



RAPPORT ANNUEL

2011



CCAF-FCVI^{INC.}

2012

ANNUAL REPORT

MESSAGE FROM THE CHAIR



STRONG AND EFFECTIVE GOVERNANCE is crucial to the success of any organization - and indeed has been a cornerstone of CCAF's sustainability for over thirty years. Early in 2011-12, the Board of Governors approved a new [strategic plan for 2011-14](#). I am delighted to have the opportunity to chair the Board of Governors' oversight of the Foundation's delivery of this plan for the benefit of our members and stakeholders.

One important aspect of this strategic plan is the continual strengthening of CCAF's governance, an area where the Foundation made significant strides in 2011-12.

First, we are fortunate on the Board to have been joined by two new governors appointed in December 2011: **Brian Bost**, *Partner, Risk Consulting, KPMG LLP*; and **Jocelyne Therrien**, *Senior Principal, Parliamentary and International Relations, Office of the Auditor General of Canada*. Each of these professionals brings excellent credentials and experience to our Board. I also acknowledge the strong contributions

of **John Wiersema** and **Robert Wener**, who retired from the Board during the period covered by this report.

Second, the Board has reconstituted its oversight committee structure and membership. In addition to renewing the membership of the [Governance Committee](#), we have expanded the mandate of the Audit Committee (now called the [Audit & Finance Committee](#)) to include the important task of overseeing the Foundation's risk management strategy and working with management to diversify and secure sustainable funding.

Looking ahead to 2012-13, to continue under Canada's new legislation for not-for-profit organizations, the *Canada Not-for-profit Corporations Act*, CCAF has begun its review of its current letters patent and by-laws to meet the 2014 deadline. This provides an excellent opportunity, as contemplated in our strategic plan, to continue to consider and strengthen CCAF's governance structures and processes.

RENEWED LEADERSHIP is another important element to support the new strategic plan. In mid-2011, the Foundation recruited a new President & CEO, **Paul Lohnes**, to lead and manage the Foundation's operations. The Board and I have already seen in Paul's leadership remarkable passion for the Foundation's mission and vision. His inspired leadership and diligent management will serve us well in the coming years.

STRONG SUPPORT FOR THE CCAF INTERNATIONAL PROGRAM has been demonstrated by acceptance by the Canadian International Development Agency (CIDA) of CCAF's proposal for a new International Legislative Oversight Program (ILOP). This will ensure the Foundation can continue its international activities for another five-year period to 2017 on a scale similar to the very successful ILOP that is wrapping up in the fall of 2012.

CAPACITY BUILDING IN PERFORMANCE AUDIT AND OVERSIGHT OF GOVERNMENT are the two product and service areas of focus in our strategic plan, for both domestic and international operations. To provide oversight of these lines of business, the Board has constituted a [National Capacity Building Committee](#) and, for our international operations, an [International Capacity Building Committee](#).

ALL IN ALL, 2011-12 WAS AN IMPORTANT TRANSITIONAL YEAR FOR CCAF, one that had some turbulence and unique challenges. The Board and I are pleased to see the Foundation moving forward with a renewed sense of momentum and energy to meet the goals of its 2011-14 strategic plan, paving the way to achieve CCAF's new vision and mission. I acknowledge the contributions of Vice-Chair **Phil Howell** and each of my other Board colleagues to the Foundation's forward momentum.



CHARLES-ANTOINE ST-JEAN, FCA

Chair, Board of Governors

2011
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MESSAGE FROM THE PRESIDENT & CEO



Since joining CCAF in August 2011, I have participated in all facets of the Foundation's domestic and international operations, including performance audit training offerings, orientations for public accounts committees, and capacity building conferences. Working closely with our Board and advisory groups, I have had opportunities to meet and pursue discussions with our stakeholders. I am struck by the important and unique role CCAF continues to play for its stakeholder communities and by how much such a small organization can accomplish by collaborating with so many strategic partners in Canada and abroad.

As reported by the Chair, **CCAF'S INTERNATIONAL LEGISLATIVE OVERSIGHT PROGRAM (ILOP)** has received renewed support from the Canadian International Development Agency. CCAF had submitted a proposal to CIDA in early 2011. This was a team effort: the experienced leadership of **Yves Gauthier**, who directs our international activities; the inspiration and dedication of the late **Ron Thompson**; and the hard work of **Caroline Jorgensen** and our staff and associates. We were delighted with CIDA's announcement in December 2011, committing \$8.8 million over the next five years for CCAF and its program partners to continue capacity building and support to legislative auditors and oversight committees. Our newly focused program will see us working with supreme audit institutions (SAIs) in four emerging nations and their regions over the next five years, bringing them the high quality capacity development support for which CCAF has been renowned since 1980. We have been negotiating the specifics of the new 2012-2017 Program with CIDA and will have it in place by the time this report is released to our members. In the meantime, we have been putting the finishing touches on the completion of an immensely successful five-year program that wraps up in the fall of 2012.

A COMPETENCY FRAMEWORK FOR PERFORMANCE AUDITORS was another important milestone achieved in 2011-12. We developed this Framework in partnership with the Office of the Auditor General of British Columbia. It is the underpinning of CCAF's educational program and of that Office's *Audit Learning Network*.

A STRONG BASE OF ADVISORS TO MANAGEMENT: Coinciding with the Board reconstituting its committees, management renewed the membership of its existing advisory groups, Oversight and International, and struck a new one, the Performance Audit Capacity Building Group. These advisory bodies, comprised of professionals from our principal stakeholder communities, are an important source of counsel to management to ensure that the support we deliver is always responsive to the needs of the audit community and oversight groups.

STRENGTHENING AND CONTINUOUSLY IMPROVING OUR INTERNAL MANAGEMENT PRACTICES: At CCAF, we do not take it for granted that we are doing everything perfectly—we continuously strive to get better at what we do. An external review commissioned and completed in 2011 has provided a valuable perspective to us to continuously improve management and governance practices.

OUR PEOPLE

Our human resources are our strongest asset and one of our greatest risks. I have commented above on the strength of our international team.

In 2012-13, we have taken an additional essential step to strengthen in-house human resources capacity, with due regard to funding challenges and the current climate of fiscal restraint. In July 2012 we welcomed **John Reed** as **PERFORMANCE AUDIT LEADER** through an executive interchange agreement with the Office of the Auditor General of Canada, where John has been a Principal since 1996. A seasoned professional, John is leading the implementation of our strategic goal to develop and maintain a centre of expertise in performance audit.

John assumes the leadership of performance audit from **Nicole Wieczorek**, who has done double duty for several years leading both this function and those of finance and operations. Thanks to the tireless efforts of Nicole and our associates, John has a strong foundation on which to move forward. Continuing to lead operations and be our CFO, Nicole has expanded responsibilities for **COMMUNICATIONS AND STAKEHOLDER RELATIONS**, where her long service and institutional memory are extremely valuable to the team.

We continue to work with our **IMPRESSIVE ROSTER OF ASSOCIATES** and are identifying and contracting with new ones to continuously add expertise to our capacity building activities in both performance audit and oversight. I particularly commend the important contributions of associates **Lee McCormack**, as a member of our International Program renewal team, **Michael McLaughlin**, and **Bill Rafuse** to our **PERFORMANCE AUDIT** training development and delivery in Canada and abroad, and to **Geoff Dubrow** for his support and expertise in our work with **OVERSIGHT** with public accounts committees in Canada and abroad. The Foundation continues to be supported by the excellent **TRANSLATION SERVICES** of **Nicole Plamondon**, whose knowledge and understanding of CCAF's business adds value to what we publish.

On balance, 2011-12 was **A CHALLENGING TRANSITIONAL YEAR** in many respects, not the least of which was the untimely passing of former Chair **Ron Thompson** in July 2011. The important steps we have taken, and continue to take, to strengthen management and governance, while continuing to deliver high-caliber products and services to our stakeholders, are achievements of which we can be proud and which have created momentum for a fulfilling future. The commitment and support of Chair **Charles-Antoine St-Jean** and that of all of our Governors to the Foundation and to me has been particularly gratifying.



PAUL LOHNES, CA

President and Chief Executive Officer

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CCAF'S STRATEGIC FRAMEWORK

2011-2014

MISSION AND VISION

MISSION

We foster confidence in the public sector by promoting effective performance audit and oversight of government operations. To support this, we provide education, research and capacity development for public sector auditors and oversight committees, helping them to work with other public officials for accountable government.

VISION

We are recognized for leadership, expertise and innovation in support of performance audit and oversight of government operations. Our products and services are widely respected, referenced and applied by auditors, legislators and other public officials in Canada and abroad.

STRATEGIC GOALS AND PLANNED RESULTS AREAS

STRATEGIC GOAL #1 – PERFORMANCE AUDIT

DEVELOP AND MAINTAIN A CENTRE OF EXPERTISE TO SUPPORT THE STRENGTHENING OF PERFORMANCE AUDIT CAPACITY

STRATEGIC GOAL #2 – OVERSIGHT

SUPPORT PUBLIC ACCOUNTS COMMITTEES AND OTHER INSTRUMENTS OF OVERSIGHT IN SCRUTINIZING THE MANAGEMENT OF PUBLIC FUNDS

STRATEGIC GOAL #3 – INTERNATIONAL

SUPPORT CANADIAN AND INTERNATIONAL EFFORTS TO STRENGTHEN THE CAPACITY OF SAIS AND RELATED PARLIAMENTARY OVERSIGHT IN SELECTED DEVELOPING COUNTRIES AND REGIONS.

STRATEGIC GOAL #4 – CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

ATTAIN MULTI-YEAR SUSTAINABLE FUNDING, EFFECTIVELY RESPOND TO STAKEHOLDER NEEDS, AND CONTINUOUSLY STRENGTHEN GOVERNANCE, MANAGEMENT PRACTICES AND ACCOUNTABILITY

CCAF-FCVI BOARD OF GOVERNORS

AS OF MARCH 31, 2012



CHAIR

CHARLES-ANTOINE ST-JEAN, FCA

*Partner, National Public Sector Leader
Ernst & Young, LLP*



KEVIN DANCEY, FCA

*President and CEO
Canadian Institute of Chartered Accountants*



VICE-CHAIR

PHILIP HOWELL, BA, MSC

*CEO and Superintendent
Financial Services Commission of Ontario*



JACQUES LAPOINTE, CA, CIA, CGAP

Auditor General of Nova Scotia



TREASURER

ROXANNE L. ANDERSON, CA, MBA, CIRP

*Lead Partner for the Federal Government of
Canada Services and Ottawa Office Managing
Partner PricewaterhouseCoopers, LLP*



DOUG LYNKOWSKI, CA

Deputy Minister, Service Alberta



SECRETARY

BRIAN BOST, CA, CIA, CGAP

*Partner, Risk Consulting
KPMG, LLP*



JAMES RALSTON, CA, PH.D.

Comptroller General of Canada



GILLES BÉDARD, FCGA

Former Assistant Auditor General of Québec



JOCELYNE THERRIEN, MA

*Senior Principal, Parliamentary & International Relations
Office of the Auditor General of Canada*



CAROL BELLRINGER, FCA, MBA

Auditor General of Manitoba



JOY THOMAS, FCMA, MBA, C.DIR.

*President and CEO
Certified Management Accountants (CMA) – Canada*

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HIGHLIGHT OF **2011**
OPERATIONS **2012**

PERFORMANCE AUDIT

A CENTRE OF EXPERTISE TO SUPPORT PERFORMANCE AUDIT PRACTICE

**CCAF'S PERFORMANCE AUDIT
CAPACITY BUILDING GROUP
(AT MARCH 31, 2012)**

CHAIR

Paul Lohnes, CA
President and CEO
CCAF-FCVI

MEMBERS

ALBERTA

Ed Ryan, B.Comm, CMA
Assistant Auditor General
Office of the Auditor General of Alberta

BRITISH COLUMBIA

Beverly Romeo-Beehler, B.B.A, CMA, J.D. (Juris Doctor)
Assistant Auditor General, Standards and Quality
Office of the Auditor General of British Columbia

CANADA

Sharon Clark
Principal, Professional Practices
Office of the Auditor General of Canada

MANITOBA

Sandra Cohen, CA
Director, Value-for-Money Audit Services
Office of the Auditor General of Manitoba

Norm Ricard

Deputy Auditor General
Office of the Auditor General of Manitoba

NOVA SCOTIA

Terry Spicer
Assistant Auditor General
Office of the Auditor General of Nova Scotia

ONTARIO

Gary Peall, CA
Deputy Auditor General
Office of the Auditor General of Ontario

QUÉBEC

Véronique Boily, CA
Directrice des services-conseil en optimisation des ressources
Vérificateur général du Québec

SASKATCHEWAN

Mark Anderson
Principal, Performance Audit
Office of the Provincial Auditor of Saskatchewan

CCAF REPRESENTATIVE ON COMMITTEE

Nicole Wiczorek
Director of Operations and CFO
CCAF-FCVI

SECRETARY

James Oulton
Corporate Officer
CCAF-FCVI

Performance audits assess whether programs and other initiatives are well managed and controlled and whether economy, efficiency and effectiveness are being achieved in the use of funds.

CCAF's mission and vision call for the Foundation to provide performance auditors with education, research and capacity development products and services. To achieve this, one of CCAF's strategic goals is to:

Develop and maintain a centre of expertise to support the strengthening of performance audit capacity

To achieve this goal CCAF is focusing on four planned results:

- 1.1 Deliver timely information to Auditors General and other performance auditors on standards and practices.
- 1.2 Develop and maintain a curriculum of performance audit training and tools based on defined competencies and client needs.
- 1.3 Deliver relevant and highly rated performance audit courses.
- 1.4 Plan and deliver learning and collaborative events for performance auditors and those they work with.

In 2011-12, CCAF began building its capacity to deliver on its new strategic plan, while continuing to deliver training and other support to performance auditors in Canada. CCAF's Board of Governors constituted its [National Capacity Building Committee](#) (NCBC) to provide oversight of, and strategic direction to, the Foundation's performance audit and oversight activities. A Performance Audit Capacity Building Group (PACBG), with members from the audit community across Canada, provides input to CCAF's training and other capacity building activities. CCAF has also been reaching out to stakeholders and potential partners to ensure that its performance audit activities work synergistically with other initiatives within the community.

**CCAF'S NATIONAL CAPACITY
BUILDING COMMITTEE
(AT MARCH 31, 2012)**

- ✦ Carol Bellringer (Chair)
- ✦ Roxanne Anderson
- ✦ Gilles Bédard
- ✦ Kevin Dancey
- ✦ James Ralston
- ✦ Jocelyne Therrien

EX-OFFICIO

- ✦ Charles-Antoine St-Jean

* provides oversight to CCAF's Performance Audit and Oversight strategies

EXPENSES	2012	2011
PERFORMANCE AUDIT PROGRAMS AND SERVICES	\$300,091	\$318,337
PERFORMANCE AUDIT EDUCATION	\$64,053	\$84,843

1.1 DELIVER TIMELY INFORMATION TO AUDITORS GENERAL AND OTHER PERFORMANCE AUDITORS ON STANDARDS AND PRACTICES

WHAT WAS ACCOMPLISHED IN 2011-12



The core deliverable in this area is a product developed specifically for the audit community. *Audit News* is an online resource that facilitates knowledge sharing by providing access to recent performance audit reports and trends within 26 selected audit institutions in Canada and abroad.

The product was conceived in partnership with the Auditor General of Quebec and first presented as a prototype at the Canadian Council of Legislative Auditor's (CCOLA) Performance Audit Symposium in Québec City in April 2011.

Audit News provides access to thousands of publicly available audit reports and is searchable by topic, year and subject matter. It is updated monthly.

CCAF also produces a quarterly "*Audit News Bulletin*", which provides our members with a snapshot of recently released reports and allows

them to see how reports and subject matters are trending over time.

CCAF has provided live demonstrations of *Audit News* to CCOLA and internal audit offices, course participants and others, encouraging the use of the product to facilitate their work.

The work conducted by former OAG Quebec employees **François Boisclair** and **Guy Perron** has been instrumental in developing and moving *Audit News* forward, as has the involvement of CCAF's **Julien Raynaud**, who is managing the *Audit News* project, and **Carine Turay**, who seeks out and catalogues the content for the database on a monthly basis. Their support has been invaluable in helping to develop and maintain this important resource for the CCAF community.

"What used to take a day or two of research now takes one hour".

CCAF AUDIT NEWS CONSISTS OF TWO PRODUCTS:

- ◆ *An electronic quarterly bulletin that provides a summary and analysis of recent published reports*
- ◆ *An online database tool that archives all reports going back to 2008*

TARGET DELIVERABLES FOR 2012-13

In 2012-13 we will continue to deliver *Audit News* with monthly updates of the online database so that users have access to the most current data. We will also produce four *Audit News Bulletins*. In addition, we plan to expand the number of jurisdictions covered by *Audit News*, add information related to audit criteria into the database so that users can seek examples as they undertake performance audits, and provide analyses on trends and practices in performance audit.

ACCESS AUDIT NEWS TODAY ...

All employees of [CCAF funding members](#) have complimentary access to *CCAF Audit News* and other resources and tools. [Sign up now](#) to receive the quarterly bulletin and other *Audit News* products.



1.2 DEVELOP AND MAINTAIN A CURRICULUM OF PERFORMANCE AUDIT TRAINING AND TOOLS BASED ON DEFINED COMPETENCIES AND CLIENT NEEDS

WHAT WAS ACCOMPLISHED IN 2011-12

The cornerstone of providing training to meet the needs of our clients is an understanding of the competencies required by performance auditors as they progress through different stages of their career. In 2011-2012, CCAF developed, in partnership with the Office of the Auditor General of British Columbia (OAG BC) and with input from legislative audit offices across Canada, performance auditor competency profiles. CCAF's performance audit training curriculum was, and continues to be, modified to reflect these competency profiles and to reflect current professional standards. We are pleased to be collaborating with the OAG BC's *Audit Learning Network (ALN)* initiative to complement CCAF's courses with electronic-learning and other online resources.

AUDIT LEARNING
NETWORK
PUBLIC SECTOR

CCAF-FCVI

In 2011-2012, CCAF added a new two-day training program – [*Evidence Gathering and Analysis in Performance Audits*](#).



PERFORMANCE AUDIT EVIDENCE GATHERING AND ANALYSIS WORKSHOP – FREDERICTON, NB

Back: Bill Rafuse (Instructor), Janice Leahy, Eric Hopper, Eric Wang, Emilie Chiasson, Cathy Connors-Kennedy, Jennifer Bowness, Chris Mitchell, Al Thomas

Front: Leanne Jeffries, Tania Wood-Sussey, Susan McIsaac, Peggy Isnor, Steve Martin, Rebecca Stanley, Colette Gallant, and Auditor General Kim MacPherson

TARGET DELIVERABLES FOR 2012-13

In 2012-2013, in order to continuously improve our products, we will:

- ✦ Review our programs to ensure that they are up to date and reflect state of the art practices, standards, and the competency profiles;
- ✦ Include and leverage pre and post electronic learning tools when they are made available to the legislative audit community on the ALN; and
- ✦ Determine, based on a needs analysis, the needs of our stakeholders going forward and determine what new educational products and services to develop.

1.3 DELIVER RELEVANT AND HIGHLY RATED PERFORMANCE AUDIT COURSES

WHAT WAS ACCOMPLISHED IN 2011-12

CCAF offers a suite of training programs to support the professional development of performance auditors:

- ◆ *Fundamentals of Performance (Value-for-Money) Auditing (VFM I)* provides new auditors with an introduction to performance auditing standards and methodology.
- ◆ *Performance (Value-for-money) Audit – Level II (VFM II)*, intended for experienced auditors and audit supervisors, focuses on improving the impact of performance audits, conforming with standards, and exercising sound professional judgment.
- ◆ *Evidence Gathering and Analysis Techniques in Performance Audits* provides in-depth guidance on what constitutes sufficient and appropriate evidence and instruction on evidence gathering and analysis techniques.
- ◆ *Report Writing* instructs participants on how to organize and present audit findings to achieve maximum readability and report impact.

In 2011-12, CCAF delivered six offerings across in Canada – Québec (April & October 2011), Newfoundland & Labrador (May 2011), Alberta (July 2011) and New Brunswick (October/November 2011). Since 2007, when CCAF re-engaged in the delivery of performance audit training, we have delivered 34 programs to 686 participants.

Overall, CCAF's programs received excellent reviews from participants, with 91.4% rating our courses positively in 2011-12. On a cumulative basis since 2007, 82.3% have rated our offerings positively reflecting an improvement in our products over time.



TARGET DELIVERABLES FOR 2012-13

CCAF plans to increase its delivery from six programs in 2011-2012 to nine in 2012-2013 to reflect the availability of additional courses, and to meet increased demand in both the legislative and internal audit communities. CCAF course offerings for legislative audit offices will include collaboration with the OAG BC's ALN. The *Performance (Value-for-money) Audit – Level II (VFM II)* courses to be delivered in 2012-13 in Newfoundland, Alberta and other locations will include materials from the ALN.

CCAF will continue to look for additional opportunities to share its performance audit educational products and services within the community as the year progresses.



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1.4 PLAN AND DELIVER LEARNING AND COLLABORATIVE EVENTS FOR PERFORMANCE AUDITORS AND THOSE THEY WORK WITH

WHAT WAS ACCOMPLISHED IN 2011-12

THE GOVERNMENT INTERNAL AUDITORS COUNCIL OF CANADA (GIACC) (AT MARCH 31, 2012)

Brian Aiken, CIA, CFE

Assistant Comptroller General, Internal Audit
Office of the Comptroller General of Canada
Treasury Board of Canada, Secretariat

Chris Brown, CA

Acting Executive Director, Ministry of Finance
Government of British Columbia

Ted Doane, CA

Executive Director, Internal Audit Department
Nova Scotia Department of Finance

Pierre Gagné

Président
Forum des responsables de la vérification interne

John Gunter

Director, Government Audit Service
Government of the Yukon Territories

Jane Holatko, CA, CIA

Director, Internal Audit & Consulting Services
Manitoba Finance

Richard Kennedy, CA, CISA, CFE, CISM

Chief Internal Auditor & Assistant Deputy Minister
Ministry of Finance, Government of Ontario

Paul Lohnes, CA

President and Chief Executive Officer
CCAF-FCVI

Brian O'Neill, CA

Director, Professional Services and Internal Audit
Province of Newfoundland and Labrador

Bob Shahi, FCGA, CIA, CFE, CISA

Director, Internal Audit Bureau, Department of Finance
Government of the Northwest Territories

Dan Stadlwieser, CA, CIA

Chief Internal Auditor, Corporate Internal Audit Services
Alberta Treasury Board Ministry

David Nowlan

Director, Audit and Consulting Services
Office of the Comptroller of New Brunswick

Grace Wilk, CGA

Chief Internal Auditor, Internal Audit Services Branch,
Department of Finance, Nunavut

COUNCIL SECRETARY

Nicole Wiczorek

Director of Operations and CFO
CCAF-FCVI

Throughout its 32-year history, CCAF has excelled at developing ideas and providing opportunities for dialogue and collaboration through networking events for members.

We continue to play an active role in helping CCOLA develop and deliver its annual Performance Audit Symposium. For this event, CCAF works collaboratively with the CCOLA Training Oversight Committee (TOC) to contribute ideas, identify and develop sessions, and manage and moderate panels. CCAF also provides participants a summary of the proceedings at the event.

We helped TOC plan selected sessions for the April 2011 Performance Audit Symposium held in Québec City. In a post-symposium survey, participants gave the event strong ratings, with *almost 98%* of respondents indicating a positive overall rating. CCAF is proud to have worked with the CCOLA TOC to help make this event happen. As 2011-2012 progressed, CCAF also contributed in preparing for the 2012 PA Symposium, held in Toronto in April 2012. The TOC, chaired by Ed Ryan, Assistant Auditor General of Alberta, is comprised of members from the audit community across Canada

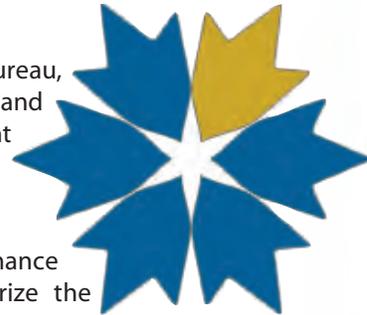
Part of the CCAF mission also includes working with the *Government Internal Auditors Council of Canada (GIACC)*, both to help develop their national annual forum and to provide research and other support. Funding for GIACC is provided by GIACC Members on an annual basis. GIACC brings chief internal auditors in Canada together to discuss current issues and trends, and identify areas for collaboration within the public sector internal audit community.

GIACC member **Bob Shahi** hosted a successful national forum in Yellowknife, Northwest Territories in September 2011. Delegates discussed, among other topics, audit competencies, talent management & succession planning, and demonstrating and communicating the value and effectiveness of the internal audit function in a changing world. One of the special moments of the forum was to recognize **Richard Kennedy**, Chief Internal Auditor and Assistant Deputy Minister, Ontario Internal Audit Division, with the *1st Annual David Moynagh¹ Commemoration Award* for his contributions, through GIACC, to the internal audit community. The forum also benefitted from the participation and contributions of the late **Reg Alcock**, former federal MP and cabinet minister and executive in residence at the University of Manitoba's Asper School of Business, who provided GIACC members with some thoughtful insights as to the value he saw in the internal audit function.



¹ **W. David Moynagh** (1949-2011) was former Executive Director, Policy and Professional Practices, Internal Audit Sector for the Office of the Comptroller General, Treasury Board of Canada, Secretariat and prior to that, longtime CCAF Director of Research. David was instrumental in the establishment and development of the GIACC.

The 2011 Forum was co-chaired by **Bob Shahi**, Director, Internal Audit Bureau, Government of the Northwest Territories; **Richard Kennedy**, Chief Internal Auditor and Assistant Deputy Minister, Ontario Ministry of Finance; and **Paul Lohnes**, President and CEO of CCAF.



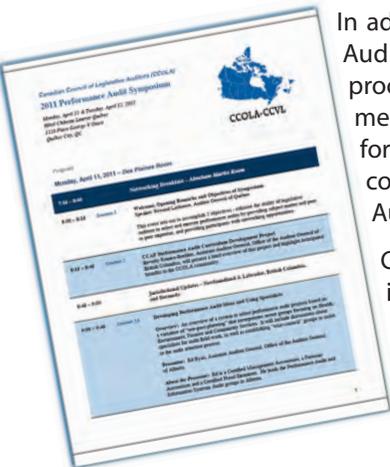
GIACC - CCVISP

TARGET DELIVERABLES FOR 2012-13

In addition to helping deliver on the annual CCOLA Performance Audit Symposium in April 2012, CCAF will also summarize the proceedings, providing participants with an important “aide-memoire” of the event. Thereafter we will support planning for the 2013 annual symposium, working once again with the legislative audit community, and the TOC, under the Chair of **Beverly Romeo-Beehler**, Assistant Auditor General of British Columbia.

CCAF will continue to support the GIACC by helping to organize and facilitate its 10th annual Forum, to be held in Ottawa in September 2012. This year’s event will be co-chaired by **Anthea English**, Assistant Comptroller General of Canada; **Richard Kennedy**, Chief Internal Auditor and Assistant Deputy Minister, Ontario Ministry of Finance; and **Paul Lohnes**, President & CEO, CCAF.

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KEY PERFORMANCE CHECKLIST – PERFORMANCE AUDIT

Planned Result Area	Target for 2011-12	Results for 2011-12
1.1 Deliver timely information to Auditors General and other performance auditors on standards and practices.	1) Launch CCAF Audit News.	<i>Met</i> Launched in June 2011. • Database accessed by 766 unique visitors in 2011-12.
	2) Issue 4 bulletins & go live with database.	<i>Met</i> 4 bulletins issued. • 104 downloads.
	3) Issue feedback survey.	<i>Met</i> Feedback survey issued in March 2012.
1.2 Develop and maintain a curriculum of performance audit training and tools based on defined competencies and client needs.	1) Collaborate with stakeholders on development of performance audit training.	<i>Met</i> Developed one new workshop and received input on suggested product modifications from the community. Collaborated with OAG BC on development of audit competency profiles.
	2) Complete development of Evidence Gathering and Analysis workshop.	<i>Met</i> Developed and piloted Evidence Gathering and Analysis workshop.
1.3 Deliver relevant and highly rated performance audit courses.	1) Deliver 8 offerings: • VFM I – 4 offerings • VFM II – 2 • Evidence – 1 • Report Writing - 1	<i>Met Demand</i> Delivered 6 offerings: • VFM I – 3; Evidence – 2; Report Writing – 1. • Total participants – 94 • Overall course positive course assessment: 91.4%
1.4 Plan and deliver learning and collaborative events for performance auditors and those they work with.	1) Support delivery of PA Symposium.	<i>Met</i> 2011 PA Symposium delivered. • 98% positive rating.
	2) Support delivery of GIACC Annual Forum	<i>Met</i> 2011 GIACC Forum delivered with strong continued support for GIACC demonstrated by members.



OVERSIGHT

SUPPORTING PUBLIC ACCOUNTS COMMITTEES AND OTHER OVERSIGHT BODIES

Legislative oversight bodies, particularly public accounts committees (PACs), play an important role in ensuring that effective accountability measures are in place for the management of programs and public funds. Their work helps ensure that governments are accountable to their legislative bodies, and through them to their citizens.

Throughout its 32-year history, CCAF has supported and promoted effective oversight of government through research and capacity development for PACs and their members.

CCAF PUBLICATIONS AND GUIDANCE FOR PUBLIC ACCOUNTS COMMITTEES

Sharing International Practices – *A Profile of Legislative Oversight Committees in the United Kingdom and Scotland* (2011)

CCAF Boxed Set (2010) – containing:

- ▶ Updated Guide to Strengthening Public Accounts Committees;
- ▶ Attributes of an Effective Public Accounts Committee;
- ▶ Statement of Mandate and Powers and Operating Principles and Practices;
- ▶ Guide for Witnesses; and,
- ▶ Preparation for Hearings and Frequently Asked Questions.

The State of Canada’s Public Accounts Committees (2010)

Parliamentary Oversight: Committees and Relationships – *A Guide to Strengthening Public Accounts Committees* (2006)

Parliamentary Oversight: Committees and Relationships – *Discussion Paper: Emerging Themes and Considerations* (2005)

Parliamentary Oversight: Committees and Relationships – *Background Research Paper: Summary of the 2004 Survey Questionnaire* (2005)

Parliamentary Oversight: Committees and Relationships – *Background Research Paper: Review of Recent Developments in Legislative Oversight in Britain and Australia, with special reference to PACs* (2004)

Improving accountability – *Canadian Public Accounts Committees and Legislative Auditors* (1981)

CCAF’s [2011-14 strategic plan](#) calls for the Foundation to continue its support for PACs and other oversight bodies by providing education, research and capacity development support. To achieve this, one of CCAF’s four strategic goals is to:

Support public accounts committees and other instruments of oversight in scrutinizing the management of public funds

CCAF is focused on three results:

- 2.1 **Develop workshops, courses and tools to support the strengthening of Public Accounts Committees and oversight bodies.**
- 2.2 **Effectively deliver this support in a manner that responds to local needs.**
- 2.3 **Deliver highly rated information exchange events that bring together public oversight officials from across Canada.**

CCAF’S NATIONAL CAPACITY BUILDING COMMITTEE (AT MARCH 31, 2012)

- ◆ Carol Bellringer (Chair)
- ◆ Roxanne Anderson
- ◆ Gilles Bédard
- ◆ Kevin Dancey
- ◆ James Ralston
- ◆ Jocelyne Therrien

EX-OFFICIO

- ◆ Charles-Antoine St-Jean

* provides oversight to CCAF’s Performance Audit and Oversight strategies

To support CCAF in achieving these planned results, an Oversight Advisory Group, consisting of PAC chairs and legislative staff from jurisdictions across Canada, provides the Foundation with advice. The National Capacity Building Committee (NCBC), provides oversight and strategic direction for this important area of work.

CCAF'S OVERSIGHT ADVISORY GROUP
(AT MARCH 31, 2012)

<p>CHAIR Paul Lohnes, CA President and CEO CCAF-FCVI</p> <p>ELECTED MEMBERS</p> <p>DAVID CHRISTOPHERSON, MP – HAMILTON CENTRE Chair, Standing Committee on Public Accounts House of Commons</p> <p>RON ELLIOTT, MLA – GRISE FIORD, RESOLUTE BAY, ARCTIC BAY Chair, Standing Committee on Oversight of Government Operations and Public Accounts Legislative Assembly of Nunavut</p> <p>SYLVAIN SIMARD, MNA – RICHELIEU Chair, Standing Committee on Public Administration National Assembly of Québec</p> <p>TRENT WOTHERSPOON, MLA – REGINA ROSEMONT Chair, Standing Committee on Public Accounts Legislative Assembly of Saskatchewan</p>	<p>LEGISLATIVE STAFF</p> <p>CRAIG JAMES Clerk, Legislative Assembly of British Columbia & Executive Director, Canadian Council of Public Accounts Committees</p> <p>ÉRIC THOMASSIN Clerk, Public Administration Committee National Assembly of Québec</p> <p>RICK YARISH Deputy Clerk Legislative Assembly of Manitoba</p> <p>GROUP SECRETARY Geoff Dubrow, MA, MPA Associate CCAF-FCVI</p>
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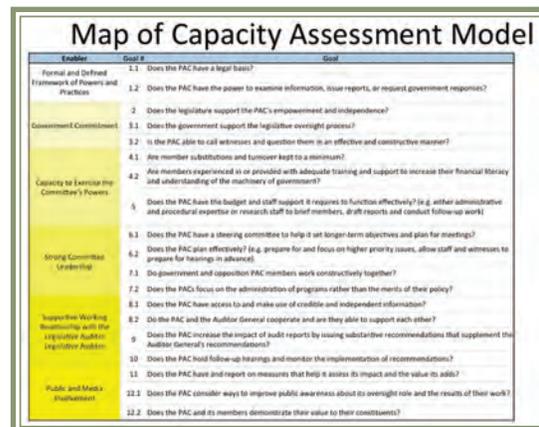
2011
2012

EXPENSES	2012	2011
OVERSIGHT PROGRAMS & SERVICES	\$202,556	\$201,572

2.1 DEVELOP WORKSHOPS, COURSES AND TOOLS TO SUPPORT THE STRENGTHENING OF PUBLIC ACCOUNTS COMMITTEES AND OVERSIGHT BODIES

WHAT WAS ACCOMPLISHED IN 2011-12

STRENGTHENING OUR METHODOLOGY. In 2010-11, CCAF piloted a capacity assessment model for use in helping PACs in Canada and abroad to assess operations and identify training needs to build capacity and improve effectiveness. This model was piloted to assess the capacity of the PAC in Guyana and that of Tanzania's three oversight committees. Based on the conclusions of the CCAF assessment tool, we provided training to the PAC in Guyana in advance of its first-ever hearing on a performance audit. We also provided an extensive orientation to three oversight committees in Tanzania in October 2011 to help them prepare for their first hearings of performance audit reports.



...AND ENHANCING OUR COURSE OFFERINGS. CCAF built on its capacity assessment model by continuing to develop thematic workshops to complement our **Orientation** workshop:

- ✦ At the annual joint conference of the Canadian Council of Public Accounts Committees and the Canadian Council of Legislative Auditors (CCPAC-CCOLA) in August 2011, we presented the basis for what has become a workshop on **Effective Questioning of Committee Witnesses**, to be added to our training program in 2012-13. At the joint CCPAC-CCOLA interactive voting session, 41% of delegates identified effective questioning as the greatest priority for PACs.
- ✦ CCAF also developed a workshop on **Performance and Impact**, piloting it in Manitoba. This workshop makes use of interactive voting technology to capture the views and experiences of outgoing PACs prior to legislative elections, to use as a benchmark for the newly-constituted PAC post-election (see section 2.2 for more details).
- ✦ CCAF also developed and delivered a **PAC Staff Training** workshop for clerks and researchers supporting the PAC in Guyana in March 2011.



DEVELOPING NEW KNOWLEDGE PRODUCTS. Given that the CCPAC-CCOLA 2011 Conference focused in part on leading practices outside Canada, CCAF also published an in-depth profile of legislative oversight committee practices entitled *Sharing International Practices – A Profile of Legislative Oversight Committees in the United Kingdom and Scotland*. The document was structured and guided by CCAF’s *Attributes of an Effective Public Accounts Committee* and provides a foundation for sharing legislative committee practices in Westminster systems around the world.



TARGET DELIVERABLES FOR 2012-13

DEVELOPING NEW TRAINING COURSES. Two additional workshops are to be developed, including one that will look at effective PAC follow up practices.

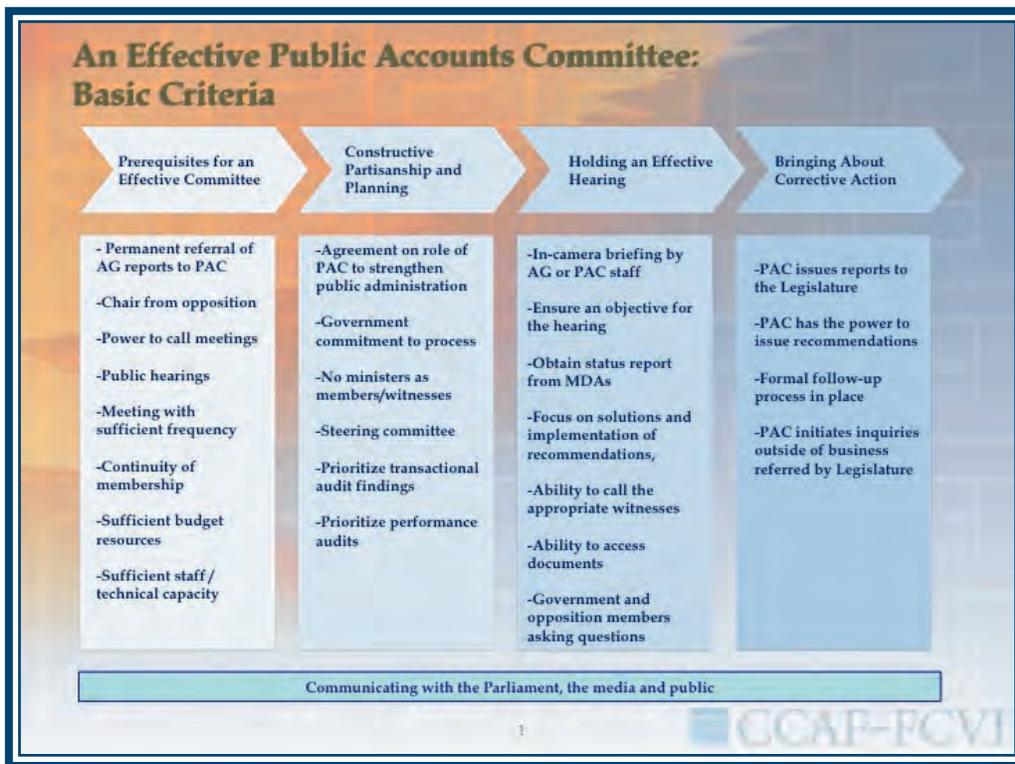
KEEPING UP TO SPEED ON PAC TRENDS. In 2008, CCAF partnered with KPMG and the World Bank to conduct a survey of Canadian PACs. We referred extensively to the survey in the 2010 updated version of the *CCAF Guide to Strengthening Public Accounts Committees*. We will update the questionnaire and conduct a new survey in 2012-13. The results will be compiled into a report to be issued in 2013-14 – ahead of the 2013 CCPAC-CCOLA annual conference.

2.2 EFFECTIVELY DELIVER THIS SUPPORT IN A MANNER THAT RESPONDS TO LOCAL NEEDS

WHAT WAS ACCOMPLISHED IN 2011-12

WORKING ACROSS CANADA. CCAF has been delivering orientation and other capacity development workshops to PACs in Canada since 2006. We have provided orientation workshops to the PAC of the federal House of Commons and to PACs in eight provinces.

This year we delivered an **Orientation Session** to the PAC and Crown Corporations Committee in New Brunswick. With Newfoundland and Labrador scheduled for 2012-2013, CCAF will have covered all Atlantic Provinces with our program.



2011
2012



SUPPORTING THE MANITOBA PAC. As reported in 2.1, we delivered the **Performance and Impact workshop** to PAC members in Manitoba prior to the provincial election. Then, following Manitoba's legislative elections in October 2011, CCAF delivered an **Orientation Session** to the newly-constituted Manitoba PAC. At the orientation, we communicated the views on the committee's strengths and challenges. These views were obtained during the Performance and Impact workshop held with the previous Public Accounts Committee prior to legislative elections.



TARGET DELIVERABLES FOR 2012-13

RESPONDING TO INCREASED TRAINING NEEDS. As CCAF expands on its suite of thematic workshops for PACs, we will continue to deliver them in jurisdictions in Canada and internationally. Given the number of elections that took place in 2011, our operational plan for 2012-13 includes presentation of five workshops to Canadian PACs, focusing our efforts where PACs have seen significant turnover in membership.

PAC WORKSHOPS DEVELOPED
Orientation Session
Effective Questioning of Committee Witnesses
Performance & Impact
PAC Staff Training

2.3 DELIVER HIGHLY RATED INFORMATION EXCHANGE EVENTS THAT BRING TOGETHER PUBLIC OVERSIGHT OFFICIALS FROM ACROSS CANADA

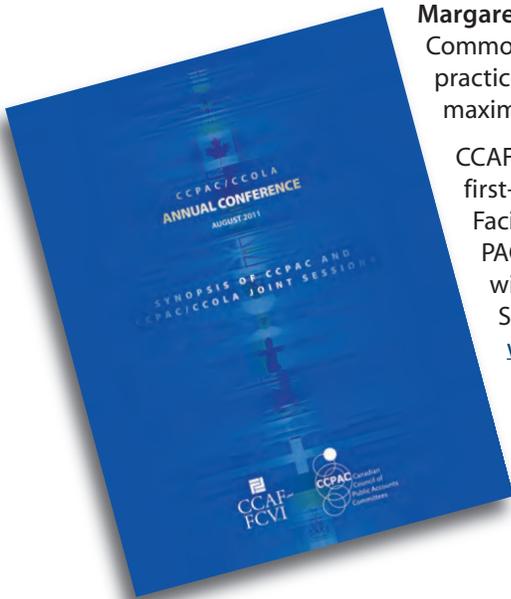
WHAT WAS ACCOMPLISHED IN 2011-12

SUPPORTING THE ANNUAL CONFERENCE. CCAF continued its support for the CCPAC-CCOLA annual conference by planning and delivering sessions at the August 2011 conference in Halifax, Nova Scotia. CCAF’s organizational role included arranging for the event’s keynote speaker, the **Right Hon.**

Margaret Hodge, Chair of the Public Accounts Committee of the House of Commons in the UK. As mentioned in 2.1, CCAF conducted an extensive study of practices in the UK and Scotland to ensure that CCPAC-CCOLA delegates could maximize their knowledge about practices in those jurisdictions.

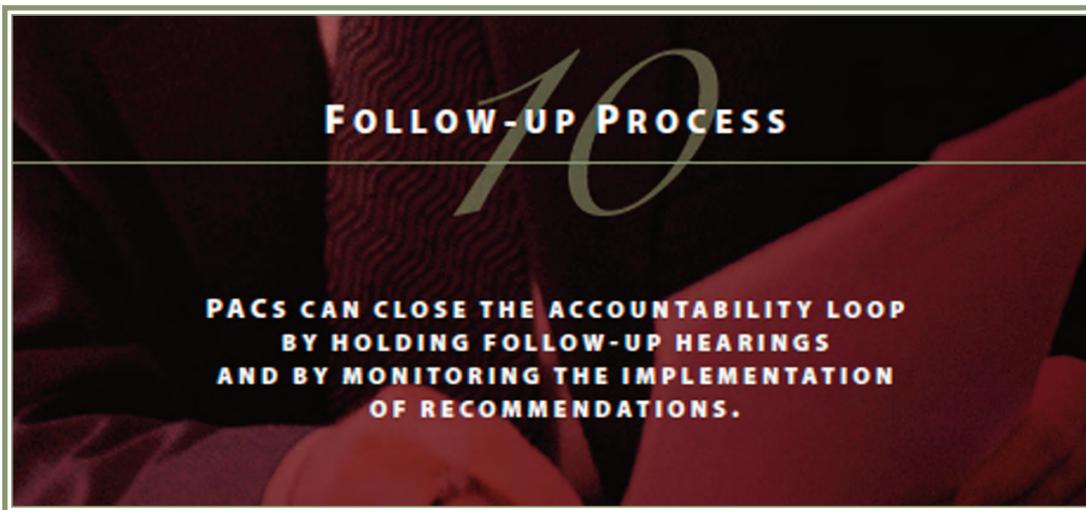
CCAF chaired and facilitated a number of sessions at the event, including the first-ever interactive joint voting session for CCPAC and CCOLA delegates. Facilitators posed a series of questions on the perceived effectiveness of PACs, PAC-legislative auditor relationships and the relationships between PACs and witnesses appearing before them. Full voting results are available in the CCAF Synopsis, prepared at the request of CCPAC, which is [available on our website](#).

CCAF also led a session with PAC members and clerks/researchers on **Effective Questioning of Committee Witnesses**, which saw active participation and discussion. These CCAF led sessions received highly positive ratings from conference participants.



TARGET DELIVERABLES FOR 2012-13

CCAF will support CCPAC-CCOLA by organizing and delivering sessions at the August 2012 conference in Iqaluit, Nunavut. CCAF's Oversight Advisory Group has provided the host jurisdictions with advice in developing the agenda for the event. The theme will be *Strategy and Best Practices in a Time of Transition*.



2011
2012

KEY PERFORMANCE CHECKLIST – OVERSIGHT

Planned Result Area	Target for 2011-12		Results for 2011-12
2.1 Develop workshops, courses, and tools to support the strengthening of public accounts committees and oversight bodies.	1) Develop two (2) thematic workshops for PACs.	<i>Met</i>	Performance & Impact / Effective Questioning of Committee Witnesses.
	2) Publish profile of international legislative oversight committee practices.	<i>Met</i>	Sharing International Practices – A Profile of Legislative Oversight Committees in the United Kingdom and Scotland
2.2 Effectively deliver this support in a manner that responds to local needs.	1) Deliver four (4) workshops to PACs in Canadian jurisdictions.	<i>Met Demand</i>	Three (3) workshops delivered: <ul style="list-style-type: none"> • Manitoba – Performance & Impact; and Orientation • New Brunswick – Orientation.
2.3 Deliver highly rated information exchange events that bring together public oversight officials from across Canada.	1) Support planning and delivery of CCPAC-CCOLA annual conference.	<i>Met</i>	CCPAC-CCOLA conference successfully delivered
	2) Publish synopsis of the conference.	<i>Deferred – met in Q2 -2012</i>	Synopsis published in advance of 2012 conference.



INTERNATIONAL

STRENGTHENING THE CAPACITY OF SAIs AND RELATED PARLIAMENTARY OVERSIGHT IN DEVELOPING COUNTRIES

The CCAF international program helps Supreme Audit Institutions (SAIs) and oversight committees build capacity and increase their effectiveness, supporting accountability and governance in selected developing countries. The Canadian International Development Agency (CIDA) continues to fund the program.



CCAF operationalizes its program in partnership with the Office of the Auditor General (OAG) of Canada, the Vérificateur général du Québec (VGQ), and the OAGs of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, and Nova Scotia. These partners share their expertise and experience with international participants by hosting Fellows and/or acting as mentors to SAIs.

The international program responds to CCAF's strategic goal to:

Support Canadian and international efforts to strengthen the capacity of SAIs and related parliamentary oversight in selected developing countries and regions.

To achieve this goal, CCAF is focusing on four planned results:

- 3.1 **Renew the Canadian International Development Agency (CIDA) agreement and pursue funding opportunities with other international development organizations.**
- 3.2 **Deliver the program, as per current and future CIDA agreements, in a manner well aligned with the objectives and understandings of partnering Auditor General Offices.**
- 3.3 **Ensure coordination with donors such as the International Organization of Supreme Audit Institutions (INTOSAI), the INTOSAI Development Initiative (IDI), regional SAI organizations and others.**
- 3.4 **Improve program delivery to optimize results and follow up on the audit and program evaluation.**

This year marked an exciting transition for the CCAF, as we neared the conclusion of one five-year CIDA agreement (2007-12) and received CIDA's announcement to contribute to a new five-year, \$8.8 million, international program (2012-17). As part of this transition, we began to introduce elements of the new program design, including an enhanced emphasis on mentoring and follow-up support.

CCAF'S INTERNATIONAL ADVISORY GROUP (AT MARCH 31, 2012)

CHAIR

Paul Lohnes, CA
President and CEO
CCAF-FCVI

MEMBERS

Carol Bellringer
Auditor General of Manitoba

Einar Gorrissen
Deputy Director General, Secretariat and Stakeholder Relations
INTOSAI Development Initiative

Roger Langlois
Directeur des services-conseils en optimisation des ressources
Vérificateur général du Québec

Jacques Lapointe, CA, CIA, CGAP
Auditor General of Nova Scotia

Beverly Romeo-Beehler, B.B.A, CMA, J.D. (Juris Doctor)
Assistant Auditor General, Standards and Quality
Office of the Auditor General of British Columbia

Ed Ryan, B. Comm, CFE, DIFA
Assistant Auditor General
Office of the Auditor General of Alberta

Charles-Antoine St-Jean, FCA
Partner, National Public Sector Leader
Ernst & Young, LLP

Jim Sylph
Executive Director, Professional Standards
International Federation of Accountants

Jocelyne Therrien, MA
Senior Principal, Parliamentary and International Relations
Office of the Auditor General of Canada

OBSERVER

Adriel Gionet
Director, International Relations
Office of the Auditor General of Canada

CCAF

Yves Gauthier, FCA
Director, International Programs

Caroline Jorgensen
Deputy Director, International Programs

Richard Flageole
CCAF Associate

The International Capacity Building Committee of the CCAF Board oversees our international strategies and activities, including the fulfillment of its obligations under the CIDA contribution agreement. Management benefits from the input of the International Advisory Group. Composed of federal, provincial, and international stakeholders, it provides advice on the scope, direction and focus of our international activities.

**CCAF'S INTERNATIONAL CAPACITY
BUILDING COMMITTEE
(AT MARCH 31, 2012)**

- ◆ *Jacques Lapointe (Chair)*
- ◆ *Carol Bellringer*
- ◆ *Jocelyne Therrien*

EX-OFFICIO

- ◆ *Charles-Antoine St-Jean*

EXPENSES	2012	2011
INTERNATIONAL PROGRAM	\$1,589,125	\$1,940,393

3.1 RENEW THE CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA) AGREEMENT AND PURSUE FUNDING OPPORTUNITIES WITH OTHER INTERNATIONAL DEVELOPMENT ORGANIZATIONS

WHAT WAS ACCOMPLISHED IN 2011-12

In March 2011, CCAF submitted its 2012-2017 proposal to CIDA and received confirmation in December of an \$8.8 million contribution for activities in Cameroon, Ghana, Tanzania and Vietnam and their regions.

As one five-year program concludes and a new one begins, CCAF is building on over 30 years of experience working with partners in Canada and recipient countries, and CIDA and other donors, to achieve meaningful impact in capacity building.

TARGET DELIVERABLES FOR 2012-13

In 2012-13, CCAF and CIDA will sign a contribution agreement for the new five-year CCAF international program. We will develop a performance measurement framework for the new program, and begin implementation. We will submit to CIDA final reports on the 2007-12 program.

CCAF encourages partner countries not included in our 2012-2017 CIDA agreement to engage other donors or access other resources to build on capacity development achieved from 2007-2012.

2011
2012



3.2 DELIVER THE PROGRAM, AS PER CURRENT AND FUTURE CIDA AGREEMENTS, IN A MANNER WELL ALIGNED WITH THE OBJECTIVES AND UNDERSTANDINGS OF PARTNERING AUDITOR GENERAL OFFICES

WHAT WAS ACCOMPLISHED IN 2011-12

CCAF has enhanced delivery of its core activities: fellowships; postgraduate mentoring; institutional training; improving parliamentary oversight; and overall technical support. We have done so by introducing elements of the new program design, including a more practical approach to the Fellows' special project (previously called the Strategy Paper). We have placed increased emphasis on post fellowship mentoring to ensure effective implementation of the special projects, a performance audit plan developed by each Fellow.

Fellowships: CCAF has met its target of having 39 Fellows graduate under the 2007-12 CIDA agreement. The 2010-11 class of six Fellows graduated in May 2011, having completed their placements with the OAG of Canada and OAG of British Columbia. In August 2011, eight Fellows took up their placements with the OAG's of Canada, Quebec, and Alberta, and developed plans for performance audits they will conduct when they return home, each of which relate to one of CIDA's three priority themes of increasing food security, securing the future of children and youth and stimulating sustainable economic growth.

The logistics of the Fellows program are expertly managed by CCAF's **Barbara Dumont** and coordinated with partners at the host legislative offices in Ottawa, Quebec City and Edmonton. Her and our partners' passion and commitment ensures the Fellows are well integrated into their work and personal lives in Canada.

Training and mentoring: CCAF continued to deliver workshops for SAIs where specific needs had been identified, placing a greater emphasis on mentoring to help auditors apply and sustain the skills they have learned. Mentors from partnering Canadian audit offices and CCAF associates led these activities. Nine in-country training and mentoring activities for SAIs were delivered in Ghana, Kenya, Tanzania, Barbados, Belize, Saint Lucia, Saint Vincent and Costa Rica. Increasingly, CCAF uses the facilitation services of local experts, including graduate Fellows. For example, facilitators from Argentina and Brazil, including three graduate Fellows, led one of the CCAF workshops in Spanish.



Left: The 2010-11 Fellows at their graduation ceremony with Sheila Fraser, May 2011. **Right:** A course for the 2011-12 Fellows on planning performance audits, December 2011.

Auditors in Ghana, Kenya, Tanzania and Guyana continued to take online courses in Algonquin College's *Forensic Accounting and Fraud Investigations* certificate program. Two of the Kenyan students graduated in August 2011.

Working with oversight committees: Having piloting the Capacity Assessment Model (CAM) for oversight committees in 2010-11, we focused on developing new workshops to address the *Attributes for Effectiveness for PACs*. CCAF used the CAM in Tanzania in April 2011 and then delivered an Orientation workshop for three oversight committees in October 2011. In Ghana, CCAF delivered the Performance and Impact workshop in February 2012 to help the Public Accounts Committee produce a legacy report, preserving its institutional memory in advance of an election. CCAF coordinated with CAROSAI to sponsor the participation of Auditors General and parliamentarians in a regional workshop for smaller legislatures organized by ParlAmericas.

Assessments: We carried out a needs assessment in Kenya to assist the new Auditor General, **Edward Ouko**, acquire a sound understanding of the office's strengths and challenges. The SAI of Benin did a needs assessment following IDI guidelines. CCAF and the VGQ worked with a graduate Fellow from Benin to review the assessment and prepare for a strategic planning process.

THE INTERNATIONAL PROGRAM'S TECHNICAL SUPPORT AND MENTORING PARTNERSHIPS:

- ✦ Alberta and Vietnam
- ✦ British Columbia and Barbados
- ✦ Manitoba and Kenya
- ✦ New Brunswick and Tanzania
- ✦ Newfoundland & Labrador and Guyana
- ✦ Nova Scotia and Saint Lucia
- ✦ Quebec and CREFIAF countries

2011
2012



The Stakeholder Relations workshop in Ghana, February 2012.

Left: Participants work on a group assignment. Right: The Chair of Ghana's Public Accounts Committee addresses the participants.

Course development: We piloted a new workshop on *Stakeholder Relations and Communications* in Ghana in February 2012. CCAF's workshop on *Governance, Accountability, Risk Management and Performance Reporting* was updated to include performance budgeting, strategic planning and the application of a management assessment framework. We delivered this workshop in April 2012 in Saint Lucia. CCAF has contributed to the development of AFROSAI-E's management development program for SAI senior managers. The first delivery of the course will take place in July 2012 in Tanzania.



In collaboration with CCAF's domestic program, the International Program is sharing in the development of the performance audit competency model and curriculum and CCAF *Audit News*.

TARGET DELIVERABLES FOR 2012-13

We have submitted a work plan for program activities for the remainder of the current agreement, which ends July 31, 2012. Activities under the new five-year program will be determined once an agreement with CIDA is signed.

Key activities planned under the concluding CIDA agreement are:

Recruitment and Evaluations:

- ◆ Interviews and selection of future Fellows will be conducted during delivery of other activities, as will some information gathering for final reporting.

Fellowships:

- ◆ Complete the 2011-12 Fellowships, concluding with a graduation in May 2012. Interview and select four fellows for 2012-13.

Capacity Development

- ◆ Conclude support in Belize (annual reporting) and Saint Lucia (strategic planning) and deliver a *Stakeholder Relations and Communications* workshop in Guyana and in Saint Lucia.
- ◆ Training for the SAI of Kenya to coincide with a quality assurance review and additional oversight committee training in Tanzania.
- ◆ Continue to sponsor students in Algonquin College's online *Forensic Accounting and Fraud Investigations* program.
- ◆ Deliver the *Governance* Course in Saint Lucia and Guyana.
- ◆ Continue work with AFROSAI-E on the quality assurance project, both training and participating in reviews.
- ◆ Continue work with AFROSAI-E on the *Management Development Program* and participate in the delivery of a pilot program in Tanzania.
- ◆ Deliver workshops for oversight committees in Guyana, Saint Lucia and/or Tanzania.
- ◆ Continue to support the technical and mentoring partnerships between Canadian provincial offices and international SAIs.
- ◆ Publish and distribute the "*Making an Impact*" booklet.

Informing Canadians: In May 2012, CCAF published "*Making an Impact*". CCAF's Communications Officer, **Kate Gertz**, provided her professional expertise in the research of information, writing and design of this booklet.



3.3 ENSURE COORDINATION WITH DONORS SUCH AS THE INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS (INTOSAI), THE INTOSAI DEVELOPMENT INITIATIVE (IDI), REGIONAL SAI ORGANIZATIONS AND OTHERS.

WHAT WAS ACCOMPLISHED IN 2011-12

CCAF maintains a strong relationship with IDI, communicating and sharing information with **Magnus Borge**, Director General, and **Einar Gorrissen**, Deputy Director General (INTOSAI-Donor Secretariat and Stakeholder Relations). To ensure consistency in approaches when working with SAIs, IDI has graciously shared their guidelines and handbooks for SAIs with CCAF.

CCAF has contributed to two initiatives with AFROSAI-E in 2011-12: training for SAI senior managers; and quality assurance for SAIs. CCAF will support these projects and participate in their delivery in Ghana, Kenya and Tanzania.

In 2011-2012, CCAF participated in four AFROSAI-E meetings and conferences; the AFROSAI-E Governing Board annual meeting; the *Management Development Training of Champions* course; planning meetings and a technical update, at which **Yves Gauthier** of CCAF gave the keynote address; and a working group to update the AFROSAI-E Quality Assurance handbook.

CCAF and the VGQ participated in a CREFIAF conference in Cameroon in May/June 2011, at which the CREFIAF strategic plan for 2013-17 was discussed. Along with the World Bank and the UK National Audit Office, we assisted in the facilitation of a CAROSAI meeting in February 2012.

CCAF also coordinated capacity building support with other donor organizations. In conducting a needs assessment mission in Kenya, we coordinated closely with the Swedish National Audit Office (SNAO). The SNAO and Kenya National Audit Office (KENAO) had recently signed a cooperation agreement. We reviewed this document and their planning report, spoke with leaders of the SNAO team, and revised our work accordingly. In the Caribbean, in conjunction with UK NAO, the World Bank, The Commonwealth Parliamentary Association and CAROSAI, we supported the ParlAmericas regional conference in January 2012.

CCAF COORDINATES ITS SUPPORT TO PARTNER COUNTRIES WITH THESE REGIONAL SAI ORGANIZATIONS:

AFROSAI-E	<i>English-speaking African SAIs</i>
CREFIAF	<i>French-speaking Sub-Saharan SAIs</i>
CAROSAI	<i>Caribbean SAIs</i>
OLACEFS	<i>Latin American SAIs</i>
ASOSAI	<i>Asian SAIs</i>

2011
2012



TARGET DELIVERABLES FOR 2012-13

CCAF will continue to maintain strong relationships with IDI and regional SAI organizations. We will participate in AFROSAI-E and CREFIAF annual planning meetings, continue to partner with AFROSAI-E on the quality assurance and management development training projects, and provide access to AFROSAI-E member SAIs. Under the new CIDA agreement we will develop a relationship with ASOSAI and the Southeast Asian sub regional association, ASEANSAI.



Yves Gauthier of CCAF (far right) participates in a panel discussion at the ParlAmericas conference on *Strengthening Parliamentary Budget Oversight* in the Caribbean, with **Deodat Sharma**, Auditor General of Guyana; conference facilitator **Geoff Dubrow**; and **Hon. Emma Hippolyte**, Member of Parliament from Saint Lucia – January 2012

IDI has established a database of donors' projects to facilitate greater donor coordination. CCAF will enter its activities and use the database to keep informed of other donors' work.

CCAF plans to continue a proactive approach to donor coordination when delivering in-country activities, including meetings with CIDA's international desks, and Canadian embassies and high commissions. We will also meet representatives of other countries (e.g. Sweden, Norway, United Kingdom) involved in capacity development of SAIs, particularly in the AFROSAI-E region.

3.4 IMPROVE PROGRAM DELIVERY TO OPTIMIZE RESULTS AND FOLLOW UP ON THE AUDIT AND PROGRAM EVALUATION

WHAT WAS ACCOMPLISHED IN 2011-12

The CIDA-commissioned evaluation, conducted in 2010-11, recommended that the program: increase the focus on training for parliamentarians and government officials; place a greater emphasis on mentoring, in-country training and follow-up support; and better coordinate with other donors to maximize the support that can be provided to SAIs. In 2011-12, CCAF began to implement these recommendations and they are included in the program design for the 2012-17 CIDA agreement.

CCAF continues to solicit feedback from program partners and participants. This year, in addition to having the Fellows and workshop participants complete evaluation forms, CCAF surveyed the 2008-09 and 2009-10 graduate Fellows. In general, they responded that they have benefited greatly from the Fellowship experience, but would appreciate additional follow-up support and mentoring to help them implement and share what they learned. This echoes the evaluators' recommendations.

In 2011-12, CCAF undertook a review of the Fellowship curriculum to ensure that, in addition to their placements in an audit office, the Fellows receive an appropriate level of professional development training in performance audit and management skills.

TARGET DELIVERABLES FOR 2012-13

In 2012-13, CCAF will begin implementing the new program design. This will include strengthening mentoring and follow-up support and increasing the focus on training for parliamentarians and government officials. We will also explore other options for capacity development, including Fellowships for SAI managers, shorter placements in Canada, and more online learning.

We will develop a performance measurement framework for the new program as well as MOUs with countries, regions, and other partners. The MOU's will include target deliverables, implementation plans and a monitoring process.



CCAF welcomes a delegation from the Office of the Auditor General of Thailand, led by Deputy Auditor General **Prapee Ankinandana** (centre) and including CCAF graduate Fellows **Sirin Phankasem** and **Jaruwan Ruangswadipong** – May 2012

2011
2012



KEY PERFORMANCE CHECKLIST – INTERNATIONAL

Target for 2011-12

Results for 2011-12

3.1 RENEW THE CIDA AGREEMENT AND PURSUE FUNDING OPPORTUNITIES WITH OTHER INTERNATIONAL DEVELOPMENT ORGANIZATIONS		
1) Obtain CIDA approval for proposal submitted March 2011, and sign new contribution agreement.	Met	Proposal was accepted for work in 4 countries and with a budget of \$8.8M. New agreement will be signed in the summer of 2012.
2) Develop knowledge and business relationships with other identified donors and organizations.	Met	Developed a strong working relationship with AFROSAI-E, continued with CAROSAI, and made progress with CREFIAF. Linked with organizations such as the World Bank and SNAO.
3.2 DELIVER THE PROGRAM, AS PER CURRENT AND FUTURE CIDA AGREEMENTS, IN A MANNER WELL ALIGNED WITH THE OBJECTIVES AND UNDERSTANDINGS OF PARTNERING AUDITOR GENERAL OFFICES <i>Targets, as per annual workplan submitted to CIDA</i>		
Assessment:	Met	Assessment:
1) Conduct 2 recruitment and assessment (Fellowship candidate interview) missions.	Met	Benin and Cameroon.
2) Undertake needs assessments in Ghana and Vietnam.	Postponed to new CIDA agreement	Needs assessments for Ghana and Vietnam will be included in MOUs with these SAIs. Upon the appointment of a new Auditor General, an assessment was conducted in Kenya.
3) Continue development of CCAF-SAI Action Plans with countries that have completed needs assessments.	Partially Met	CCAF-SAI workplans were developed and detailed Action Plans will be developed in MOUs under the new CIDA agreement.
Fellowships:	Met	Fellowships:
4) Complete 2010-11 Fellowships.	Met	6 completed Fellowships.
5) Prepare for and deliver 2011-12 Fellowships.	Met	8 Fellows arrived and undertook Fellowships; meeting the target of 39 Fellowships in the 2007-12 agreement.
6) Facilitate professional development for senior managers.	Approach revised & postponed to July 2012	CCAF is contributing to AFROSAI-E on a management development program to be jointly delivered in Tanzania in July 2012.
7) Begin communications for 2012-13 Fellowships.	Met	Selected Fellows from Ghana and Cameroon; Tanzania Fellow will be selected in April 2012 and Vietnam Fellow in June 2012.
Training and Mentoring:	Met	Training and Mentoring:
8) Deliver 6 post-graduate training workshops, including pre- and post-course support, to individual SAIs and regions (Fellowship candidate interview) missions.	Met	Delivered 9 training/mentoring activities in Ghana, Kenya, Tanzania, Barbados, Belize, Saint Lucia, Saint Vincent and Costa Rica.
9) Deliver 1 institutional support activity on Governance, Accountability and Reporting on Performance.	Postponed to April 2012-13	Governance Course intended for delivery in 2011-2012 will occur in Saint Lucia in April 2012.
10) Deliver a one-week senior management course for CREFIAF.	Cancelled	
11) Provide distance education to Kenya, Ghana, Tanzania, and Guyana.	Met	2 Kenyan students graduated in August 2011; others in progress.
12) Support 7 technical support and mentoring partnerships	Met	6 Canadian offices engaged as mentors in 2011-12.

KEY PERFORMANCE CHECKLIST – INTERNATIONAL CON'T.**Target for 2011-12****Results for 2011-12**

Working with oversight committees: 13) Deliver Parliamentary support workshops in Ghana, Guyana and Tanzania; provide follow-up support to Kenya.	Partially Met	Working with oversight committees: Workshops delivered in Ghana and Tanzania; Guyana participated in ParlAmericas workshop with CCAF support.
Course development: 14) With CCAF domestic programs, jointly develop a competency model, curriculum outline and training modules for performance auditors.	Met	Course development: Competency model completed. Some training modules developed. Application and adaptation will be pursued in MOUs with participating SAIs within the next CIDA agreement.
15) Finalize CAM and develop training modules that focus on oversight committees.	Met	Pilot tests of the CAM. Oversight Committee Orientation workshop updated. Performance and Impact and Staff Training developed.
Informing Canadians: 16) Deliver communiqués and up-to-date information on program activities.	Met	Informing Canadians: 4 website communiqués published.
17) Update website.	Postponed to 2012-13	The international program content on website will be updated to reflect the new contribution agreement design.
18) Produce a "Making an Impact" booklet.	Met	Launched at May 2012 Fellows graduation.
Evaluation: 19) Undertake mid-term evaluation in Kenya.	Objective revised and Met	Evaluation: Full needs assessment undertaken for the new Kenyan Auditor General.
20) Continue the process used for evaluating and following up on activities.	Met	Received feedback through: <ul style="list-style-type: none"> • Evaluations of in-country workshops and Fellowship courses • Fellows' monthly reports and end-of-year questionnaire • 2008-09 and 2009-10 graduate Fellows' surveys • Workshop facilitators' reports.
3.3 ENSURE COORDINATION WITH DONORS SUCH AS INTOSAI, IDI, REGIONAL SAI ORGANIZATIONS AND OTHERS		
1) Collaborate with INTOSAI regional associations, IDI, and other donors while in Canada and delivering program initiatives.	Met	Participated in 4 AFROSAI-E meetings, 1 CREFIAF meeting and 1 CAROSAI meeting, and communicated regularly with IDI; Coordinated support for Kenya with the Swedish National Audit Office. Collaborated with ParlAmericas on a regional Caribbean conference. While delivering in-country activities, CCAF met with Embassies, High Commissions, and other donors.
2) Representatives from provincial and federal partners, IDI and CCAF Board participate in International Advisory Group.	Met	These representatives attended an Advisory Group meeting in February 2012.
3.4 IMPROVE PROGRAM DELIVERY TO OPTIMIZE RESULTS AND FOLLOW UP ON THE AUDIT AND PROGRAM EVALUATION		
1) Follow up on program evaluation recommendations.	Met	Began transition to new program design that incorporates evaluators' recommendations, most notably by increasing mentoring and follow-up support.
2) Follow up on CIDA financial audit recommendations.	Met	Done to the satisfaction of CIDA auditors.

2011
2012

CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

EFFECTIVELY MANAGING AND GROWING OUR CAPACITY

There are many elements critical to an effective and successful organization. CCAF’s success depends on people dedicated to its mission and vision, a secure base of financial resources, and a plan to attain results that responds and gives value to its stakeholders. In addition, we strive to effectively and efficiently manage, communicate, and report on operational objectives and accomplishments and provide stakeholders with timely and relevant information.

One of CCAF’s four strategic goals is to:

Attain multi-year sustainable funding, effectively respond to stakeholder needs, and continuously strengthen governance, management practices and accountability.

To achieve this strategic goal, CCAF is focused on four planned results:

- 4.1 Effectively and efficiently plan, manage, communicate and report on the operations of the Foundation.
- 4.2 Continuously strengthen the human resource base of the Foundation.
- 4.3 Continuously strengthen the financial resource base of the Foundation and monitor the environment in Canada and abroad for new opportunities.
- 4.4 Continuously strengthen management practices and controls.

A number of activities were initiated in 2011-12 to strengthen CCAF’s governance, management practices and human and financial resources. CCAF will continue to improve in these areas in the coming years to ensure it remains strong, vibrant, and well positioned to deliver value to members and stakeholders.

EXPENSES	2012	2011
CORPORATE MANAGEMENT	\$369,544	\$498,919

4.1 EFFECTIVELY AND EFFICIENTLY PLAN, MANAGE, COMMUNICATE AND REPORT ON THE OPERATIONS OF THE FOUNDATION

WHAT WAS ACCOMPLISHED IN 2011-12

With a new strategic plan in place and approved in June, 2011, CCAF took the opportunity to review its governance structures, in particular how the Board is organized. As reported in an earlier section, board committees and advisory groups were reconstituted, with new ones formed resulting in the following oversight and advice structures.

Board Oversight	Advisory Groups to Management
<ul style="list-style-type: none"> ✦ National Capacity Building Committee ✦ International Capacity Building Committee ✦ Audit & Finance Committee ✦ Governance Committee 	<ul style="list-style-type: none"> ✦ Performance Audit Capacity Building Group ✦ Oversight Advisory Group ✦ International Advisory Group

An organization is only as strong as the people who sustain and support it, including the many volunteers to whom we are grateful for so much support. The individuals serving on committees and groups, many of whom are identified in other sections of this report, are professionals and leaders in the community and are instrumental in helping CCAF achieve success.

**CCAF'S GOVERNANCE
COMMITTEE
(AT MARCH 31, 2012)**

- ◆ *Phil Howell (Chair)*
- ◆ *James Ralston*
- ◆ *Joy Thomas*

EX-OFFICIO

- ◆ *Charles-Antoine St-Jean*

During the year, we took a good look at how we communicate and report on our own performance. Starting with our 2011 Annual Report, and continuing with this one, we have communicated our accomplishments, plans and priorities, applying a self-assessment approach of performance against plan. We do recognize that no plan, however good, is cast in stone. At CCAF, we strive to be nimble, flexible and responsive, paying close attention to the needs of our stakeholders and the current business and economic environment. We endeavour to make as effective use of our resources as possible, leveraging the work of our partners and avoiding duplication of effort.

Another way CCAF communicates with its members is through regular email communiqués. Not only do these provide CCAF's members with access to valuable resources as they are developed by CCAF, but they are also a source of information on news within CCAF's stakeholder communities. In 2011-12 we issued 16 [communiqués](#) to our membership.

2011
2012



Late Ronald C. Thompson receives CMA-CIPFA Lifetime Achievement Award posthumously



We are pleased to share with CCAF members that a special CMA-CIPFA Lifetime Achievement Award will be awarded posthumously to Former Chair of CCAF's Board of Governors, the late Ronald C. Thompson. The award is given to individuals who have made an outstanding contribution to financial management and/or comptrollership throughout their career. The award will be recognized at a special ceremony in Ottawa on May 8, 2012.

Further details on the award and the ceremony are available on the [CMA Canada website](#).





And finally, we also provide in person updates and briefings to our stakeholders at events such as the CCOLA-CCPAC Annual conference, the GIACC forum, other symposia and events, and, at each of our training and learning events to ensure the staff of our [Institutional Members](#) are aware of the products and services at their disposal.

Our websites, updates and communiqués are successful thanks to the efforts of CCAF's [Lynne Casiple](#) who maintains our websites and ensures our communications, including this annual report, are well designed and easy to read.

The screenshot shows the CCAF-FCVI website homepage. At the top, there is a navigation bar with links for Home, Contact Us, Site Map, FAQ, and Français. Below this is the CCAF-FCVI logo and the tagline "Over 30 years of promoting effective performance audit and government oversight". A banner image features a group of smiling people and the text "A Canadian Research & Educational Foundation". Below the banner is a search bar and a login/register section. The main content area is divided into several sections: a left sidebar with contact information for CCAF-FCVI Inc.; a central "AUDIT NEWS" section with a description of the newsletter and a call to action for members; a right sidebar with a "2010-2011 REPORT" and a "Video Overview"; and a bottom section with a survey invitation from SurveyMonkey.

TARGET DELIVERABLES FOR 2012-13

One important strategic activity, to be led by a working group of Board members and management, will be the transition to new Federal legislation governing not-for-profit corporations in Canada. The transition will require the Foundation to review its by-laws, thus including a broad governance review. Revised by-laws and other required materials will be presented to the Board in March 2013, well ahead of the deadline of October 2014.

Another important element of our corporate plan will be to work with our [Audit and Finance Committee](#) to develop a risk-based approach to our planning process to ensure that the Foundation identifies and manages its operations with close attention to financial, operating, human resources and other risks.

CCAF will continue to provide members with regular communiqués, providing them with research, tools and updates on activities and other news throughout the year. Our target is one to two relevant and timely communications per month.

Another objective is to consider use of social media, aligning us with practices that ensure that new generations of professionals are accessing information in ways that resonate with them.

Our corporate and communication strategy benefits greatly from the involvement of CCAF Corporate Officer **James Oulton** who brings solid organizational and planning skills to our team.

**CCAF'S AUDIT & FINANCE
COMMITTEE
(AT MARCH 31, 2012)**

- ◆ *Roxanne L. Anderson (Chair)*
- ◆ *Brian Bost*
- ◆ *Jacques R. Lapointe*
- ◆ *Joy Thomas*

EX-OFFICIO

- ◆ *Charles-Antoine St-Jean*

4.2 CONTINUOUSLY STRENGTHEN THE HUMAN RESOURCE BASE OF THE FOUNDATION

WHAT WAS ACCOMPLISHED IN 2011-12

The strategic plan includes increasing our professional in-house resources, subject to funds being available. Starting with a new President and CEO in August 2011, the plan envisions that the internal capacity of CCAF will grow over time in order to better achieve the mission and mandate of the organization.

As of the release of this report, we have a solid leadership team in place to move forward with the plan. With the valuable support of our expanding cadre of Associates, our Board, and other advisors, we are well positioned to take on the challenges and opportunities that lie ahead.

We were also fortunate in the first half of the year to have had **Beverly Romeo-Beehler** from the Office of the Auditor General of British Columbia, working with the late **Ron Thompson** and our staff and associates to develop a new competency model and approach to performance audit learning and education.

TARGET DELIVERABLES FOR 2012-13



John Reed
Performance Audit Leader

Our plan for 2012-13 calls for the Foundation to strengthen its internal capacity with the recruitment and hiring of a Performance Audit Leader. As reported by the President & CEO, we are pleased that **John Reed** has accepted this challenge and joined our management team.

CCAF will recruit new Associates using an [open call for Associates](#) on CCAF's website, seeking individuals with experience in public sector performance audit and government oversight (particularly in working with PACs).

Teamwork is important in a small organization like CCAF. We will continue to look for opportunities to train and strengthen our team and ensure that each and every person at CCAF continues to feel like a valuable and contributing part of the team.

A restructured approach to objective setting, assessment and recruitment, using advice from the 2011 management practices review, will round out our approach in this area.

2011
2012





CCAF TEAM (AT MARCH 31, 2012):

Back: Barb Dumont, Julia Belanger, Lynne Casiple, Nicole Wiczorek, James Oulton

Middle: Julien Raynaud, Caroline Jorgensen, Paul Lohnes

Front: Yves Gauthier, Kate Gertz, Carine Turay

4.3 CONTINUOUSLY STRENGTHEN THE FINANCIAL RESOURCE BASE OF THE FOUNDATION AND MONITOR THE ENVIRONMENT IN CANADA AND ABROAD FOR NEW OPPORTUNITIES

WHAT WAS ACCOMPLISHED IN 2011-12

Being a membership based organization, CCAF relies on the financial and in-kind support of its members to support its operations and ensure its long-term sustainability. We continually look for new opportunities to secure financial resources, taking care that such opportunities are aligned with our mission and mandate. To support this, CCAF expanded the mandate of its Audit Committee, reconstituting it as the Audit & Finance Committee. One of its key functions is to ensure the financial sustainability of CCAF.

We were very fortunate to receive acceptance by the Canadian International Development Agency (CIDA) of our new proposal for a CCAF International Legislative Oversight Program (ILOP) in December 2011. The Program will provide CCAF with \$8.8 million in funding over five years to sustain our international activities, in accordance with our strategic plan.

TARGET DELIVERABLES FOR 2012-13

Management will work with the Audit & Finance Committee to develop a funding strategy that ensures the sustainability of current funding, while seeking out new potential sources.

CCAF staff members **Julia Belanger**, until mid-2012, and our new Finance & Administration Officer, **Pierre Bussière**, have been key to ensuring we have timely and accurate financial reporting, supported by strong internal controls.

4.4 CONTINUOUSLY STRENGTHEN MANAGEMENT PRACTICES AND CONTROLS

WHAT WAS ACCOMPLISHED IN 2011-12

As mentioned in the Message from the President & CEO, CCAF commissioned a review of its management practices and controls. The report from our audit firm provided valuable observations and recommendations that were fully reviewed with the Board. As a result, we have improved our system of internal controls, policies and practices to respond to the recommendations.

TARGET DELIVERABLES FOR 2012-13

At CCAF, we are committed to the principles of quality management and continuous improvement. We will continue to work closely with the Board to identify any potential gaps in management practices and controls and update our approaches as necessary.

KEY PERFORMANCE CHECKLIST – CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

Planned Result Area	Target for 2011-12		Results for 2011-12
4.1 Effectively and efficiently plan, manage, communicate and report on the operations of the Foundation.	1) Approve and implement strategic plan 2011-2014.	<i>Met</i>	Strategic plan approved by Board June 2011.
	2) Implement new Board committee and advisory group structure.	<i>Met</i>	New Board committees and advisory groups in place.
	3) Release timely communiqués to members.	<i>Met</i>	16 communiqués released to members.
4.2 Continuously strengthen the human resource base of the Foundation.	1) Recruit and hire President & CEO.	<i>Met</i>	President and CEO Paul Lohnes hired August 2011.
	2) Recruit and hire performance audit leader.	<i>Partially Met</i>	No permanent performance audit leader hired until July 2012; however, in-kind capacity was provided by OAG BC until September 2011.
4.3 Continuously strengthen the financial resource base of the Foundation and monitor the environment in Canada and abroad for new opportunities.	1) Constitute Board committee to identify new potential sources of funding.	<i>Met</i>	Audit & Finance Committee mandated to identify new funding.
	2) Secure funding for new International Program.	<i>Met</i>	CIDA approved new International Program with \$8.8 million in funding over 5 years.
4.4 Continuously strengthen management practices and controls.	1) Implement recommendations of management practices review.	<i>Met</i>	Recommendations incorporated into Policies and Procedures Manual.



CCAF-FCVI INSTITUTIONAL MEMBERS & FUNDING PARTNERS

AS OF MARCH 31, 2012



ALBERTA – OFFICE OF THE AUDITOR GENERAL



AUSTRALASIAN COUNCIL OF AUDITORS-GENERAL



BRITISH COLUMBIA – OFFICE OF THE AUDITOR GENERAL



CANADA – OFFICE OF THE AUDITOR GENERAL



CANADA – TREASURY BOARD OF CANADA / OFFICE OF THE COMPTROLLER GENERAL



CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS



CANADIAN INTERNATIONAL DEVELOPMENT AGENCY



ERNST & YOUNG



KPMG CANADA



LIQUOR CONTROL BOARD OF ONTARIO (LCBO) – INTERNAL AUDIT SERVICES



MANITOBA – OFFICE OF THE AUDITOR GENERAL



NEW BRUNSWICK – OFFICE OF THE AUDITOR GENERAL



NEWFOUNDLAND & LABRADOR – OFFICE OF THE AUDITOR GENERAL



GOVERNMENT OF NORTHWEST TERRITORIES



NOVA SCOTIA – OFFICE OF THE AUDITOR GENERAL



GOVERNMENT OF NUNAVUT



ONTARIO – MINISTRY OF FINANCE



ONTARIO – OFFICE OF THE AUDITOR GENERAL



PRICEWATERHOUSECOOPERS



PRINCE EDWARD ISLAND – OFFICE OF THE AUDITOR GENERAL



QUÉBEC – VÉRIFICATEUR GÉNÉRAL DU QUÉBEC



SASKATCHEWAN – OFFICE OF THE PROVINCIAL AUDITOR

2011
2012



THE CCAF-FCVI TEAM

AS OF MARCH 31, 2012



PAUL LOHNES, CA

President and CEO



JULIA BELANGER

Finance & Administration Officer



LYNNE CASIPLE

Computer Specialist / Webmistress



BARBARA DUMONT

Program Officer, International Programs



YVES GAUTHIER, FCA, ICD.D

Director, International Programs



KATE GERTZ

Communications Officer, International Programs



CAROLINE JORGENSEN
Deputy Director, International Programs



JAMES OULTON
Corporate Officer



JULIEN RAYNAUD
Projects Officer, International Programs



CARINE TURAY
Administrative Coordinator



NICOLE WICZOREK
*Director of Operations & CFO
and Secretary, Government Internal Auditors
Council of Canada (GIACC)*

2011
2012



MANAGEMENT REPORT TO MEMBERS

CCAF-FCVI's financial statements for the year ended March 31, 2012, together with the independent auditor's report thereon, are presented in this annual report.

The purpose of this Management Report is to provide our views to Members on how the organization has performed, its financial condition and an outlook for the future. Our report explains significant items, fluctuations or changes in the policies affecting the presentation of our financial statements.

Board oversight at CCAF includes the Audit and Finance Committee, which has four members in addition to the Board Chair. The Committee meets with management and the external auditor before, during, and at the end of the audit process to discuss matters related to the audit, internal controls, risk management and financial and reporting issues. At each meeting, the Committee and the external auditor hold an in-camera session without management's presence. The Committee reports on the results of the audit to the Board and makes a recommendation to it to approve the audited financial statements to be signed and issued by the external auditor. The Audit and Finance Committee also recommends the engagement or reappointment of the external auditor, subject to ratification by a vote of Members at the Annual General Meeting.

The external auditor for CCAF in 2012, Collins Barrow Ottawa LLP, has reported to the Audit and Finance Committee that there were no internal control matters to be brought to its attention. The financial statements in this report, prepared by management in accordance with Canadian generally accepted accounting principles, have been audited in accordance with Canadian generally accepted auditing standards.

FUNDING AND REVENUE

Maintaining a steady and continuous base of funding continues to be a significant challenge. At CCAF, our revenue comes primarily from two specific sources:

- ◆ International program funds are provided through a Canadian International Development Agency contribution agreement. The current five-year program, which totaled \$8.3 million for 2007 to 2012, will expire in mid 2012-2013. We are pleased that CIDA has approved a new five-year \$8.8 million program for 2012 to 2017, as reported earlier in this report.
- ◆ Institutional members and funding partners (reported as "Membership fees and contributions" provide the core funding for our domestic operations and programs. We continue to have active and ongoing financial and in-kind support and engagement from the Canadian audit community for our products and services, including our international program. This community support and engagement includes that of **Michael Ferguson**, Auditor General of Canada, his Office, and that of his Provincial colleagues.

Other revenues are derived from the delivery of our educational programs across Canada.

The 11.5% decrease in revenue in 2011-2012 is principally due to the timing of program activities under our CIDA funded international program, as the current agreement winds down. There was also a decrease in demand for CCAF for performance audit education, a cyclical trend that we have noticed every second year as we fulfill the demand from the communities we serve.

EXPENSES

The Foundation's expenses have decreased overall by 20% in 2011-12 as a result of the reduced level of international activity referred to above and a decrease of 26% in corporate management costs, bringing them to a more normal level following the strategic planning and re-structuring that took place in 2010-11. Direct program expenses also decreased with the culmination in 2011 of our *Innovation Risk and Control* research program.

The delay to 2012-13 in engaging a performance audit leader allowed us to carry forward a surplus that offsets the deficit incurred last year.

AN IMPROVED NET ASSET POSITION

Our net asset position of \$612,958 provides some level of protection to the Foundation against unexpected fiscal challenges that may occur in future, and brings us closer in line with our desired benchmark of coverage of six months of non-international expenses.

LOOKING AHEAD

The challenging economic and fiscal environment has impacted and will continue to impact CCAF. With oversight and guidance from the Audit and Finance Committee, we will be focusing more efforts in 2012-13 and beyond on strategies to increase and diversify our funding. This will include a partnership approach to fund and deliver products and services and research. The first strategy, renewal of our *International Legislative Oversight Program* with CIDA, has been successfully achieved. We now are shifting our attention on the value propositions we can put forward to support our members and stakeholders, and to elicit new domestic and international funding sources with which to deliver value.

As we move into the second year of our strategic plan, we are well positioned to focus on our three significant lines of services and research: performance audit, oversight; and international. We have renewed, capable and professional internal capacity, and associates, to meet the needs and expectations of our Members. We look forward to working with our Board and stakeholders in the coming year to meet the challenges and opportunities that are on our doorstep and those that are around the corner.



PAUL LOHNES, CA

President and Chief Executive Officer



NICOLE WICZOREK

Director of Operations & Chief Financial Officer

2011
2012





Financial Statements

For the year ended March 31, 2012

CCAF-FCVI Inc.
Financial Statements
For the year ended March 31, 2012

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Independent Auditor's Report

To the Members of CCAF-FCVI Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of CCAF-FCVI Inc., which comprise the statement of financial position as at March 31, 2012 and the statement of operations and changes in net assets, and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to an entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CCAF-FCVI Inc. as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the Canada Corporations Act, we report that, in our opinion, the accounting principles in Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants
July 4, 2012
Ottawa, Ontario

CCAF-FCVI Inc.
Statement of Financial Position

March 31 **2012** **2011**

Assets

Current

Cash (Note 1)	\$ 1,283,038	\$ 1,002,608
Accounts receivable	136,525	274,611
Prepaid expenses	66,604	72,886
	1,486,167	1,350,105

Capital assets (Note 2)

	15,540	-
	\$ 1,501,707	\$ 1,350,105

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 516,337	\$ 839,855
Deferred revenue (Note 3)	15,491	1,500
Unexpended international program funds (Note 4)	357,281	79,043
	889,109	920,398

Net assets (Note 5)

	612,598	429,707
	\$ 1,501,707	\$ 1,350,105

On Behalf of the Board of Governors:



Governor



Governor

CCAF-FCVI Inc.

Statement of Operations and Changes in Net Assets

For the year ended March 31	2012	2011
Revenue		
Membership fees and contributions	\$ 1,158,050	\$ 1,168,878
International program funds (Note 4)	1,760,808	2,118,127
Research and other contributions	31,418	36,213
Performance audit education	81,349	106,652
Interest	7,345	4,749
	3,038,970	3,434,619
Direct program expenses (Notes 6 and 8)		
Performance audit programs and services	300,091	318,337
Performance audit education	64,053	84,843
Oversight programs and services	202,556	201,572
International program	1,589,125	1,940,393
Research and capacity development (Note 8)	-	216,274
	2,155,825	2,761,419
General expenses (Notes 6 and 8)		
Corporate management	369,544	498,919
Operations and other support	330,710	306,287
	700,254	805,206
Total expenses	2,856,079	3,566,625
Excess (deficiency) of revenue over expenses for the year	182,891	(132,006)
Net assets , beginning of the year	429,707	561,713
Net assets , end of the year	\$ 612,598	\$ 429,707

CCAF-FCVI Inc.
Statement of Cash Flows

For the year ended March 31	2012	2011
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 182,891	\$ (132,006)
Change in non-cash working capital balances		
Accounts receivable	138,086	(104,335)
Prepaid expenses	6,282	(64,666)
Accounts payable and accrued liabilities related to operations	(339,058)	467,200
Deferred revenue	13,991	(28,380)
Unexpended international program funds	278,238	52,076
	<u>280,430</u>	<u>189,889</u>
Cash flows from investing activities		
Acquisition of capital assets	(15,540)	-
Increase in accounts payable and accrued liabilities related to capital assets	15,540	-
	<u>-</u>	<u>-</u>
Increase in cash during the year	280,430	189,889
Cash, beginning of year	1,002,608	812,719
Cash, end of year	\$ 1,283,038	\$ 1,002,608

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2012

**Nature and Purpose
of the Organization**

CCAF-FCVI Inc. (the "Foundation") was established in 1980 by letters patent under the provisions of Part II of the Canada Corporations Act.

The Foundation's mission is to foster confidence in the public sector by promoting effective performance audit and oversight of government operations. The Foundation provides education, research and capacity development for public sector auditors and oversight committees, helping them to work with other public officials for accountable government. The Foundation's products and services are widely respected, referenced and applied by auditors, legislators and other public officials in Canada and abroad.

Significant portions of the Foundation's operations are funded by the Canadian International Development Agency, as set out in Note 4 to these financial statements. In addition, the Foundation derives approximately 40% of its membership revenue from one member. The Foundation's current level of operations depends on the continuation of these revenue sources.

The Foundation was organized and is operated for the purposes outlined above and as such is not taxable under the Income Tax Act of Canada.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the fiscal year in which they become known.

Significant estimates include assumptions used in estimating the amounts and collectibility of accounts receivable; in establishing the useful lives and related amortization of capital assets; in estimating provisions for accrued liabilities; in estimating the salaries and benefits allocated to various operational areas; and in estimating the amount of contributions earned and deferred under the Foundation's contribution and other funding agreements.

The financial statements include an estimated liability for a portion of the international program travel expenses for the prior years where the recovery from the funder is uncertain. Any differences between the amount accrued and the accrual settlement will be charged or credited to operations in the fiscal year of settlement.

Summary of Significant Accounting Policies

March 31, 2012

Financial Instruments

The accounting standards for financial instruments require that financial assets and financial liabilities be classified according to their characteristics, management's intentions, or the choice of category in certain circumstances. Financial assets must be classified as either held-for-trading, held-to-maturity, available-for-sale or loans and receivables. Financial liabilities must be classified as held-for-trading or other liabilities. When initially recognized, financial assets and financial liabilities are recorded at fair value. In subsequent periods, financial assets and financial liabilities classified as held-for-trading and financial assets classified as available-for-sale will be measured at fair value. Gains or losses arising from a change in the fair value of financial assets and financial liabilities classified as held-for-trading are recognized in operations as they occur. Changes in the fair value of available-for-sale financial assets are recorded as a direct increase or decrease in net assets until realized or there has been a decline in value that is considered other than temporary in which case the loss will be recognized in operations. Items that are classified in the following categories will be measured at amortized cost using the effective interest method with gains or losses recognized in operations when realized or there has been a decline in value that is other than temporary. These categories are loans and receivables, investments held-to-maturity and other liabilities.

The Foundation's financial instruments as at March 31, 2012 consist of cash, accounts receivable, accounts payable and accrued liabilities, and unexpended international program funds. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

For financial instruments classification purposes, cash and accounts receivable are classified as loans and receivables, and accounts payable and accrued liabilities, and unexpended international program funds are classified as other liabilities. They are carried at amortized cost which is equivalent to fair value given their short-term maturities unless otherwise noted.

Financial Instruments Disclosures

The Foundation has opted to disclose and present financial instruments under the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3861, Financial Instruments - Disclosure and Presentation in these financial statements instead of CICA Handbook Sections 3862 and 3863, which is a permitted option under the transition rules for not-for-profit organizations in these standards. Section 3862 is more onerous placing an increased emphasis on risk disclosures and requiring disclosure of both qualitative and quantitative information about exposures to risks arising from financial instruments, including credit, interest rate, liquidity, currency and other price risks as well as in certain situations sensitivity analyses. The requirements of Section 3863 are consistent with certain applicable parts of Section 3861 and therefore would not impact the Foundation's financial statements.

CCAF-FCVI Inc.
Summary of Significant Accounting Policies

March 31, 2012

Financial Risk Management

The Foundation manages its most significant asset of cash according to its cash needs and in such a way as to earn investment income as well as to ensure that amounts invested are not at risk. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably assured.

Unrestricted interest revenue is recognized as revenue when it is earned with the passage of time. Externally restricted interest revenue, if any, is initially deferred and is recognized as revenue in the year in which the related expenses are incurred.

Membership fees and performance audit education revenues are recognized in the year which they are earned.

Contributions in Kind

Contributors provide a significant amount of time and absorb costs related to certain activities of the Foundation. Because of the difficulty in determining their fair value and completeness, contributions in kind are not recorded in the financial statements.

Capital Assets

Furniture, office equipment and leasehold improvements are stated at acquisition cost. Amortization of furniture and office equipment is provided on the straight-line basis over a three year period. Amortization of leasehold improvements is provided on a straight-line basis over the expected remaining term of the lease.

Development Costs

The Foundation develops educational products and research publications for the purposes outlined in the previously set out Nature and Purpose of the Organization disclosure. Fees charged for the use and purchase of these items are generally set such that direct costs are recovered. Related development costs are expensed in the year incurred.

Allocation of Expenses

The Foundation's expenses are presented in the statement of operations and changes in net assets on a functional basis. Certain expenses incurred are applicable to more than one function, are directly related to the output of the applicable function, and are therefore considered direct program expenses. Therefore the functional expense totals do not include any indirect costs.

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2012

Future Changes in Accounting Standards

Effective for years beginning on or after January 1, 2012 Canadian private sector not-for-profit organizations (i.e. those not controlled by government entities) have a new financial reporting framework.

For organization's that do not adopt International Financial Reporting Standards (IFRS) but rather adopt the new not-for-profit standards the existing not-for-profit accounting standards will remain, supplemented by the new private enterprise standards. The new private enterprise standards include recognition, measurement and presentation simplification in many areas as well as reduced required disclosures in the financial statements whereas IFRS would require to some extent different and expanded recognition, measurement, presentation and disclosure standards.

The Foundation expects to adopt the new not-for profit standards for its March 31, 2013 fiscal year and is currently reviewing and assessing the new not-for-profit standards.

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2012

1. Cash

The Foundation's cash is held in two accounts at one Canadian chartered bank, a major portion of which is in a business cash account that earns interest at a nominal rate. The remaining cash is held in a cash investment account and earns interest at the lesser of 0.35% and the bank's prime rate less 3%. At year end, the cash investment account had a balance of \$458,945 (2011 - \$454,133).

2. Capital Assets

	2012			2011		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture, office equipment and leasehold improvements	\$ 55,978	\$ 40,438	\$ 15,540	\$ 40,438	\$ 40,438	\$ -

During the year, the Foundation purchased \$15,540 of office equipment. No amortization has been recorded since the equipment was not put into service until the 2013 fiscal year.

3. Deferred Revenue

Deferred revenue consists of various membership and research contributions related to subsequent years as summarized below:

	2012		2011	
Balance, beginning of year	\$ 1,500	\$	29,880	
Recognized as revenue in the year	(1,500)		(29,880)	
Received in the year and applicable to subsequent years	15,491		1,500	
Balance, end of year	\$ 15,491	\$	1,500	

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2012

4. International Program Funds

The Foundation coordinates a program designed to build capacity in the supreme audit institutions (SAIs) and oversight committees of participating developing countries, primarily in the area of performance (value-for-money) auditing. Program activities include Fellowship placements in Canada for senior auditors, in-country workshops, and mentoring and technical support from Canadian legislative audit offices. Program objectives include building stronger relationships among participating SAIs and related institutions, such as oversight committees and key government ministries, through the delivery of workshops on governance, accountability and oversight.

International program costs are funded by the Canadian International Development Agency (CIDA) with in-kind contributions from Canadian experts at the Office of the Auditor General of Canada, participating provincial Offices, the Foundation, municipal audit offices, parliamentarians and individual Canadians. CIDA pays direct costs associated with the program and makes a contribution to the Foundation's general overhead. The current five-year agreement with CIDA continues until November 30, 2012. The total funding under the agreement yet to be potentially recognized as revenue at March 31, 2012 is \$1,028,580 (2011 - \$2,789,388).

The flow of the program funds is as follows:

	2012	2011
Unexpended funds, beginning of year	\$ 79,043	\$ 26,967
Advances received from CIDA	2,039,046	2,161,277
	2,118,089	2,188,244
Revenue recognized representing expenses for the year including overhead allocation	1,760,808	2,118,127
Other adjustments	-	(8,926)
	1,760,808	2,109,201
Unexpended funds, end of year	\$ 357,281	\$ 79,043

In December 2011, CIDA announced a contribution of \$8,800,000 for a five year program to end in the Foundation's 2017 fiscal year. The contribution agreement related to the new five year program is expected to be finalized in the second quarter of the Foundation's 2013 fiscal year.

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2012

5. Capital Disclosures

The Foundation defines its capital as its net assets amounting to \$612,598 (2011 - \$429,707) and is not subject to external restrictions on its capital. The Foundation's objective when managing its capital is to hold sufficient net assets to maintain the stability of its financial structure enabling it to focus its efforts on serving its members.

6. Salaries and Benefits

The total amount of salaries and benefits for the year is \$900,617 (2011 - \$1,159,297). Salaries and benefits are allocated to various operational areas based on management's estimate of resource utilization as outlined in the following table.

	<u>2012</u>	<u>2011</u>
Performance audit programs and services	\$ 178,011	\$ 186,154
Performance audit education	11,400	11,550
Oversight programs and services	98,940	57,071
International program	281,478	296,096
Research and capacity development	-	190,952
Corporate management	151,772	303,794
Operations and other support	179,016	113,680
	<u>\$ 900,617</u>	<u>\$ 1,159,297</u>

7. Commitments

During the 2011 fiscal year the Foundation amended the lease agreement for its office premises. The amended lease expires on February 28, 2016. The lease has the following annual fiscal year commitments:

2013	\$ 86,111
2014	87,830
2015	89,585
2016	<u>83,622</u>
	<u>\$ 347,148</u>

The Foundation also has residential leases as part of the international program. The fiscal year 2013 commitment is \$20,400. The leases expire on June 30, 2012 and will continue on a month to month basis after June 30, 2012.

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2012

8. Comparative Amounts

The Foundation's statement of operations and changes in net assets has been restructured to align with the strategic plan approved by the Foundation's Board of Governors in June 2011. Comparative amounts have been reclassified accordingly. Research expenses are now allocated and included in performance audit programs and services expenses, and oversight programs and services expenses.

Research and capacity development expenses in 2011 related to a specific program, "Innovation, Risk and Control", which has been completed.

In certain other instances, 2011 amounts presented for comparative purposes have also been reclassified to conform with the financial statement presentation adopted for the current year.

 CCAF-FCVI^{INC.}