:

- Threshold for sending campaigns for external review

Why this finding matters

4.23 This finding matters because an external review process that is too narrowly scoped may not effectively prevent partisan advertising campaigns paid for with public funds.

Recommendation

4.24 Our recommendation in this area of examination appears at paragraph 4.32.

Analysis to support this finding

4.25 **What we examined.** We examined how the Treasury Board of Canada Secretariat established the external review process, including how the \$500,000 threshold was determined, how the criteria were chosen, and how the process was implemented.

4.26 **Threshold for sending campaigns for external review.** We found that the Treasury Board of Canada Secretariat's analysis of government spending on advertising before 2016 showed that an advertising budget threshold of \$500,000 would capture approximately 90% of the government's annual advertising expenditures. Officials from the Treasury Board of Canada Secretariat were of the opinion that a dollar-based threshold was the most appropriate approach, because the underlying objective of the external review process was to prevent public funds from being spent on partisan advertising.

4.27 From the 2016–17 to the 2017–18 fiscal years, about 30 campaigns had budgets greater than \$500,000, and these represented 70% of government spending on advertising. These campaigns were subject to external review.

4.28 Given that the government is increasingly using digital advertising, which is typically less expensive than advertising through traditional media, there will likely be fewer high-value advertising campaigns in the future. This would mean that the number of campaigns subject to external review by Ad Standards would decrease.

4.29 In our opinion, using only a dollar-based threshold to determine which campaigns to send for external review may not be the most suitable way to determine whether an advertising campaign should be reviewed by Ad Standards.

4.30 We found that the dollar-based threshold could lead to inconsistencies in the review of government advertising. For example, two government organizations could each receive \$1.5 million to advertise for recruitment. One organization could decide to split its funding into two \$750,000 campaigns. Because of the \$500,000 threshold set to trigger an external review by Ad Standards, both campaigns would be reviewed. The second organization could take a different approach and decide to spread its funding over multiple advertising campaigns, with the value of each campaign falling below the \$500,000 threshold. In the case of this second government organization, no campaign would be subject to external review. In other words, both government organizations are spending the same amount of money, and both are running advertising campaigns on the same topic, with comparable risk for partisanship, yet only one is required to submit its advertising for external review.

4.31 Moreover, when the process was established, the Treasury Board of Canada Secretariat did not assess risks beyond cost to determine which campaigns should be sent for external review. These risks might include the following:

- **Potential audience reach.** With the Government of Canada's move to a digital-first approach to communications and advertising, government organizations are responsible for using digital media and platforms as the primary means to connect and interact with the public. Digital media typically offer a less expensive way to broadcast content that is tailored to specific audience segments. Audience members can then rebroadcast by sharing with others, which can provide significant reach, and potentially as much impact as other media.
- **Advertising subject matter.** The topic of the advertisement is not considered in the decision to send campaigns for external review. For example, a campaign related to the importance of handwashing would likely not be considered to have a high risk for partisanship; however, it may be costly enough to trigger an external review. Conversely, a campaign on an issue that might be more politically sensitive, such as climate change, could avoid the external review process if its budget totalled less than \$500,000.

4.32 **Recommendation.** The Treasury Board of Canada Secretariat should consider a risk-based approach to identify which advertising campaigns have a higher risk for partisanship and should be sent for external review. The approach should consider factors such as timing, audience reach, subject matter, and cost.

The Secretariat's response. Agreed. As part of the threshold review already under way in response to the Standing Committee on Government Operations and Estimates, the Treasury Board of Canada Secretariat will complete an analysis of other factors by May 2019 and modify the current requirements for mandatory external reviews by September 2019.

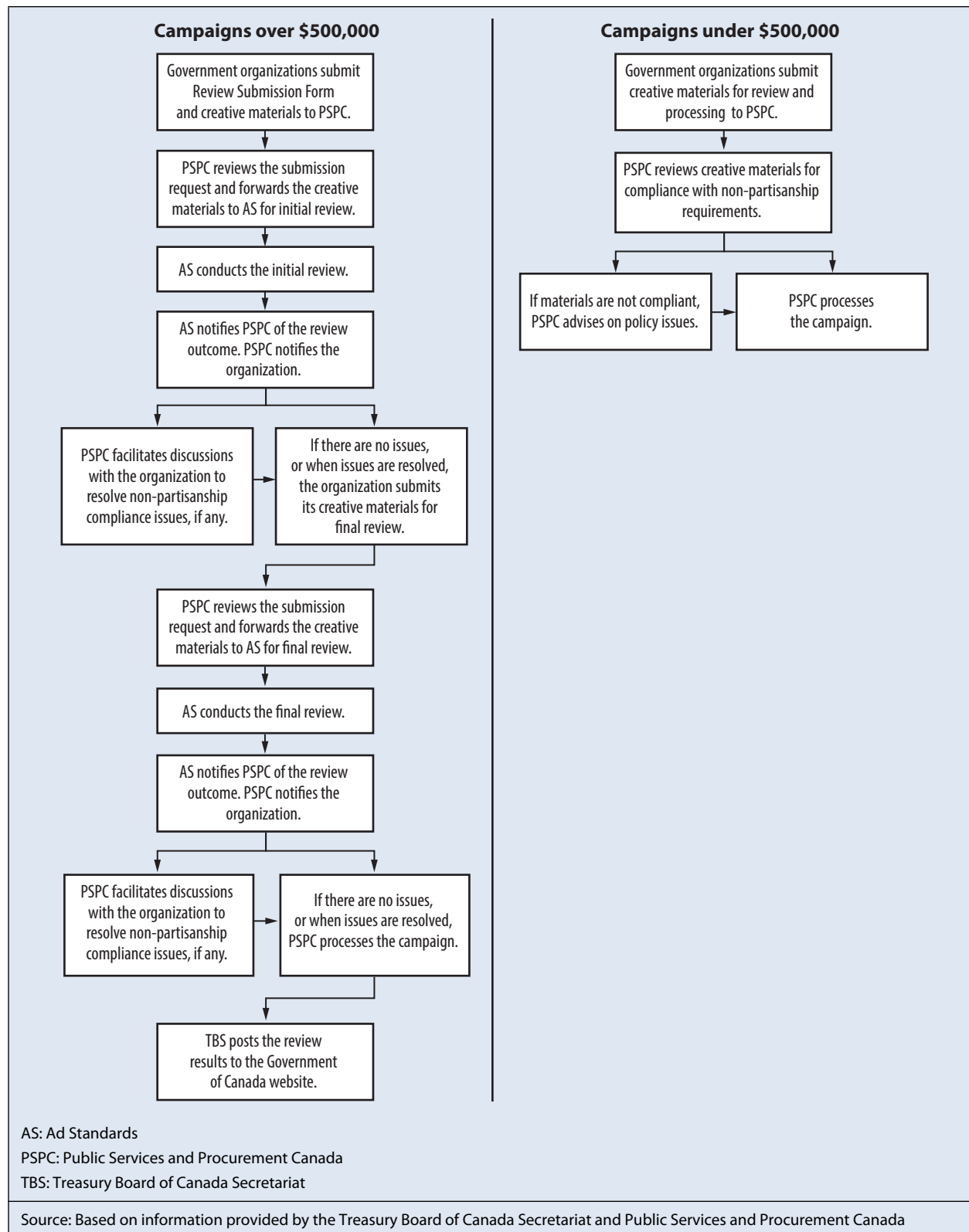
Conducting reviews

Context

4.33 Public Services and Procurement Canada coordinates the external partisanship review process for Government of Canada advertising campaigns with budgets greater than \$500,000. The Department also conducts reviews of government advertising campaigns with budgets less than \$500,000. The review process is described in Exhibit 4.2.

4.34 An advertising campaign can be composed of multiple creative elements featured in print and on social media, websites, television, billboards, and radio.

Exhibit 4.2 The partisanship review process for Government of Canada advertising



4.35 The Policy on Communications and Federal Identity outlines non-partisanship requirements that apply to all communications, including advertising. Also, the Treasury Board of Canada Secretariat defined one additional requirement and specific criteria to be used by Ad Standards in the external review of government advertising campaigns for partisanship (Exhibit 4.3).

Exhibit 4.3 The Treasury Board of Canada Secretariat established the criteria that Ad Standards must use in its review of advertising

Non-partisanship requirements for advertising	Related criteria ¹
Objective, factual and explanatory ²	<ul style="list-style-type: none"> • Presents information objectively, in tone and content, with facts expressed clearly and accurately, using neutral language. • If requested, reliable and verifiable information and/or data are provided to support the advertising message(s).
Free from political party slogans, images and identifiers ²	<ul style="list-style-type: none"> • Examples include, but are not limited to, slogans used on political materials, websites and social media accounts (URLs, links, #Hashtags), references, or publications.
Free from political party bias or affiliation ²	<ul style="list-style-type: none"> • Neutral. • Messages must not be self-congratulatory. • Messages must not give the general impression or appear to promote political party interests (taking into consideration, among other matters, the timing of the message, the audience to which it is aimed, and the overall environment in which the message will be communicated).
Advertising is devoid of any name, voice or image of a minister, member of Parliament or Senator ²	<ul style="list-style-type: none"> • This extends to terms such as Prime Minister, Minister, Senator, Member of Parliament, or officer of the Government of Canada whether in Canada or abroad.
The primary colour associated with the governing party is not used in a dominant way, unless an item is commonly depicted in that colour ²	<ul style="list-style-type: none"> • The colour of the governing party must not be used in a dominant way. • Does not apply to: <ul style="list-style-type: none"> • Items that are commonly depicted in the colour of the governing party (e.g., RCMP Red Serge); • Branding of the word “Canada” in communications products and activities for events and celebrations; • Crown assets.
Ensuring that initiatives that require parliamentary approval or trade agreements that require ratification are not advertised until such approval has been received ¹	<ul style="list-style-type: none"> • Any policy, program, service or initiative that requires approval from Parliament, provincial/territorial governments, or some other authority before being implemented must not be advertised until approval is complete (e.g., legislation would require royal assent). • Trade agreements must be ratified before they are advertised. Departments must provide supporting documentation to Advertising Standards Canada upon request.
<p>¹ Additional requirement and criteria established by the Treasury Board of Canada Secretariat for Ad Standards reviews</p> <p>² Requirements that apply to all communications, including advertising</p> <p>Source: Based on “Criteria for non-partisan communications,” Treasury Board of Canada Secretariat</p>	

There was little assurance that government advertising reviews were thorough

What we found

4.36 We found little evidence to demonstrate that reviewers from Public Services and Procurement Canada and from Ad Standards thoroughly applied the Treasury Board of Canada Secretariat's criteria when they reviewed advertising campaigns. As a result, there was little assurance that reviews for non-partisanship in advertising were thorough and effective, and there was a risk that the reviews would not identify situations in which public funds were spent on partisan advertising.

4.37 Our analysis supporting this finding presents what we examined and discusses the following topics:

- External reviews of campaigns over \$500,000
- Two-step review process
- Reviews of campaigns under \$500,000

Why this finding matters

4.38 This finding matters because in order to identify partisan advertising, reviews must be conducted effectively, and documentation should be prepared by the reviewers to show that all assessment criteria have been considered.

Recommendations

4.39 Our recommendations in this area of examination appear at paragraphs 4.43, 4.46, and 4.51.

Analysis to support this finding

4.40 **What we examined.** We examined a sample of 23 files for advertising campaigns with budgets over and under \$500,000 provided by the Treasury Board of Canada Secretariat and Public Services and Procurement Canada to determine whether non-partisanship criteria were thoroughly applied in the reviews that were conducted.

4.41 **External reviews of campaigns over \$500,000.** We found that Public Services and Procurement Canada facilitated the review process between government organizations and Ad Standards. For example, it transmitted creative materials submitted by government organizations to Ad Standards for review, and it informed the organizations of any issues identified in the reviews.

4.42 Ad Standards conducted more than 1,800 reviews of creative materials between May 2016 and July 2018. This number included initial and final reviews. In the campaign files we reviewed, we found little evidence of the analysis conducted to support the assessments of the advertisements. For example, in the files that presented factual statements and statistics, we found that Ad Standards did not request information or data to support the advertising messages.

4.43 **Recommendation.** The Treasury Board of Canada Secretariat should ensure that Ad Standards documents the rationale for its assessments of government advertising campaigns against all non-partisanship review criteria.

The Secretariat's response. Agreed. The Treasury Board of Canada Secretariat has already begun to establish a process for Ad Standards to better document the rationale used when determining whether advertising meets or does not meet the review criteria. This process will be in place by June 2019.

4.44 **Two-step review process.** The review process for government advertisements worth more than \$500,000 takes place in two steps. This process is meant to allow changes before significant investments are made to the development of creative materials for advertising.

- First, the government organization planning the campaign sends its creative materials to Public Services and Procurement Canada, which forwards them to Ad Standards for an initial review. The government organization is then notified of the initial review outcomes.
- Second, the government organization submits its creative materials for final review by Ad Standards when there are no partisanship compliance issues identified at initial review, or when any issues have been resolved.

4.45 In our sample, we found that in most cases (80%), final reviews of creative materials for advertising campaigns valued at more than \$500,000 were conducted shortly after initial reviews—sometimes within hours or a few days after the initial review. This meant that most creative materials were almost in final form when they were sent for the initial review. In cases involving high production costs, such as video advertisements, this approach undermines the objective of conducting the initial review at a time when modifying creative materials would be less costly. In cases of lower production costs, such as digital advertising, a two-step process may add little value.

4.46 **Recommendation.** The Treasury Board of Canada Secretariat should assess the appropriateness and application of the two-step process to ensure that it is effective and meets its intended purpose.

The Secretariat's response. Agreed. The Treasury Board of Canada Secretariat will conduct an analysis of the current two-stage process to ensure that it is achieving the intended results. Modifications will be made as required by September 2019.

4.47 **Reviews of campaigns under \$500,000.** Public Services and Procurement Canada was responsible for reviewing campaigns with budgets below \$500,000 for compliance with non-partisanship requirements.

4.48 We found that the Department provided no guidance to its communications advisors (for example, through manuals or training) on how to conduct reviews, including what criteria to apply and how to apply them, or on the requirement to document their analysis. In our view, this lack of guidance could lead to inconsistencies in how different communications advisors interpret and apply government advertising review criteria.

4.49 There was also little evidence that the Department reviewed all advertising campaigns against all non-partisanship criteria in a consistent and thorough manner. For example, we found no cases in which communications advisors asked government organizations for supporting documentation with their campaigns to show that statements made in advertisements were factual. As a result, we could not assess how reviews were conducted or whether all reviews were completed.

4.50 Given these issues, there was little assurance that Public Services and Procurement Canada's reviews of government advertising campaigns valued at less than \$500,000 were sufficient to avoid partisanship.

4.51 **Recommendation.** Public Services and Procurement Canada should provide clear guidance and training to its communications advisors on how to conduct their reviews, including documenting the rationale for their assessments of all non-partisanship criteria.

The Department's response. Agreed. Public Services and Procurement Canada will create/update training materials and checklists for advisors to ensure that all legislative and policy requirements related to Government of Canada advertising (including non-partisanship, federal identity program, and official languages) are applied in a consistent and complete fashion. This is expected to be completed by December 2019.

Monitoring reviews

The Treasury Board of Canada Secretariat did not do enough to monitor the government advertising external review process to ensure it was effective

What we found

4.52 We found that the Treasury Board of Canada Secretariat did not monitor the quality of the reviews of government advertising conducted by Ad Standards. As a result, it may have missed opportunities to identify and rectify weaknesses in the oversight process that the government put in place to ensure that advertising paid for with public funds was non-partisan.

4.53 Our analysis supporting this finding presents what we examined and discusses the following topics:

- Monitoring reviews of campaigns
- Public complaints process

Why this finding matters

4.54 This finding matters because adequate monitoring would allow the Treasury Board of Canada Secretariat to ensure that the external review process met the government's objective of preventing partisan advertising paid for with public funds.

Recommendations

4.55 Our recommendations in this area of examination appear at paragraphs 4.59 and 4.62.

Analysis to support this finding

4.56 **What we examined.** We examined whether the Treasury Board of Canada Secretariat monitored the effectiveness of the external review process in meeting its objective to ban partisan advertising.

4.57 **Monitoring reviews of campaigns.** The Treasury Board of Canada Secretariat is responsible for overseeing external reviews of government advertising by Ad Standards. We found that in July 2018, the Secretariat started monitoring whether the steps in the external review process were followed by Ad Standards and Public Services and Procurement Canada. For example, it looked at whether Ad Standards met the timeline for completing reviews and whether the forms were signed. However, we found that the Secretariat did not assess whether Ad Standards conducted thorough reviews.

4.58 As a result, the Treasury Board of Canada Secretariat could not demonstrate that it had ensured that Ad Standards had consistently and thoroughly applied all review criteria to all government advertising campaigns that it reviewed. This meant that the Secretariat could not be assured that the review process was effective in identifying and preventing partisan advertising.

4.59 **Recommendation.** The Treasury Board of Canada Secretariat should improve its monitoring of reviews of government advertising campaigns. The Secretariat should monitor whether Ad Standards is thoroughly and consistently applying all non-partisanship advertising review criteria in its reviews. The Secretariat should provide guidance on the interpretation and application of criteria on the basis of the findings of its monitoring activities.

The Secretariat's response. Agreed. The Treasury Board of Canada Secretariat will enhance its internal monitoring process by establishing methodology that will assess Ad Standards' application of the review criteria. The Treasury Board of Canada Secretariat will develop necessary guidance to ensure Ad Standards consistently applies all criteria. This will be completed by September 2019.

4.60 **Public complaints process.** According to officials from the Treasury Board of Canada Secretariat, Ad Standards received 56 complaints about Government of Canada advertisements

from 2013 to 2016. Sixteen complaints were deemed unfounded. The remaining 40 complaints were about one specific Government of Canada advertisement. Of the 40 complaints, 22 were upheld because the advertisement contravened clause 1, Accuracy and Clarity, of the Canadian Code of Advertising Standards. The remaining 18 complaints were not pursued, because the advertisement was no longer airing and the Government of Canada confirmed that it would not be aired in the same form in the future.

4.61 With the establishment of the external review process, the Treasury Board of Canada Secretariat put in place procedures to receive and respond to complaints from the public related to partisanship in government advertising. We found that this public complaints process was not independent. According to the procedures put in place by the Secretariat, if Public Services and Procurement Canada or Ad Standards received a complaint about partisanship in Government of Canada advertising, the government organization responsible for the advertisement would handle and respond to the complaint. For campaigns that had been reviewed by Ad Standards, the government organization would consult with Ad Standards. In our view, the fact that government organizations would handle and respond to complaints about partisanship in their own campaigns, and that Ad Standards would be involved in some cases, could lead to a perception that the complaint was not considered in an objective manner. Officials from the Treasury Board of Canada Secretariat and Public Services and Procurement Canada told us that they were not aware of any complaints related to advertising being considered partisan during our audit period.

4.62 **Recommendation.** The Treasury Board of Canada Secretariat should ensure that there is an independent and objective process to receive, review, and respond to public complaints about partisanship in government advertising.

The Secretariat's response. Agreed. While the Treasury Board of Canada Secretariat has not received any public complaints during the audit period, it will look at options, including the feasibility, for establishing an independent review process to address any future complaints about partisanship in government advertising. An assessment of options will be completed by December 2019.

Conclusion

4.63 We concluded that the Treasury Board of Canada Secretariat and Public Services and Procurement Canada's oversight was not sufficient to ensure that the commitment of non-partisan advertising was met. As a result, there was a risk that the advertising review process would not identify and prevent partisanship in government advertising.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on the oversight of Government of Canada advertising. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs, and to conclude on whether the oversight of Government of Canada advertising complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard for Assurance Engagements (CSAE) 3001—Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office applies Canadian Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we have complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit;
- acknowledgement of the suitability of the criteria used in the audit;
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided; and
- confirmation that the audit report is factually accurate.

Audit objective

The objective of this audit was to determine whether the Treasury Board of Canada Secretariat and Public Services and Procurement Canada provided adequate oversight to ensure that the Government of Canada was meeting its commitment of non-partisan advertising. In this context, adequate oversight meant that the review processes were designed, implemented, operated, and monitored to meet the federal government's own requirements.

Scope and approach

The audit focused on the advertising review processes put in place as part of the Government of Canada's commitment to ban partisanship in all government advertising.

The Directive on the Management of Communications requires that Government of Canada organizations comply with the external oversight mechanism for non-partisan advertising. Advertising campaigns with budgets greater than \$500,000 are required to undergo a mandatory

non-partisan review. The reviews are conducted by Ad Standards (formerly Advertising Standards Canada), a not-for-profit organization that administers the Canadian Code of Advertising Standards. Ad Standards is composed of Canadian advertising industry professionals. Advertising campaigns with budgets less than \$500,000 are reviewed for policy compliance by Public Services and Procurement Canada.

The audit examined whether the review processes were adequately designed, implemented, operated, and monitored to ensure non-partisan government advertising. We conducted audit work within the Treasury Board of Canada Secretariat and Public Services and Procurement Canada. This work included interviews with officials, documentation and file review, and data analysis.

We interviewed officials at the Treasury Board of Canada Secretariat and Public Services and Procurement Canada responsible for decisions related to process design, implementation, operation, and monitoring. We met with representatives from Ad Standards and Public Services and Procurement Canada communications advisors who conducted reviews of government organizations' creative materials for advertising. We examined data housed in Public Services and Procurement Canada's Advertising Management Information System (AdMIS) from 11 May 2016 to 30 June 2018. We also completed a file review for a sample of advertising campaigns above and below \$500,000. The files were selected on the basis of our evaluation of risk, which incorporated issues related to subject matter and timing.

The audit scope did not include an examination of activities by government organizations to ensure compliance with the Policy on Communications and Federal Identity and the Directive on the Management of Communications. In addition, we did not audit the activities of Ad Standards.

Criteria

Criteria	Sources
To determine whether the Treasury Board of Canada Secretariat and Public Services and Procurement Canada provided adequate oversight to ensure that the Government of Canada was meeting its commitment of non-partisan advertising, we used the following criteria:	
The Treasury Board of Canada Secretariat has designed and implemented an appropriate review process to ensure non-partisanship in advertising.	<ul style="list-style-type: none"> • Terms of Reference: Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada, Treasury Board of Canada Secretariat • Policy on Communications and Federal Identity, Treasury Board • Directive on the Management of Communications, Treasury Board • Framework for the Management of Compliance, Treasury Board
Public Services and Procurement Canada facilitates the review process between government organizations and Ad Standards.	<ul style="list-style-type: none"> • Terms of Reference: Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada, Treasury Board of Canada Secretariat

Criteria	Sources
To determine whether the Treasury Board of Canada Secretariat and Public Services and Procurement Canada provided adequate oversight to ensure that the Government of Canada was meeting its commitment of non-partisan advertising, we used the following criteria: (continued)	
Public Services and Procurement Canada reviews creative materials to ensure that they comply with the non-partisanship requirements under the Policy on Communications and Federal Identity and the Directive on the Management of Communications.	<ul style="list-style-type: none"> • Directive on the Management of Communications, Treasury Board • “How it Works,” Public Services and Procurement Canada, https://www.tpsgc-pwgsc.gc.ca/pub-adv/roles-eng.html • Policy on Communications and Federal Identity, Treasury Board
The Treasury Board of Canada Secretariat monitors the effectiveness of the oversight mechanism and related processes, and it recommends adjustments, as required.	<ul style="list-style-type: none"> • Terms of Reference: Advertising Standards Canada Review of Non-Partisan Advertising for the Government of Canada, Treasury Board of Canada Secretariat
The Treasury Board of Canada Secretariat monitors compliance with the requirements for non-partisanship under the Policy on Communications and Federal Identity and the Directive on the Management of Communications as they apply to advertising.	<ul style="list-style-type: none"> • Framework for the Management of Compliance, Treasury Board • Directive on the Management of Communications, Treasury Board • Policy on Communications and Federal Identity, Treasury Board

Period covered by the audit

The audit covered the period between October 2015 and July 2018. This is the period to which the audit conclusion applies. Statistics presented in the audit report covered the period from 11 May 2016 to 30 June 2018 unless otherwise specified.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 8 March 2019, in Ottawa, Canada.

Audit team

Principal: Michelle Salvail
 Director: Colette Montpetit

Véronique Dupuis
 Karine Ethier

List of Recommendations

The following table lists the recommendations and responses found in this report. The paragraph number preceding the recommendation indicates the location of the recommendation in the report, and the numbers in parentheses indicate the location of the related discussion.

Recommendation	Response
<p>Designing the review process</p>	
<p>4.32 The Treasury Board of Canada Secretariat should consider a risk-based approach to identify which advertising campaigns have a higher risk for partisanship and should be sent for external review. The approach should consider factors such as timing, audience reach, subject matter, and cost. (4.26–4.31)</p>	<p>The Secretariat’s response. Agreed. As part of the threshold review already under way in response to the Standing Committee on Government Operations and Estimates, the Treasury Board of Canada Secretariat will complete an analysis of other factors by May 2019 and modify the current requirements for mandatory external reviews by September 2019.</p>
<p>Conducting reviews</p>	
<p>4.43 The Treasury Board of Canada Secretariat should ensure that Ad Standards documents the rationale for its assessments of government advertising campaigns against all non-partisanship review criteria. (4.41–4.42)</p>	<p>The Secretariat’s response. Agreed. The Treasury Board of Canada Secretariat has already begun to establish a process for Ad Standards to better document the rationale used when determining whether advertising meets or does not meet the review criteria. This process will be in place by June 2019.</p>
<p>4.46 The Treasury Board of Canada Secretariat should assess the appropriateness and application of the two-step process to ensure that it is effective and meets its intended purpose. (4.44–4.45)</p>	<p>The Secretariat’s response. Agreed. The Treasury Board of Canada Secretariat will conduct an analysis of the current two-stage process to ensure that it is achieving the intended results. Modifications will be made as required by September 2019.</p>
<p>4.51 Public Services and Procurement Canada should provide clear guidance and training to its communications advisors on how to conduct their reviews, including documenting the rationale for their assessments of all non-partisanship criteria. (4.47–4.50)</p>	<p>The Department’s response. Agreed. Public Services and Procurement Canada will create/update training materials and checklists for advisors to ensure that all legislative and policy requirements related to Government of Canada advertising (including non-partisanship, federal identity program, and official languages) are applied in a consistent and complete fashion. This is expected to be completed by December 2019.</p>

Recommendation	Response
<p>Monitoring reviews</p> <p>4.59 The Treasury Board of Canada Secretariat should improve its monitoring of reviews of government advertising campaigns. The Secretariat should monitor whether Ad Standards is thoroughly and consistently applying all non-partisanship advertising review criteria in its reviews. The Secretariat should provide guidance on the interpretation and application of criteria on the basis of the findings of its monitoring activities. (4.57–4.58)</p> <p>4.62 The Treasury Board of Canada Secretariat should ensure that there is an independent and objective process to receive, review, and respond to public complaints about partisanship in government advertising. (4.60–4.61)</p>	<p>The Secretariat’s response. Agreed. The Treasury Board of Canada Secretariat will enhance its internal monitoring process by establishing methodology that will assess Ad Standards’ application of the review criteria. The Treasury Board of Canada Secretariat will develop necessary guidance to ensure Ad Standards consistently applies all criteria. This will be completed by September 2019.</p> <p>The Secretariat’s response. Agreed. While the Treasury Board of Canada Secretariat has not received any public complaints during the audit period, it will look at options, including the feasibility, for establishing an independent review process to address any future complaints about partisanship in government advertising. An assessment of options will be completed by December 2019.</p>

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Report of the Auditor General of Canada to the Board of Directors of Marine Atlantic Inc.,
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Report of the Joint Auditors to the Board of Directors of the Canada Post Corporation,
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Report of the Auditor General of Canada to the Board of Trustees of the National Museum of Science and Technology,
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