



Office of the Auditor General of Canada

Performance Report

For the period ending
March 31, 1999

Canada

Improved Reporting to Parliament Pilot Document

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Available in Canada through your local bookseller or by mail from

Canadian Government Publishing — PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/57-1999

ISBN 0-660-61069-8



Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Results - Volumes 1 and 2*.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:
<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions can be directed to the TBS Internet site or to:

Planning, Performance and Reporting Sector
Treasury Board Secretariat
L'Esplanade Laurier
Ottawa, Ontario, Canada
K1A 0R5
Tel: (613) 957-7042
Fax (613) 957-7044

**Office of the
Auditor General of Canada**

Performance Report

**For the
period ending
31 March 1999**

**L. Denis Desautels, FCA
Auditor General of Canada**

**Honourable Paul Martin, P.C., MP
Minister of Finance**

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SECTION 1

Message from the Auditor General



I am pleased to present the 1999 Performance Report for the Office of the Auditor General of Canada. This report explains what we did in the past year, what we were trying to achieve and what we actually achieved in our work for Parliament and Canadians. Some of the achievements represent new progress that government organizations have made in implementing our recommendations from previous years.

Because we work together with Parliament and the entities we audit to bring about necessary change, the credit for our achievements is shared with many players in and around government. It is relatively easy to count the number of audits we conducted and to indicate

whether they were finished on time, but it is not easy to quantify and measure the achievements that an audit generates.

Our efficiency (cost per audit) and timeliness are improving. But one way to show Canadians that our spending is justified is to provide examples of the results that our audit recommendations have produced. Even though it is difficult, we are making efforts to estimate the amounts that government operations may have saved at least in part because of our work and our recommendations. For example, following our 1996 audit of materiel management, four departments have reduced their inventory levels by more than \$480 million. This means potential savings of some \$100 million a year in the costs of maintaining that inventory. (This is presented as a case study on page 23.)

This report measures our performance in our work and whether we have or have not met the commitments we made in our 1998–99 Report on Plans and Priorities.

Our mandate requires us to report on the economy, efficiency, effectiveness and environmental effects of the activities of those we audit in our value-for-money work for Parliament — what we call our four “Es”. We can cover almost any topic across the whole of government. In the last year alone, we audited areas ranging from Canada’s biodiversity to the management of First Nations’ land claims to the federal investment in highways, from management of the social insurance number to the government’s preparedness for the Year 2000. Our work also includes reporting on the financial statements of the federal government itself as well as a myriad of federal, international and territorial organizations, and conducting special examinations of Crown corporations.

We strive to keep up with the best in our professional expertise and the efficiency of our operations. For example, an independent firm is currently reviewing our financial audit practice to determine whether it is suitably designed and operates effectively to provide reasonable assurance that our annual financial audits are conducted in accordance with applicable legislative requirements, professional standards and our own policies. The firm is expected to deliver its opinion in early 2000.

The government is continuously evolving and we try to take this evolution into account in selecting the areas we audit. We also take into account the interests of parliamentarians. Twenty-six percent of members of the House of Commons and the Senate responded to a survey we sent out last November on the work of the Office. Although this response rate itself was not high, all parties were well represented and the comments we received were quite favourable; most who responded said that our audit effort was appropriate in its amount and balance.

Our most important resource is our multidisciplinary teams who help ensure the success of our work. I believe we have again succeeded in delivering on our commitments.

L. Denis Desautels, FCA
Auditor General of Canada



SECTION 2

Overview of the Office

THE OFFICE'S VISION, MISSION AND OBJECTIVES

2.1 The Office's Strategic Framework, which was last updated in January 1998, includes Vision and Mission statements that guide the work of the Office.

VISION

The Office of the Auditor General of Canada is committed to making a difference for the Canadian people by promoting, in all our work for Parliament, answerable, honest and productive government that reflects a commitment to sustainable development.

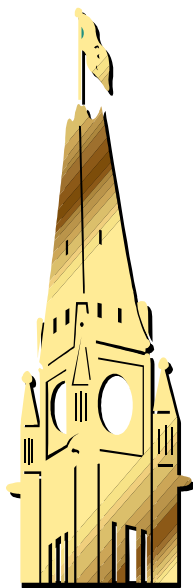
MISSION

We conduct independent audits and examinations that provide objective information, advice and assurance to Parliament. We promote accountability and best practices in government operations.

OBJECTIVES

We want to make a difference by promoting:

- a fair and frank accounting of the government's stewardship of financial and other resources;
- efficiency, productivity and cost effectiveness in the public service;
- collection of revenues owed to the Crown;
- objective assurance on matters found to be satisfactory and unsatisfactory;
- compliance with authority;
- honesty in government; and
- the environment and sustainable development.



PRIORITIES – 1998–2001

- Help improve the government's finances and information on its financial condition.
 - Stimulate advances in accountability concepts and improve accountability practices in government.
 - Improve the quality of financial management in government.
 - Contribute to necessary changes in the public service.
 - Help improve the federal government's performance in protecting the environment and promoting sustainable development.
-

2.2 We share these objectives with many other parties inside and outside government, which complicates the task of identifying results that are specifically due to our audits. Many share a commitment to good government, and it is often through their co-operation and participation that we are able to effect change. We assess our own effectiveness by our ability to conduct high-quality audits that address significant issues and contribute to **making a difference**, as described in Section III of this document.

MANDATE, ROLES AND RESPONSIBILITIES

ENABLING LEGISLATION

2.3 The *Auditor General Act*, the *Financial Administration Act* and a variety of other acts and orders-in-council set out the duties of the Auditor General and the Commissioner of the Environment and Sustainable Development as they relate to legislative auditing and monitoring of federal departments and agencies, Crown corporations, territorial governments and other national and international organizations.

BUSINESS LINE – LEGISLATIVE AUDITING

2.4 The business line of the Office is **legislative auditing**. The Auditor General provides Parliament and the Canadian people with answers to the following questions:

Components of Legislative Auditing ¹	Questions
Financial audit of the Financial Statements of the Government of Canada	Is the government presenting fairly its overall financial situation?
Financial audits of Crown corporations and other entities	Are Crown corporations and other entities presenting their financial information fairly and in accordance with applicable standards? Are they complying with legislative authorities?
Value-for-money audits of departments and agencies	Were departmental and agency programs run economically and efficiently, and with due regard to their environmental effects? Does the government have the means to measure the effectiveness of its programs? Is legislation complied with and the public purse protected?
Environment and sustainable development monitoring activities	To what extent did departments and agencies meet the objectives and implement the plans set out in their sustainable development strategies laid before the House of Commons?
Special examinations of Crown corporations	Do systems and practices of Crown corporations provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are carried out effectively?

¹ These components are explained in more detail in sections 5, 6 and 7 of the *Auditor General Act* and Part X of the *Financial Administration Act*. In all our work, we also consider compliance with authorities.

2.5 We are different from departments and agencies in that we are independent from the government and report directly to Parliament. Our independence is assured by a broad



legislative mandate, freedom from certain government controls over our budget and staff, and a 10-year mandate for the Auditor General.

THE COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

2.6 The Commissioner's primary role and responsibility is to monitor, on behalf of the Auditor General, the sustainable development strategies and action plans of departments as well as the status of public petitions on environmental matters and the government's response to them. The Commissioner is also required to report annually on behalf of the Auditor General, to Parliament on the results of his work.

ORGANIZATION OF THE OFFICE

2.7 The Executive Office provides overall direction as well as legal support and professional practice review, and oversees our international activities.

2.8 The Corporate Services Branch provides direct support to our audit activities.

2.9 The Audit Operations Branch is responsible for carrying out all our audit activities.

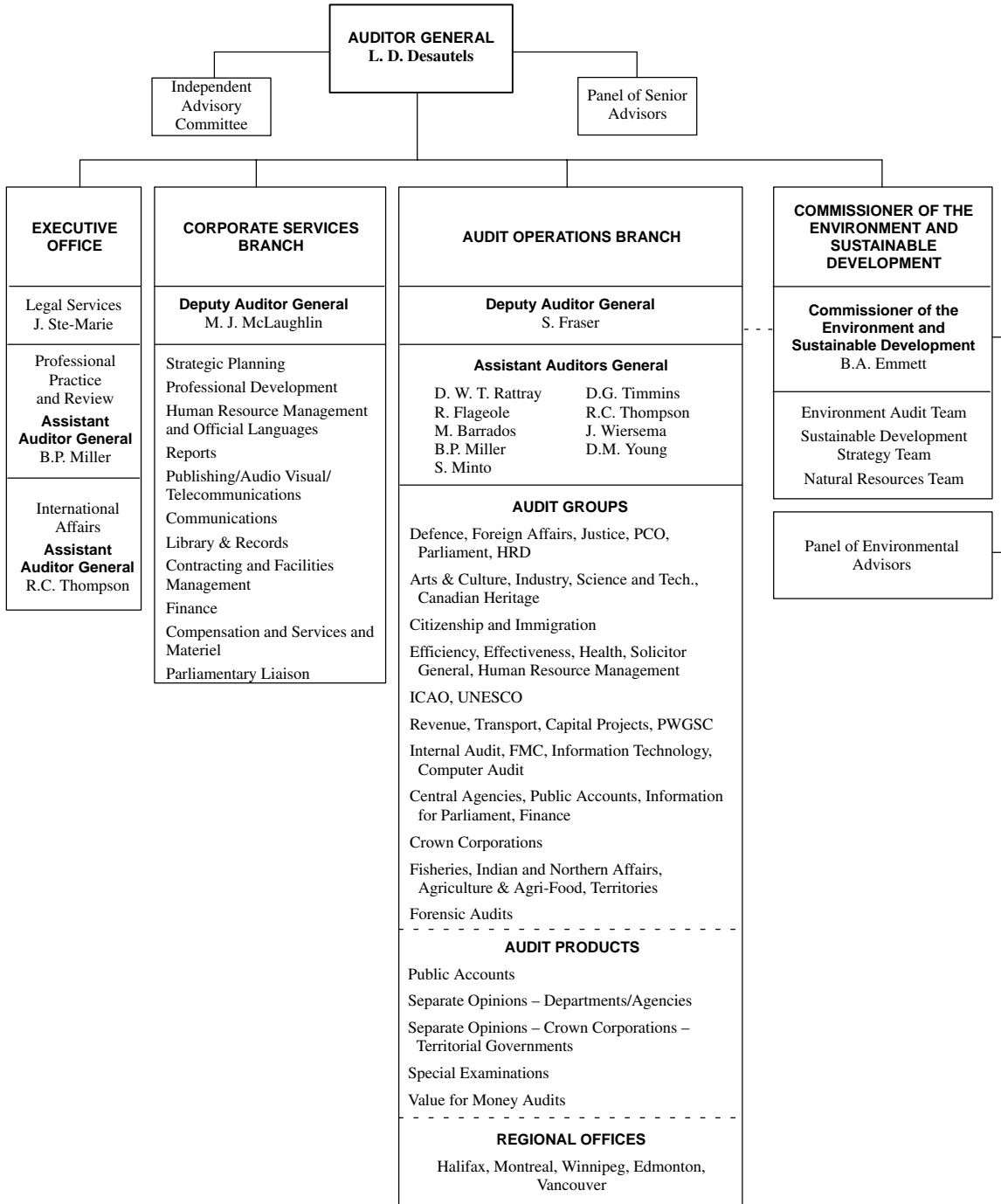
2.10 The Commissioner of the Environment and Sustainable Development is responsible for monitoring and reporting on behalf of the Auditor General, on the progress of federal departments and agencies toward incorporating principles of sustainable development in their operations. The Commissioner also assists the Auditor General in performing audits and studies in areas related to the environment and sustainable development.

2.11 Our auditors have postgraduate degrees or professional qualifications in many disciplines, and include accountants, engineers, lawyers, statisticians, sociologists, historians, environmental specialists and economists.

REPORTING OUR WORK

2.12 The work of the Auditor General and the Commissioner of the Environment and Sustainable Development is reported in several forms, as specified in legislation. These forms include opinions on the financial statements of the Government of Canada, territorial governments, Crown corporations and other entities; chapters or other audit observations in the reports of the Auditor General and the Commissioner of the Environment and Sustainable Development to Parliament; and special examination reports to boards of directors of Crown corporations. (For further details, refer to Section 6, "Listing of Statutory Reports".) Our work can also result in special publications, methodology, briefings for parliamentary committees, speeches, and management letters to organizations we audit. Our reports, as well as information about the Office, are available on our Web site at <http://www.oag-bvg.gc.ca>.

Organization of the OAG (As of 1 August 1999)



SECTION 3

Office Performance

A. PRESENTATION OF FINANCIAL INFORMATION

Exhibit 1 — Summary Financial Information

Legislative Auditing

Planned Spending	\$ 50,960,000
Total Authorities	\$ 55,214,875
1998–99 Actuals	\$ 53,739,517

The summary financial information presented in Exhibit 1 above indicates:

- the plan at the beginning of the year, as presented in the 1998–99 Main Estimates (Planned Spending);
- total spending approved by Parliament, including Supplementary Estimates to reflect changing priorities and unforeseen events (Total Authorities); and
- amounts actually spent (1998–99 Actuals).

B. PERFORMANCE EXPECTATIONS

KEY RESULTS COMMITMENTS

3.1 Exhibit 2 shows the chart of Key Results Commitments as published in Volume 2 of the President of the Treasury Board’s 1999 Annual Report to Parliament, *Managing for Results*. This is an overview of the key results that the Office is committed to achieving.

Exhibit 2 — Chart of Key Results Commitments

To provide Parliament and Canadians with:	To be demonstrated by:	Achievements reported in:
Independent audits and examinations that provide objective information, advice and assurance, and that promote accountability, best practices in government operations, and sustainable development.	Evidence that we follow professional standards, and that Parliament accepts and endorses our audit conclusions on matters found to be satisfactory or unsatisfactory. Observations and recommendations that are implemented and result in demonstrable improvements in public sector management and service delivery.	pages 11 to 31

3.2 We have expanded the chart to provide more details by which to measure our performance. Exhibit 3 shows the main objectives, the indicators of achievement, and which components of our business line helped to achieve them. The page references in the expanded chart indicate where in this document the key achievements in 1998–99 are reported.

Exhibit 3 — Expanded Chart of Key Results Commitments						
To provide Parliament and Canadians with independent audits and examinations that make a difference by promoting:	Indicators of achievement:	Demonstrated by business line component:				
		Financial Audit of the Financial Statements of the Government of Canada	Financial Audits of Crown corporations and other entities	Value-for-money audits of departments and agencies	Environment and sustainable development monitoring activities	Special examinations of Crown corporations
A fair and frank accounting of the government's stewardship of financial and other resources and influencing the quality of financial management in government	Reliability and usefulness of information provided to Parliament and government management for monitoring and decision-making purposes.			Pages 18, 20, 22		Page 31
Efficiency, productivity and cost effectiveness in the public service	Extent to which audits identify opportunities to reduce costs or achieve more with resources provided.			Page 20		Page 30
Collection of revenues owed to the Crown	Increased effectiveness of revenue administration and maintenance of the tax base.			Page 25		
Objective assurance on matters found to be satisfactory and unsatisfactory	Demonstrated compliance with appropriate professional standards and resulting improvements in the quality of the government's published financial information. Extent to which parliamentarians and other users of financial statements found our audit opinions useful. Extent to which Crown corporation boards of directors found our special examination reports useful.	Page 12 Page 12	Page 15 Page 15			Page 30 Page 30
Compliance with authority	Extent to which parliamentarians, Crown corporation boards of directors and other users of our audit products were assured that operations were conducted in compliance with relevant legislative authorities and related regulations.	Page 25	Page 25	Page 25		
Honesty in government	Contributions to reducing the risk of wrongdoing, conflict of interest and fraud, and maintenance of sound ethics and values.			Page 26		

To provide Parliament and Canadians with independent audits and examinations that make a difference by promoting:	Indicators of achievement:	Demonstrated by business line component:				
		Financial Audit of the Financial Statements of the Government of Canada	Financial Audits of Crown corporations and other entities	Value-for-money audits of departments and agencies	Environment and sustainable development monitoring activities	Special examinations of Crown corporations
The environment and sustainable development	<p>Extent to which departments improve their management practices for protecting the environment and promoting sustainable development.</p> <p>Extent to which departments and agencies met the objectives and implemented the plans set out in their sustainable development strategies laid before the House of Commons.</p>			Page 27	Page 28	

C. PERFORMANCE ACCOMPLISHMENTS

PARLIAMENTARY ACTIVITIES

3.3 Since our primary client is Parliament, we can measure the effects of our work to some extent by the level of parliamentary interest it generates. The number of hearings held by parliamentary committees provides some indication of the impact of our work. In 1998–99, the Public Accounts Committee held 34 meetings attended by OAG staff. Following those meetings, the Committee issued 13 reports containing recommendations that supported to a great extent the main findings of our reports.

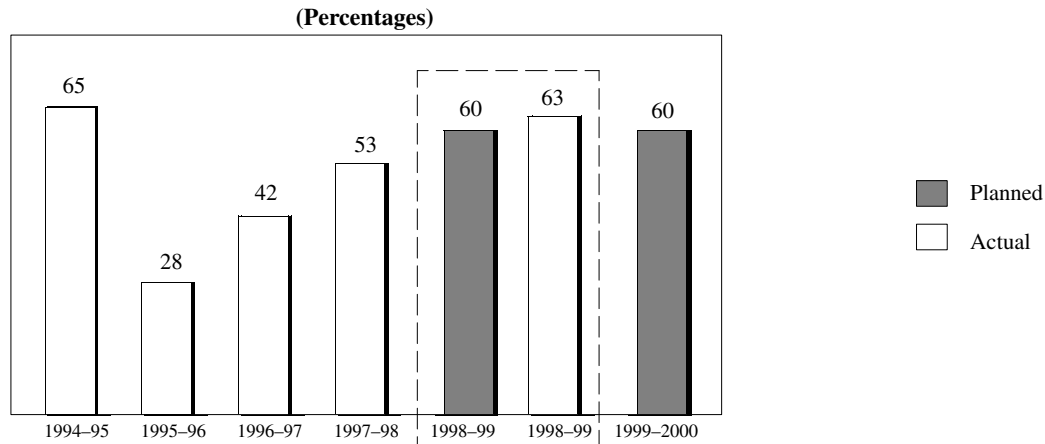
3.4 Other committees of the House and Senate frequently seek information and advice from us as well. Our goal for these hearings, as for Public Accounts Committee hearings, is to provide clear and objective information to parliamentarians. For instance, we can point to our September 1998 report on the management of the social insurance number which is presented as a case study on page 24.

3.5 During 1998–99, our views were also sought on other topics such as biodiversity, the Patented Medicine Prices Review Board, the Canadian Food Inspection Agency, the management of First Nations' land claims by Indian and Northern Affairs Canada, and the operations of the National Arts Centre. During the year, 63 percent of our reports were the subject of hearings by the Public Accounts Committee or other parliamentary committees, as shown in Exhibit 4. We have noted with interest that we are called as witnesses not only more often but also by a wider range of committees. We strongly feel that reviews by a parliamentary committee add to the transparency of government operations and we will continue to support these endeavours.

3.6 Feedback we have received from members of Parliament indicates that they think the amount and type of work we are doing is useful. Twenty-six percent of members of the House of Commons and the Senate responded to our November 1998 survey on our work. Although the response rate was not high, it represented all parties. Most who responded said the amount and balance of audit effort was focussed appropriately on some key areas of public administration like the accountability, efficiency and

productivity of the public service; the environment and sustainable development; and the management of government revenues and expenditures. A few members also suggested specific issues for us to examine, and we are taking these into account in our audit planning. The survey indicated that some of the respondents were not aware of the work we are doing in the areas of the environment and sustainable development, and we will therefore make more of an effort to inform parliamentarians about it. We plan to continue emphasizing the types of issues we asked about in the survey.

Exhibit 4 — Reports Subject to Parliamentary Committee Meetings



PERFORMANCE BY BUSINESS LINE COMPONENT

3.7 The Office has set financial, efficiency and effectiveness targets for its operations. In this section, we measure our performance against these targets.

3.8 The business line of the Office is legislative auditing. It is divided into five main components, as we describe in this section. Resources are allocated first to financial audits, as legislation requires us to conduct most of them annually. Special examinations of Crown corporations are required every five years, and must provide the assurance set out in legislation. Our remaining resources are allocated to value-for-money auditing and environmental and sustainable development work. Since most of our resources are devoted to value-for-money audits, most of the examples of our making a difference are drawn from our Report chapters.

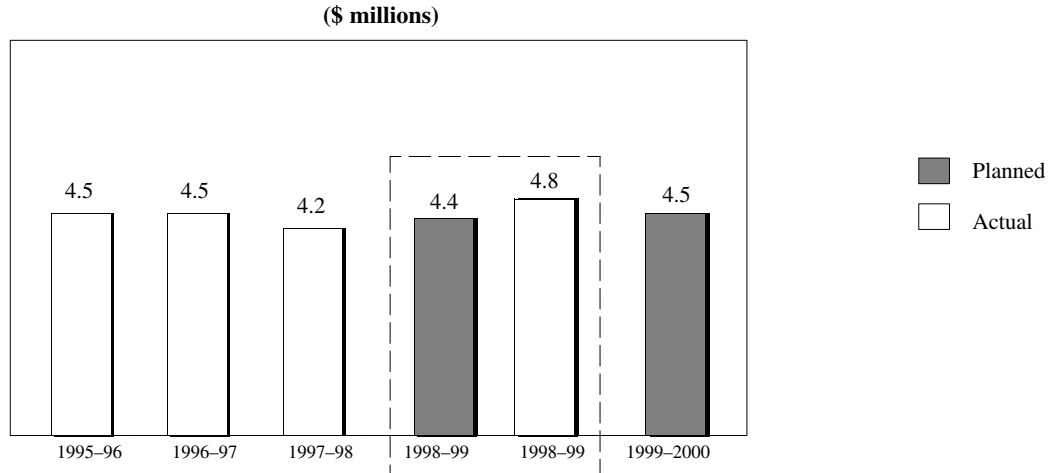
3.9 Our attest audit work is designed to provide assurance on the reliability of reported financial information and on compliance with authorities. It also has a deterrent effect that is hard to illustrate or to measure. In addition, we make many suggestions for improved reporting and disclosure that are accepted by the entities we audit and incorporated into their reports to Parliament.

Financial Audit of the Financial Statements of the Government of Canada



3.10 Every year, the Auditor General expresses an opinion on the Financial Statements of the Government of Canada. The Opinion can be found in the *Public Accounts of Canada*, Section 1 of Volume 1. Exhibit 5 shows our costs for the audit work on which the opinion is based. We had planned to spend \$4.4 million in 1998–99 but the actual costs were \$4.8 million. We had presumed that some audit work would be deferred because the government had delayed implementing key elements of its Financial Information Strategy (FIS). However, we accelerated our efforts to adapt our audit approach to the new systems under FIS and were able to begin the audit work during 1998–99.

**Exhibit 5 — Financial Audit of the Financial Statements of the Government of Canada
– Annual Costs**



Performance Outputs and Achievements from Financial Audit of the Financial Statements of the Government of Canada, for the Period Ended 31 March 1999

Key Results Commitment – Providing Objective Assurance

What we provided

- Qualified audit opinion and related observations on the government's overall financial statements included in the Public Accounts of Canada for the fiscal year 1997–98.
- Qualified audit opinion on the condensed financial statements in the government's Annual Financial Report.
- Unqualified opinion on the Statement and Transactions of the Debt Servicing and Reduction Account.
- Testimony at a Public Accounts Committee hearing about the qualification in the audit opinion on the government's financial statements (accounting for a transaction with the Canada Millennium Scholarship Foundation).

Indicators of achievement

Demonstrated compliance with appropriate professional standards and resulting improvements in the quality of the government's published financial information.

Extent to which parliamentarians and other users of financial statements found our audit opinions useful.

What we actually achieved

Reliability of financial information

- The government responded favourably in the 1999 Budget to some of the issues raised in the Auditor General's observations on the government's financial statements for 1997–98. The government agrees with and is addressing our recommendations related to accounting for contingent liabilities for Aboriginal claims; accounting for environmental costs and liabilities; enterprise Crown Corporations; the Financial Information Strategy (FIS) — the move to full accrual accounting; and a matter raised in our 1996–97 observations on the Debt Servicing and Reduction Account. We disagreed with the way the government accounted for the \$2.5 billion transaction with the Canada Millennium Scholarship Foundation. However, as a result of discussions between our Office and the Department of Finance, future such transactions may not be accounted for in the same way.

Financial Audits of Crown Corporations and Other Entities



3.11 We audited the financial statements of federal Crown corporations, federal departmental corporations and other entities, territorial governments, corporations and other entities and international organizations. The Auditor General examined these financial statements and expressed an opinion on whether they presented information fairly and complied with applicable legislative authority requirements.

3.12 In order to ensure that our audits are cost-effective and continue to meet high standards, our Quality Management System for financial audits was reviewed and updated to reflect current best practices. We continue to monitor advances in the field, particularly in public sector accounting standards, through participation in national and international organizations involved in setting accounting and auditing standards.

3.13 In 1998–99, financial audit costs increased over the previous year. This can be attributed mainly to audit procedures and other tests needed to address the implementation of new accounting standards, changes in the nature of entity operations and accounting and internal control systems, and staffing changes both in our Office and in the organizations we audit.

3.14 Our goal was to reduce audit hours by 15 percent from 1994–95 levels by 1998–99. They actually declined by 10 percent. When we combine the actual costs of our work in all entities for 1998–99 (shown in Exhibits 6, 7 and 8), they show a reduction of 5 percent from 1994–95. Audit costs did not decline as much as audit hours due to salary increases in 1998 for the first time in a number of years.

Exhibit 6 — Financial Audits of Crown Corporations – Costs

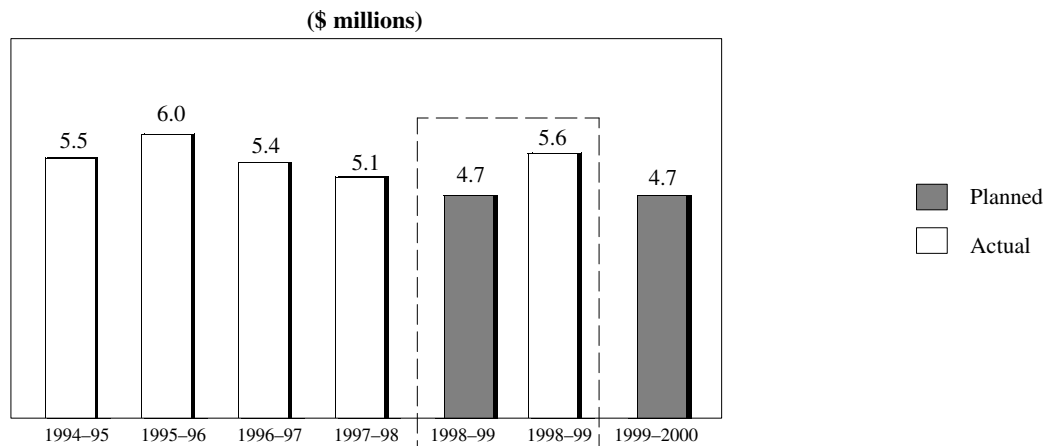


Exhibit 7 — Financial Audits of Other Entities – Costs

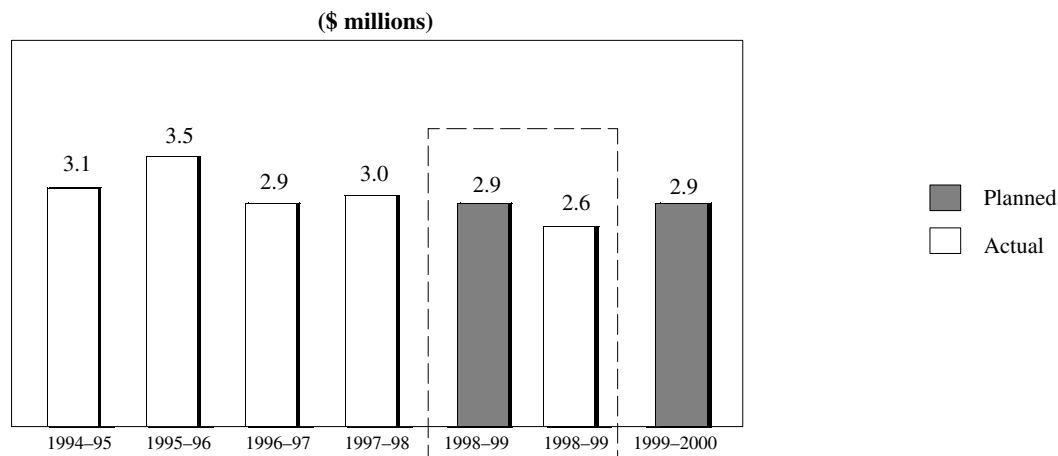
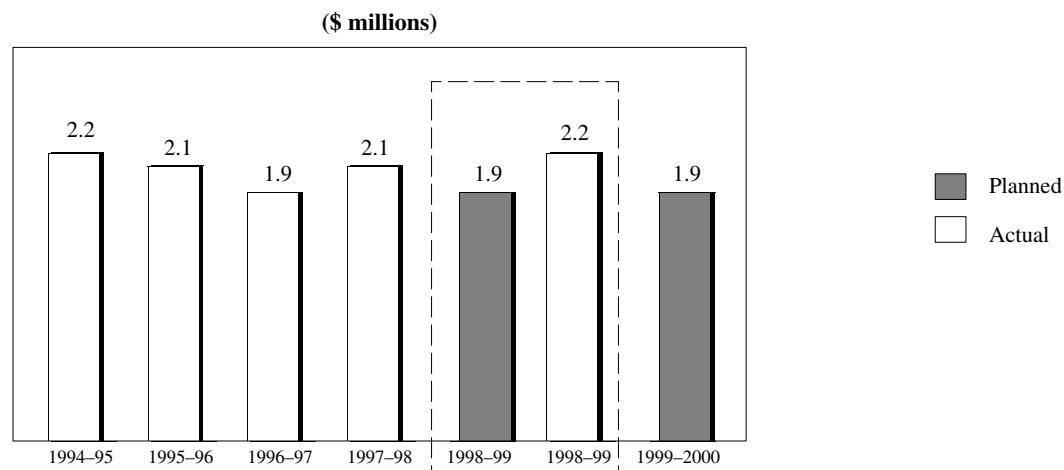


Exhibit 8 — Financial Audits of Territorial Governments, Agencies and Corporations – Costs



Performance Outputs and Achievements from Financial Audits of Crown Corporations and Other Entities, for the Period Ended 31 March 1999

Key Results Commitments – Providing Objective Assurance and Promoting Compliance with Authority

What we provided

- Unqualified audit opinions on the financial statements of 92 federal Crown corporations, agencies and other entities and territorial governments and corporations.
- One qualified audit opinion on financial statements, for failure to record an environmental liability as required under generally accepted accounting principles.

- Three audit opinions that included a discussion of other matters significant enough to be brought to the attention of Parliament.
- Advice to management and audit committees on improvements that could be made in accounting and internal control systems.
- 75 audit opinions on financial statements of federal Crown corporations and agencies and territorial governments and corporations, which concluded that transactions that came to our notice were in compliance with all significant authority requirements.
- We prepared an assessment of the Canadian Food Inspection Agency's performance reporting that was published in its annual report. This was a first for a federal entity and the first implementation of legislation mandating the Auditor General to provide such assessments annually.

Indicators of achievement

Demonstrated compliance with appropriate professional standards and resulting improvements in the quality of the government's published financial information.

Extent to which parliamentarians and other users of financial statements found our audit opinions useful.

What we actually achieved

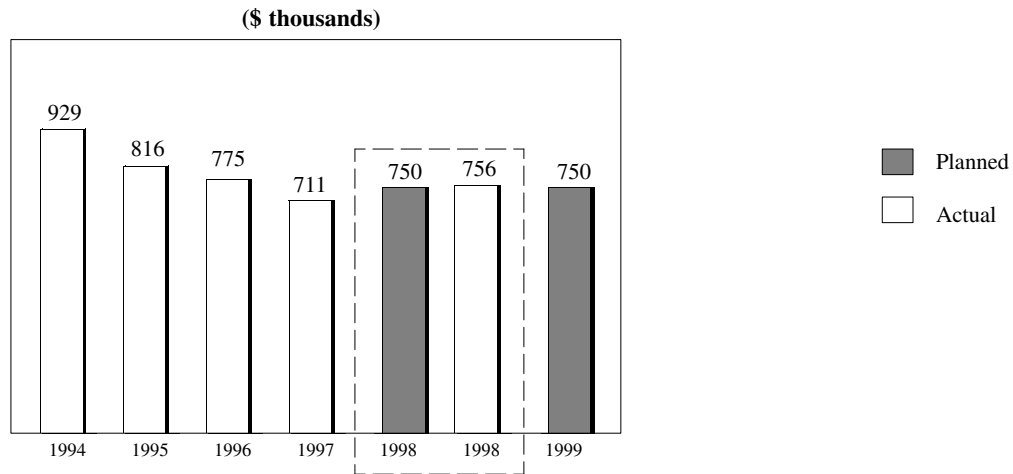
- Guidance provided to management of federal Crown corporations and agencies and territorial governments and corporations on reporting requirements for the fair presentation of financial information.
- Survey of audit entities in 1997–98 indicated that most found the audit to be worthwhile and to have added value to the corporation. In particular, they said our audits had improved financial statement disclosure and added value to the management decision-making process

Value-for-Money Audits of Departments and Agencies

3.15 Value-for-money (VFM) audits have changed since 1994, when the average cost of each was about \$1 million (see Exhibit 9). We now conduct shorter, more focussed examinations of particular issues and we are paying closer attention to planning and managing the costs, timeliness and results of audits. We set a target of reducing the average cost of regular VFM audits to \$750,000 by 1998. This does not include government-wide audits and studies, each of which is unique in scope and coverage. We reached our target in 1997, when the actual average cost of regular VFM audits was \$711,000. In 1998, this increased to \$756,000 due to salary increases for the first time in a number of years.



Exhibit 9 — Average Cost of VFM Audits



RESPONSE TO OUR OBSERVATIONS AND RECOMMENDATIONS

3.16 We follow up on the progress that has been made in response to the recommendations and observations in our value-for-money audit chapters, generally two years after the audits are reported. In the Auditor General's 1997 reports to the House of Commons and the reports in the preceding four years, we made a total of 984 observations and recommendations or other suggestions for major improvements. Based on our regular follow-up work and some further monitoring, we have been able to establish the extent of progress that has been made in response to 692 of these (information was not available for 143 of them, and 149 will not be followed up until next year).

3.17 The results of our reviews in 1996, 1997, 1998 and 1999 are presented in Exhibit 10, which shows the status of observations and recommendations, and Exhibit 11, which shows the primary areas affected. Exhibit 10 shows that over the five years, 154 or 22 percent of observations and recommendations made from 1993 to 1997 have been fully implemented and satisfactory progress is being made on 245 or 35 percent. Progress has not been satisfactory in the case of 171 or 24 percent of observations and recommendations.

3.18 Included in the last column of Exhibit 10 are 140 observations and recommendations dealing with environmental and sustainable development issues. Sixteen percent of these have been fully implemented over the five-year period, and satisfactory progress has been made on an additional 34 percent. In 28 percent of cases, progress is not as fast as we would like; and 15 percent were bypassed by events.



Exhibit 10 — Status of Observations and Recommendations

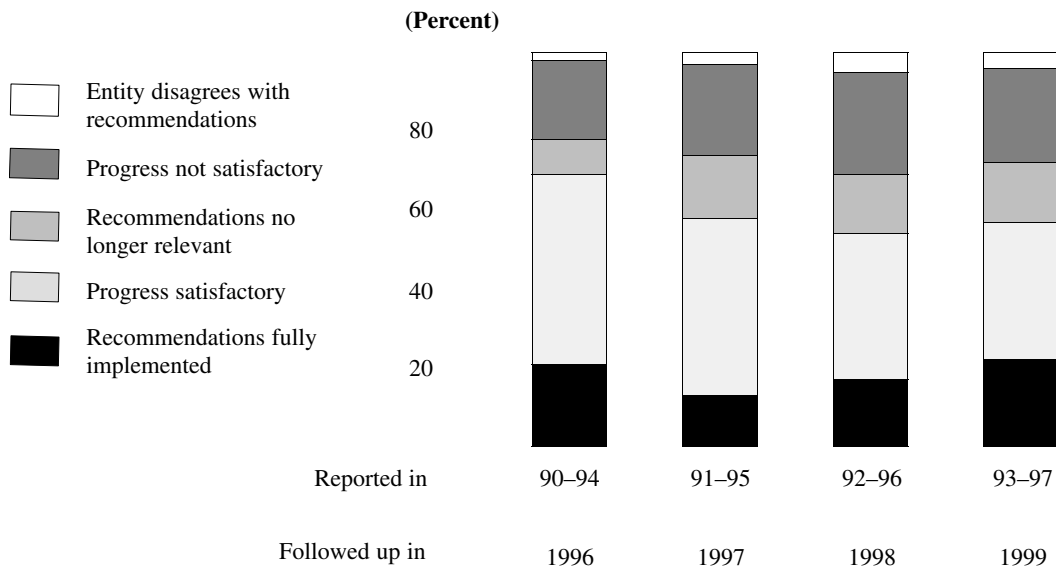
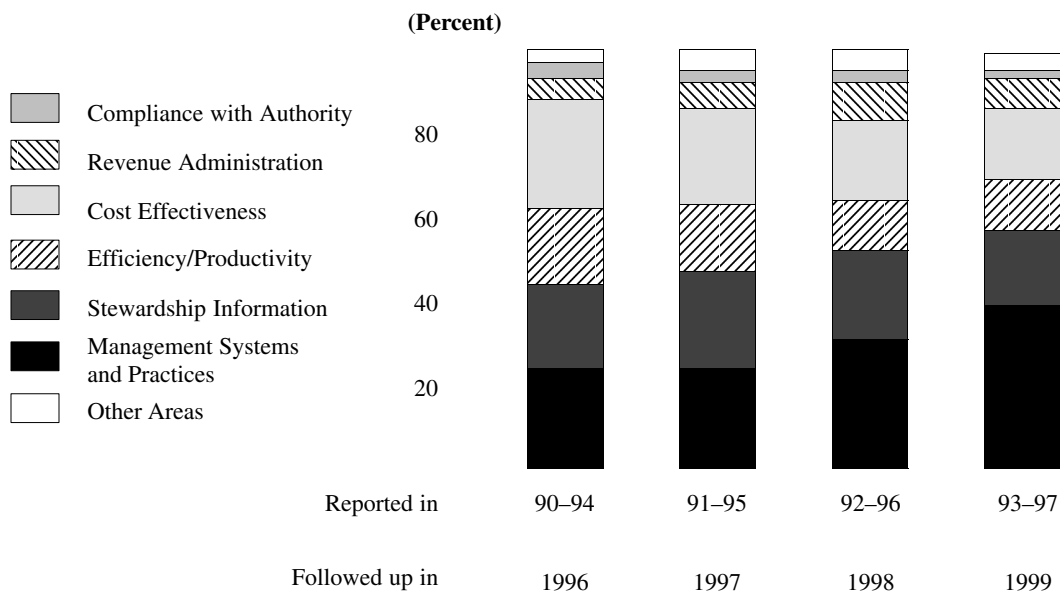


Exhibit 11 — Primary Areas of Observations and Recommendations



Performance Outputs and Achievements from Value-for-Money Audits of Departments and Agencies, for the Period Ended 31 March 1999

Key Results Commitment – Promoting Stewardship Information

What we provided

Out of 39 chapters on audits/studies, 24 that addressed stewardship/accountability issues. Some examples:

- The study *Performance Measurement for Sustainable Development Strategies* provides guidance on implementing good performance measurement practices.
- *Collaborative Arrangements: Issues for the Federal Government* discusses the risks of collaborative arrangements and proposed the concept of “shared accountability” as a means of ensuring the federal government’s accountability to Parliament, to its partners and, with its partners, to the public.
- *Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly* (a discussion paper available on the OAG Web site) discusses the problem of measuring, and attributing to activities undertaken, outcome results over which one does not have complete control. This discussion paper was presented to a number of federal government groups.

As well, chapters on CIDA, the National Energy Board, Veterans Affairs, Industry Canada and Heritage Canada, and most chapters in our Environment Report addressed the entity’s performance reporting.

- The Office participated in 10 committee hearings where some of these chapters were discussed.
- We published studies and papers that refine and elaborate the concepts of results measurement, performance reporting and accountability. We provided advice and recommendations, based on audit work, to improve the information and analysis bases for performance reporting and accountability, and to improve current practices in these areas at the departmental, agency or central agency level.

Indicators of achievement

Reliability and usefulness of information provided to Parliament and government management for monitoring and decision-making purposes.

What we actually achieved

Focus on results measurement and reporting

The work of the Office of the Auditor General has two levels of results: through direct advice and information to Parliament and parliamentary committees, we promote and facilitate accountability in public administration; and through recommendations in our reports, we promote changes in practices of departments and agencies.

With respect to results measurement/reporting and accountability, the Office has achieved results in three areas:

- clearer concepts;
- better information and analysis bases; and
- improved practices.

Examples follow of results achieved in each area in 1998–99:

Concept development

The articulation of accountability and the five principles developed by the Office jointly with the Treasury Board Secretariat are being used by the Organization for Economic Corporation and Development (OECD) and the World Bank in some of their publications.

The OAG-developed concepts of “shared accountability” and ways of determining attribution are being adopted in performance reporting, by many practitioners as useful ways of ensuring accountability when there are multiple partners in a program.

A recent report of the OECD in *Budgeting in Canada* described Canada’s approach to reporting by using the criteria for good performance reporting that we had presented in the 1997 chapter on *Reporting Performance in the Expenditure Management System*. These criteria have also been used as a basis for the development of performance reporting principles by such groups as the Canadian Council of Legislative Auditors and the Canadian Comprehensive Auditing Foundation.

Promoting improvements in information and analysis bases

- In its 1998 report to the Standing Committee on Public Accounts, the Treasury Board Secretariat noted that the recommendations in Chapter 5 of our 1997 Report had been addressed through the development of an extensive guidance package for departments to use in preparing their performance reports, as well as consultation with parliamentarians and parliamentary staff to improve the usefulness of the reports.
- The *Accountability for Shared Social Programs: National Child Benefit and Employability Assistance for People with Disabilities* chapter raised the issue of whether these data are adequate to determine if overall program goals are being achieved; and, if this data is sufficiently comparable so that outcomes of different provincial, territorial, Aboriginal and municipal approaches can be compared. As a result, Human Resources Development Canada agreed before the Public Accounts Committee that the data in these progress reports, as well as the overall outcomes of the Employability Assistance for People with Disabilities program, would be tabled in Parliament.
- Improvements in program evaluation emerged from the chapters on *Comprehensive Land Claims* and *Investment in Highways*. These audits resulted in the preparation of evaluation frameworks to identify the longer-term impacts and monitor the performance of these programs. Our *Cash Advance Program* chapter encouraged Agriculture and Agri-Food Canada to begin to properly evaluate the program’s impacts; and the *National Energy Board* chapter resulted in an explicit audit and evaluation program and an undertaking by the Board to evaluate its own effectiveness and continued relevance.
- An Environmental and Sustainable Development Committee hearing, prompted by the chapter *Canada’s Biodiversity Clock is Ticking*, led Environment Canada to address the need for better articulation of results through the development of a performance measurement framework for biodiversity. It stated that it expects this work in partnership with other federal departments to be incorporated into the next planning cycle of the federal government and into departmental business plans.

Promoting improvements in practice

- The chapters on *Federal Grants and Contributions—Selected Programs* and *CIDA-Geographic Programs* led to better accountability through improvements in the way CIDA, Heritage Canada and Industry Canada approach their performance reports.
- The audit of the Patented Medicine Prices Review Board contributed to the decision to establish a task force to improve the reporting of drug price trends.

Key Results Commitment – Influencing the Quality of Financial Management in Government

<p>What we provided</p> <ul style="list-style-type: none"> • The <i>Financial Management Capability Model</i>. The model sets out the Office’s expectations for financial management and is the basis on which future audits in this area will be conducted.
<p>Indicators of achievement</p> <p>Reliability and usefulness of information provided to Parliament and government management for monitoring and decision-making purposes.</p>
<p>What we actually achieved</p> <ul style="list-style-type: none"> • The <i>Financial Management Capability Model</i> provides departmental auditors and managers with a systematic method for assessing financial management in their departments, as well as a roadmap for improvement. So far, two departments are using it. • The Public Accounts Committee’s report on the FIS audit made recommendations in all three of the areas highlighted during the hearing: accrual appropriations, progress reports on FIS and information on the costs of implementing FIS. The Committee provided clear direction to TBS to move to accrual-based appropriations. The PAC also set up a Subcommittee on International Financial Reporting to study what Canada and other countries are doing to improve and standardize public sector financial reporting. • Our chapter <i>The Financial Information Strategy: A Key Ingredient in Getting Government Right</i> led the Treasury Board Secretariat (TBS) to seek increased commitment and action by deputy ministers to implement the Financial Information Strategy (FIS). It also formed an internal committee to discuss and analyze the issue of accrual appropriations. The slow implementation of this important effort to improve financial systems in the federal government has received a boost from parliamentarians.

Key Results Commitment – Promoting Efficiency, Productivity and Cost Effectiveness in the Public Service

<p>What we provided</p> <ul style="list-style-type: none"> • Out of 39 audits/studies, 10 that made reference to efficiency, productivity and cost effectiveness. • Testimony at 15 parliamentary committee hearings where some of these chapters were discussed. • Two chapters devoted to information technology: one on electronic commerce and one on preparedness for year 2000 in government-wide mission-critical systems. • Organized and participated in various workshops and seminars to share with provincial audit staff and departmental internal audit staff the knowledge acquired during the Year 2000 audit.
<p>Indicators of achievement</p> <p>Extent to which audits identify opportunities to reduce costs or achieve more with resources provided.</p>

What we actually achieved

Greater awareness of cost savings opportunities

- The *Counting the Environment* chapter encouraged some departments to continue to use common performance information, such as total energy use, to achieve cost reductions. The net savings from implementing energy conservation measures government-wide could be \$29 million per year by 2005. Subsequent audit work confirmed that departments may obtain large potential benefits, both financial and environmental, by collecting, combining and using such information. Based only on energy use in buildings, net savings are likely to exceed \$300 million (net present value) over 20 years.
- Implementing our recommendations in the *Patented Medicine Prices Review Board* chapter would mean that the Board would apply several of its Guidelines more often, leading to annual savings for consumers of \$23 million.

Improvements in management practices

- In 1998–99, several audits identified management practices and procedures that were not conducive to an efficient, cost-effective fulfillment of the department's mandate
- In response to our recommendations in the 1997 *The Atlantic Groundfish Strategy* chapter, Human Resources Development Canada developed eligibility criteria that are clear, logical and applicable for the \$760 millions fishery restructuring and adjustment measures.

Significant improvements in program management

- The *Disability Pensions* audit led Veterans Affairs Canada to develop service standards for disability pension benefits and to survey its clients on their quality and effectiveness. It also developed a standardized information and procedures manual for use by field staff; and a training module for pension officers to support the initial application process. Veterans Affairs Canada is also providing better information on anticipated changes in its client base and a renewed strategy for addressing its younger clientele.
- Our *Investments in Highways* chapter led Transport Canada to define data reporting requirements for the collection of information on dangerous stretches of road. This information is now used in investment decisions, prioritization and approval of projects, and assessments of program results.

Information technology

- The *Preparedness for Year 2000: Government-wide Mission-Critical Systems* chapter urged the government to give top priority to the Year 2000 computer problem and further accelerate its efforts in preparing its systems and developing contingency plans. The Treasury Board Secretariat agreed with our position and, in response, it has conducted monthly monitoring of Year 2000 progress for government-wide mission-critical systems; recommended that departments and agencies have their internal audit staff carry out independent validation of Year 2000 progress and results; provided guidance to departments and agencies as part of its plan to address horizontal issues; and requested and reviewed risk assessments and contingency plans from departments and agencies.
- The *International Tax Directorate: Human Resource Management* chapter encouraged Revenue Canada to initiate its Corporate Administration System project, which will enhance human resources information and databases on key processes such as staffing, classification and performance.
- The *Working Globally — Canada's International Environmental Commitments* chapter sped up the Department of Foreign Affairs and International Trade's development and implementation of a computerized system to facilitate access to basic information, such as significant dates and amendments of Canada's international environmental commitments.

Key Results Commitment – Promoting Public Service Renewal

What we provided

- Chapters 1 and 2 of the 1998 Report on expenditure and work force reductions in the Public Service.
- Testimony before the Standing Committee on Natural Resources and Government Operations.

Indicators of achievement

Reliability and usefulness of information provided to Parliament and government management for monitoring and decision-making purposes.

What we actually achieved

- In fall 1999, the Treasury Board Secretariat will publish a report on the costs and savings of work force adjustment. This is consistent with the recommendations in our 1994 Report Chapter 7, *Information for Parliament*.
- We have noted some deficiencies since our audit of severance benefits in 1992 but have also pointed out major improvements.
- The Treasury Board Secretariat has made improvements on the basis of our findings. It is currently developing a management and accountability framework in connection with the new Work Force Adjustment Directive. This framework should incorporate performance reporting and results-based management, concepts we suggested in our 1997 Report (Chapters 5 and 11).
- In February 1999, the Senate Standing Committee on National Finance issued a report on retention and compensation in the Public Service of Canada. That report was consistent with our findings on work force adjustment, namely the problems related to an aging public service, loss of corporate memory, low employee morale, and inadequate management of programs.
- The Public Accounts Committee issued a report in May 1999 recommending that Revenue Canada introduce measures to correct weaknesses we had noted in human resources management and information for Parliament.
- Our Office has closely monitored the establishment of human resource management plans in entities such as the Canadian Food Inspection Agency, Environment Canada Parks Service, and the Canada Customs and Revenue Agency.
- Following our 1996 chapter, *The Reform of Classification and Job Evaluation in the Public Service*, the Treasury Board Secretariat acted swiftly and decisively and invested considerable resources and effort in implementing the chapter's recommendations. Given the complexity of the reform, we have postponed the formal follow-up of this chapter; mechanisms put in place since 1996 will allow us to track the work undertaken by the Secretariat. At present, we are beginning our follow-up of the development of the *Universal Classification Standard* and will report the results in 2000.



Material Management Audit Results in Significant Cost Savings

In our 1996 chapter, *Materiel Management in the Federal Government*, we noted the government had estimated that it held materiel worth between \$8 billion and \$10 billion in warehouses. Based on estimated yearly carrying costs of 25 percent of the purchase price, the cost to the government to maintain this inventory was estimated at between \$2 billion and \$2.5 billion per year.

Recently our *Follow-Up of Recommendations in Previous Reports* revealed that the four departments reviewed in the 1996 audit have achieved significant savings by closing and consolidating warehouse space and reducing inventory levels by more than \$480 million. This could result in a reduction of up to \$100 million in annual carrying costs.

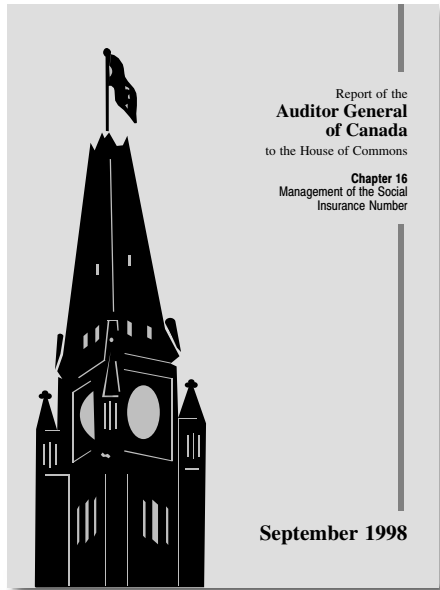
In 1996, National Defence consolidated its supply depots in Edmonton, Toronto, Montreal and Moncton

into two depots in Montreal and Edmonton. It has reviewed approximately 200,000 of the approximately 850,000 line items in its inventory and a further 200,000 are under review. As a result of this review, inventory volume has been reduced by approximately 15 percent toward a target of a 30 percent reduction (113,000 cubic metres) by March 2000. In 1998, the Department reported a reduction of about \$448 million in its centrally managed inventory – from \$6.925 billion to \$6.477 billion.

Fisheries and Oceans holdings have been reduced by 22 percent since 1996, from \$123 million to \$96 million; its warehouse and storage space have been reduced by 21 percent, from 173,000 square metres to 136,000 square metres. RCMP and Natural Resources Canada have also reported significant reductions.

In 1996, we found that departmental information systems for materiel management were generally inadequate. Since then, departments have made good progress in improving their information systems.

Additional ongoing savings can be expected when federal information sources are improved so that other departments are able to report on the results of similar initiatives.



September 1998 Chapter 16 *Management of the Social Insurance Number*

This case highlights the major impact our Office can have on issues affecting the lives of all Canadians. What began as a potential audit note, investigating reported abuses of a relatively minor program of one federal department, soon spiraled into a multi-department audit.

The result was our wide-ranging September 1998 chapter, *Management of the Social Insurance Number*. That report prompted the government to begin the task (an enormous one, given that the SIN is used under 24 federal acts, regulations and programs) to resolve the future of the social insurance number. Indeed, because the use of the SIN extends to provincial and municipal levels and even the private sector although it was never intended for such purposes and few appropriate

security features exist, the chapter recommended that the government address the issue of privacy protection as well.

Our audit revealed serious program weaknesses. For example, there are nearly four million more social insurance numbers than there are Canadians aged 20 or older, and hundreds of thousands of deaths have never been recorded in the Register, thus reducing its usefulness for managing government programs. These weaknesses greatly increase the potential for SIN errors, abuse and fraud affecting many federal and provincial programs. In fact, most social programs are vulnerable, and the collective impact could be significant – tens of millions of dollars annually in fraudulently obtained social program payments.

Our work also underlined the numerous problems associated with the growing use of the SIN as a common client identifier, a role that was not contemplated for it when it was introduced in 1964. As a result of all of these findings, it became evident that Parliament needed to work with the government in playing a greater role in debating these issues, increasing public awareness and finding a satisfactory solution.

The Public Accounts Committee held hearings and issued a report containing numerous recommendations to improve SIN management and administration; increase reporting to Parliament; and consider future options for the SIN. The Standing Committee on Human Resources Development and Status of Persons with Disabilities also tabled a report making extensive reference to our chapter. It recommended that the federal government proceed on simultaneously the two tracks that we recommended: take immediate steps to correct abuses of the current system; and, address the longer-term, broader issues of public policy related to the future of the SIN system, including the issues of privacy protection and data matching.

Indications are that these broader issues will soon be addressed by the government and debated in Parliament. Parliamentary scrutiny of the long-standing issues raised in these reports has spurred all players to begin dealing with them. In the meantime, Human Resources Development Canada has moved quickly to improve the administration of the SIN, the reliability of the SIN Register and the quality of SIN investigations. The Department is also pursuing a legislative action plan that includes stricter administrative penalties and changes to its provisions for prosecution of fraud and abuse.

Key Results Commitment – Promoting Revenue Collection

What we provided
<ul style="list-style-type: none">• Three chapters that dealt with revenue administration and tax issues.• Testimony in one hearing of the Public Accounts Committee to discuss one chapter on Revenue Canada.
Indicators of achievement
Increased effectiveness of revenue administration and maintenance of the tax base.
What we actually achieved
<ul style="list-style-type: none">• The <i>Underground Economy Initiative</i> chapter highlighted the potential to improve audit targeting and file selection techniques; legislative opportunities to deter tax cheats; and, the fact that the initiative has had a tax impact of less than \$500 million over five years rather than the \$2.5 billion claimed by the Department.• The <i>Tax Arrangements for Foreign Affiliates</i> chapter has resulted in new changes following the Department's review of certain aspects of foreign source income and foreign affiliates. Finance has completed its announced reviews on interest deductibility, foreign source income and foreign affiliates, and the new rules include requirements for taxpayers to provide comprehensive information about the business operations and income of foreign affiliates.• The <i>Family Trusts</i> audit observation led to the review this year of the tax rules related to trusts and taxpayer migration and to legislative proposals on taxpayer migration.• As a result of a 1998 Audit Note, Revenue Canada identified tax returns where taxpayers under-reported tax deducted at source on T1 forms, which led to refunds of \$42,000,000 to 112,000 taxpayers for the 1997 taxation year alone.

Key Results Commitment – Promoting Compliance with Authority

What we provided
Publication of compliance issues found through value-for-money audits and annual audits for Public Accounts reporting.
Indicators of achievement
Extent to which parliamentarians, Crown corporation boards of directors and other users of our audit products were assured that operations were conducted in compliance with the relevant legislative authorities and related regulations.
What we actually achieved
In response to our <i>Transport Canada — Investments in Highways</i> chapter, the Department agreed to form and chair an interdepartmental committee on future projects involving alternative financing arrangements and to include in such arrangements specific clauses addressing how federal expenditures are to be treated; to ensure that federal officials on federal-provincial management committees implement all of the controls provided for in the agreements; and to adopt minimum standards of construction and maintenance to be met in funded projects.

The *Canadian Human Rights Commission – Human Rights Tribunal Panel* chapter resulted in the Commission taking steps to ensure that there is legislative authority for the mediation policies and procedures that may be used by the Commission and the Tribunal; and to ensure that it has legislative authority and resources to undertake international projects.

The *Electronic Commerce in the Federal Government* chapter resulted in the Treasury Board Secretariat’s establishing a new sector to lead electronic service delivery in government. The electronic service delivery channels are expected to incorporate and make use of the public key infrastructure, the legal framework, and the common technology infrastructures that were the focus of our audit.

The *1992 Tax Arrangements for Foreign Affiliates* chapter has resulted in new rules introduced by the Department of Finance, including requirements for taxpayers to provide comprehensive information about the businesses operations and income of foreign affiliates.

Key Results Commitment – Promoting Honesty in Government

What we provided

- Ongoing vigilance related to fraud and administrative abuse.
- In 1998–99, 33 complaints of wrongdoing referred to our Forensic Audit Section.
- Since 1994–95, 377 complaints of waste, mismanagement and wrongdoing screened by our Forensic Audit Section; 133 complaints related to wrongdoing were retained for further review, 79 files were closed (of these, 31 complaints were found to be supported) and 54 files were under review.
- The *Promoting Integrity in Revenue Canada* chapter found that the Department has sound practices in place for dealing with potential misconduct, but does not provide an individual whom employees can consult on a confidential basis on questions of integrity.

Indicators of achievement

Contribution to reducing the risks of wrongdoing, conflict of interest and fraud, and maintenance of sound ethics and values.

What we actually achieved

Revenue Canada has undertaken to make numerous changes in the way it handles internal investigations of senior managers. This was due to our examining of the Department’s internal investigations into alleged conflict of interest and allegations of impropriety on the part of certain departmental managers.

Information obtained as part of our review of alleged wrongdoing at Natural Resources Canada was provided to the RCMP at their request.

Key Results Commitment – Promoting the Environment and Sustainable Development

<p>What we provided</p> <ul style="list-style-type: none"> • Ten audits and studies of issues with an environmental and sustainable development component, and follow-up on five previous audits. • Testimony at four parliamentary committee meetings on our analysis of environmental and sustainable development issues.
<p>Indicators of achievement</p> <p>Extent to which departments improve their management practices for protecting the environment and promoting sustainable development.</p>
<p>What we actually achieved</p> <p><i>Impact on management practices</i></p> <ul style="list-style-type: none"> • The Office identified weaknesses in the federal government’s management of key issues, including climate change, biological diversity and environmental assessment, and weaknesses in the environmental inspection program at the National Energy Board. Follow-up of earlier work by the Office found continuing weaknesses in emergency preparedness, environmental stewardship, treatment of contaminated sites and completion of the national parks system. Recommendations were made to strengthen the federal government’s performance. • Parliamentary committees focussed on ozone layer protection, climate change, biological diversity and the Commissioner’s second annual report. • Work continued with federal government departments and other organizations in the public and private sectors to identify and implement good practices for managing environmental and sustainable development issues. • The Commissioner of the Environment held a two-day workshop, <i>Counting the Environment In</i>, that attracted over 70 participants from 15 departments. Based on the information provided, several departments with significant custodial responsibilities committed to experimenting with prototype accounts, and Agriculture and Agri-Food Canada and Public Works and Government Services Canada committed to implementing environmental performance measures.

Environment and Sustainable Development Monitoring Activities



3.19 In addition to conducting audits and studies that focus on the environment and sustainable development (discussed above), the Office of the Commissioner of the Environment and Sustainable Development also:

- handles all public petitions received by the Commissioner;
- issues the Commissioner’s annual “green” report to the House of Commons;

- monitors and reports the extent to which departments and agencies have implemented their action plans and met the objectives outlined in their sustainable development strategies; and
- implements and monitors the OAG's own sustainable development strategy.

Performance Outputs and Achievements from Environment and Sustainable Development Monitoring Activities, for the Period Ended 31 March 1999

Key Results Commitment – Promoting the Environment and Sustainable Development

What we provided
<ul style="list-style-type: none"> • First assessment of departmental progress in implementing the sustainable development strategies tabled by 28 departments and agencies in the House of Commons in 1997. • First assessment of the management practices being applied to implement sustainable development strategies in six departments.
Indicators of achievement
Extent to which departments and agencies met the objectives and implemented the plans set out in their sustainable development strategies laid before the House of Commons.
What we actually achieved
<p><i>Impact on sustainable development strategies</i></p> <ul style="list-style-type: none"> • In their first progress reports to Parliament on their sustainable development strategies, departments reported accomplishing about 11 percent of the actions set out in their strategies. • On average, the six departments we audited had established about one third of the practices needed to provide reasonable assurance of implementing their strategies. • Of the 28 departments that tabled sustainable development strategies, 27 responded to the Commissioner's 1998 recommendation to present a clear set of targets that can be used by them, by Parliament and by the public to judge whether their strategies are being implemented successfully. These new targets were presented to Parliament in the departments' spring 1999 Reports on Plans and Priorities. We are looking at the quality of those targets as part of our 1999 work program.

Special Examinations of Crown Corporations

3.20 Crown corporations do not undergo a special examination every year but rather on a five-year cycle. The first cycle was conducted between 1984 and 1989 and the second was conducted between 1990 and 1995. The

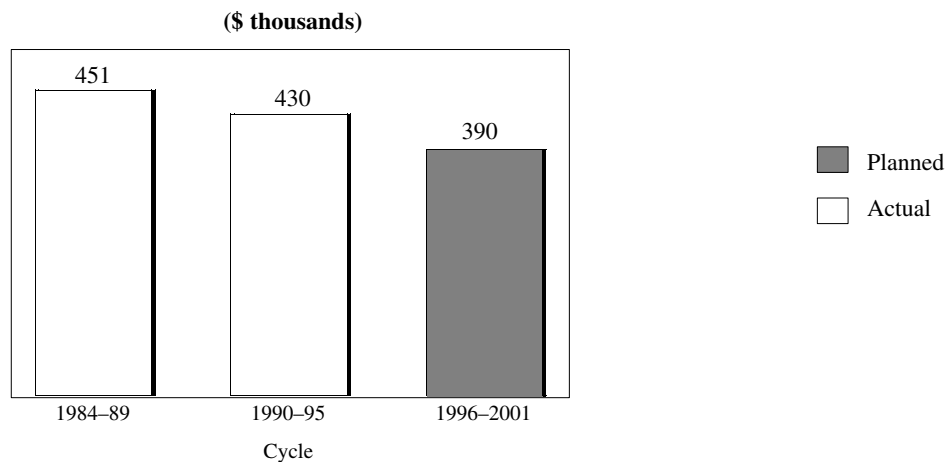


Office's third cycle of examinations of 34 Crown parent corporations is currently under way and will be largely completed by the year 2000–01.

3.21 In 1998–99 we reported on the third cycle of examinations of 8 corporations, namely: Pacific Pilotage Authority, Via Rail Canada Inc., Business Development Bank of Canada, National Arts Centre Corporation, Canadian Commercial Corporation, Canada Mortgage and Housing Corporation, Atomic Energy of Canada Limited and Defense Construction (1951) Limited. The cost of completing these 8 examinations was 27 percent lower than in the previous cycle.

3.22 Of the 34 corporations in their third cycle of examinations, 17 have had all three cycles conducted by our Office. Our planned average cost for the current round of those 17 is \$390,000, as shown in Exhibit 12. Costs are decreasing because of improved methodology and the experience obtained in previous cycles.

Exhibit 12 — Average Cost of Special Examinations, by Cycle



Performance Outputs and Achievements from Special Examinations of Crown Corporations, for the Period Ended 31 March 1999

Key Results Commitment – Promoting Efficiency, Productivity and Cost Effectiveness in the Public Service

What we provided

- Eight reports on special examinations of Crown corporations.
- Work under way on 13 special examinations (third cycle).

Indicators of achievement

Extent to which audits identify opportunities to reduce costs or achieve more with resources provided.

What we actually achieved

Special examinations reported in 1998–99 identified a number of opportunities for Crown corporations to improve the efficiency, productivity and cost effectiveness of some of their systems and practices. Following are a few examples of these identified opportunities from different special examinations.

- In one corporation, we noted that a lack of strategic direction was negatively affecting the cost effectiveness of some of its practices
- In another corporation, we noted that a greater focus in addressing Year 2000 readiness was necessary to ensure that its operations were not negatively impacted.
- We identified an opportunity for a corporation to improve the efficiency of its entire operations by acquiring existing technology.
- We identified an opportunity for a corporation to increase savings by requiring better information from service providers and improving its monitoring of performance targets and information.

Key Results Commitment – Promoting Objective Assurance

What we provided

- Eight reports on special examinations of Crown corporations.
- Work under way on 13 special examinations (third cycle); and another 8 to be conducted in future years.

Indicators of achievement

Demonstrated compliance with appropriate professional standards and resulting improvements in the quality of the government’s published financial information.

Extent to which Crown corporation boards of directors found our special examination reports useful.

What we actually achieved

- Assurance on the adequacy of management systems and practices has been provided to ministers and boards of directors of the eight Crown corporations examined.
- We surveyed Crown corporation Chairs and CEOs soon after each special examination was completed. Six of eight responses have been received so far and all have indicated that the special examination was worthwhile and that the report focussed on issues of value to the board of directors.

Key Results Commitment – Promoting Stewardship Information

What we provided

- Selection (by a panel of experts chaired by the Auditor General) of two recipients of the Auditor General’s Annual Award of Excellence in annual reporting by a Crown corporation. The Office has the role of Secretariat for the Award program and reviewed corporate plan summaries and annual reports for some 45 federal Crown corporations; we provided verbal feedback to 9 of those corporations.

Indicators of achievement

Reliability and usefulness of information provided to Parliament and government management for monitoring and decision-making purposes.

What we actually achieved

- Since the Award's inception in 1994, we have noted significant improvement in the quality of reports submitted by Crown corporations to Parliament (annual report and corporate plan summaries). Seventy-nine percent of Crown corporations surveyed in 1998 felt that the Award program had a positive impact on their performance reporting and resulted in more informative corporate plan summaries and annual reports.

D. OTHER PERFORMANCE ISSUES

SCRUTINY OF OFFICE OPERATIONS AND KEY REVIEWS

3.23 As a professional auditing body, the Office is subject to professional and ethical standards. For this reason, in addition to being subject to examination by the profession, the Office has developed its own mechanisms to ensure that audit quality is maintained. Furthermore, the Office's operations are subject to examination by the Public Accounts Committee. The following table provides more information about reviews of the Office's operations carried out in the past year.

Reviews Completed During the Year Ended 31 March 1999

Review	Details
Independent financial audit of the Office of the Auditor General and issuance of an auditor's report	<ul style="list-style-type: none"> • Qualified auditor named by Treasury Board. • Conducted each fiscal year. • Auditor examines the receipts and disbursements of the Office, and annually reports the outcome of the examination to the House of Commons through the President of the Treasury Board. • Conducted in accordance with section 21(1) and (2) of the <i>Auditor General Act</i>.
Provincial chartered accountants institutes/ordre practice inspection programs	<ul style="list-style-type: none"> • Purpose of inspection is to ensure that a practising member (in this case, the OAG) who employs one or more accounting students provides practical experience and instruction and affords opportunities that will enable the student to acquire the art, skill, science and knowledge of a chartered accountant. • Inspections done at various times, depending on institute/ordre. • OAG is the only federal organization where chartered accounting students can fulfil their educational requirements and secure practical experience.
OAG Quality Review Program	<ul style="list-style-type: none"> • Our Professional Practices and Review Group (PPRG) conducts two types of reviews to assess quality in the Office. The first type focussed on nine audit engagements for the fiscal years ended 31 December 1997 and 31 March 1998, for its 1998 review cycle of the annual financial attest audits. On the value-for-money audit side, PPRG focussed on increasing the level of quantification in our VFM reports. The second type focussed on internal management and administration. During the period, PPRG completed a review of human resources management and began work on an internal audit of financial management.

OAG Quality Management System	<ul style="list-style-type: none"> An Office Quality Management System that will apply to all Office products is under development. Steady progress has been made in identifying areas for improvement in the system's three components: audit management, people management and continuous learning. As part of this exercise, "fitness tests" have been conducted against benchmarks established for high-quality organizations.
1999–2000 Estimates of the Office of the Auditor General — appearance before the Public Accounts Committee	<ul style="list-style-type: none"> Appearance before the Public Accounts Committee to explain the subsequent year's spending estimates and answer questions on the audit plans and priorities of the Office.

NEW CLASSIFICATION STRUCTURE

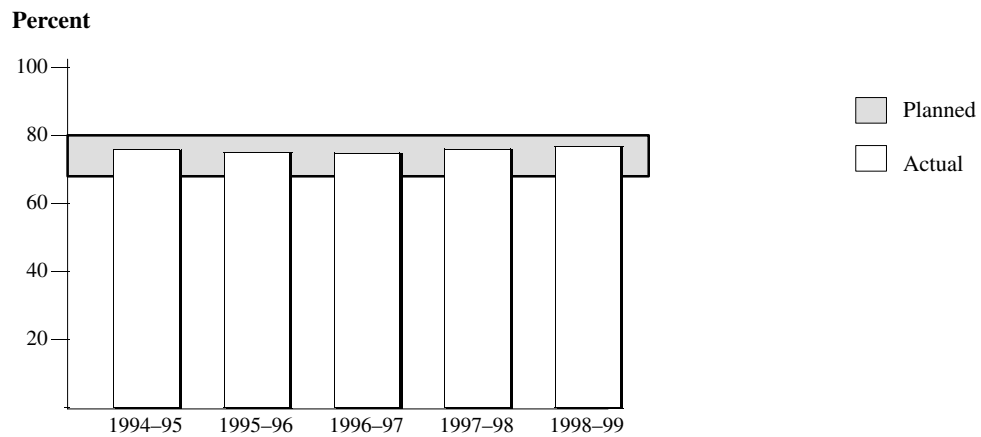
3.24 During the year, we made a great deal of progress in creating a new classification structure for the Office. In April 1998, a new Management category was put in place with fewer individual groups and levels. Progress was also made, through the collective bargaining process, in bringing all audit staff together into one new Audit Professional group. Finally, the year saw finalization of a classification standard for another new group to include all non-audit staff. All non-audit jobs were evaluated against this new standard, with conversion to the new Audit Services group to be effective 1 April 1999.

3.25 By the end of the year, most of the work required to implement the new classification structure had been completed. Further change will occur in 1999–2000 as collective agreements are negotiated for the Audit Professional and Audit Services groups. The structure recognizes and reflects the way the Office operates today and will operate into the future.

AUDIT PROJECT HOUR RATIO

3.26 The Audit Project Hour Ratio (APHR) represents the percentage of available staff time that is used directly for audit activities. Available staff time takes into consideration any leave time taken (vacation, maternity, sick, etc.); the balance is available to fulfil the time needs (hours) of the Office. Taking into account various factors such as administration, the need for training and the effects of stress and workload on our staff, we have determined that an acceptable APHR range for our Audit Operation Branch is between 70 and 80 percent. As shown in Exhibit 13, the actual ratio in 1998–99 was within the target range.

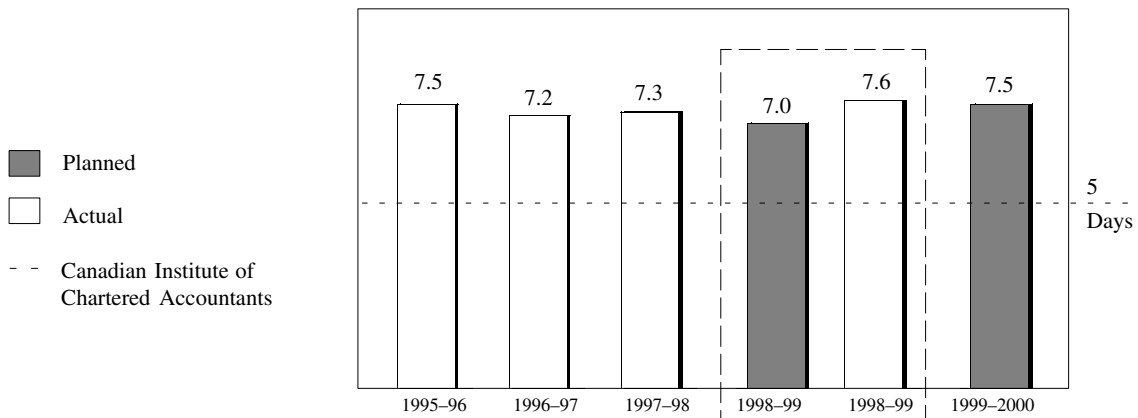
Exhibit 13 — Ratio of Audit Project Time to Net Available Time – Audit Operations Branch



TRAINING ACTIVITY FOR AUDIT PROFESSIONAL STAFF

3.27 The average training in days per year for our audit professional staff is shown in Exhibit 14. Our actual training for 1998-99 exceeded the Canadian Institute of Chartered Accountants' recommended average of five training days per year or 15 days over three years.

Exhibit 14 — Average Training Days Per Year – Audit Professional Staff



SECTION 4

Consolidated Reporting

A. YEAR 2000 READINESS

4.1 All of the Office's internal mission-critical systems have been identified, analyzed, prioritized, and replaced or repaired as required. We are, of course, dependent on many other entities, including but not restricted to Public Works and Government Services Canada (payroll, invoice payment, accommodation, etc.) hydro, the national and international phone systems, etc. We are monitoring the status of their Year 2000 efforts.

4.2 We have spent \$300,000 addressing this challenge. Between now and 1 January 2000 we will continue to monitor the situation, but we do not expect to incur any significant additional expenditures.

4.3 The Office has developed and approved a risk management and contingency plan for Year 2000, which takes into account our legal responsibilities, mission, and mandate. Aspects of the plan that require action now have been implemented.

B. SUSTAINABLE DEVELOPMENT PERFORMANCE

4.4 In Chapter 37 of the Auditor General's December 1997 Report, we volunteered a Sustainable Development Strategy for the Office with our goals, objectives, targets and key performance indicators. Last year, we reported for the first time on our sustainable development performance. Earlier this year, in our 1999–2000 Report on Plans and Priorities, we presented our targets for 1999–2000 and beyond. Our key achievements in 1998–99 are presented in Exhibit 15.

4.5 From the knowledge gained during 1998–99, we plan to improve our sustainable development performance in our audit work by increasing the awareness of parliamentarians to environment and sustainable development issues included in our reports, and making sure this information is useful to parliamentarians. We also plan to better integrate environment and sustainable development issues, where applicable, in each of our audits.

4.6 The past year has seen a significant decrease (7.5 percent) from the previous year in the quantity of paper consumed per employee. While we have not yet met our target, we have reduced overall consumption in spite of an increased demand for downloading information and reports from Internet sites, such as Treasury Board policies and directives.



Exhibit 15 – Sustainable Development Performance

Sustainable Development Goals	Sustainable Development Objectives	Key Achievements in 1998–99	Key Performance Indicators			
			Indicator	1996–97	1997–98	1998–99
<p>In Audit Work: To promote sustainable development by:</p> <ul style="list-style-type: none"> providing advice and information to parliamentarians and members of territorial legislative assemblies to help them consider the environmental and sustainable development consequences of their legislative and oversight work; supporting federal and territorial organizations in their efforts to integrate environmental and sustainable development considerations into their decision making for policies, programs and operations; providing a means for Canadians to draw environmental and sustainable development concerns to the attention of the Government of Canada. 	<ul style="list-style-type: none"> To incorporate environment and sustainable development as an integral part of our audit work. To monitor the extent to which federal organizations have met the objectives and implemented the action plans set out in their sustainable development strategies. To help strengthen the capacity of federal and territorial organizations to manage environmental and sustainable development issues. To monitor the replies by departments to petitions made by Canadians about environmental and sustainable development concerns. 	<p>Out of 22 activities presented in the strategy, 9 are completed, 10 are ongoing and 3 remain to be done.</p> <ul style="list-style-type: none"> In 1998–99, we: <ul style="list-style-type: none"> conducted a practice review initiative to determine how well we are integrating E & SD issues into our audit work; set detailed SD targets for 1999–2000 and beyond; conducted a survey of MPs to determine whether they felt that our reports added to their knowledge of E & SD; reviewed and reported on the first departmental SD performance reports; developed tools to help organizations manage E & SD issues (chapters “Counting the Environment In” and “Performance Management for SDS”); identified good practices in the management of E & SD issues (Chapter “Strategic Approach to SD”); continued monitoring the petition process. We have progressed in : <ul style="list-style-type: none"> preparing tools (planning checklists for annual audits) and planning guidelines (VFM audits and special examinations) to help auditors integrate E & SD issues in their audit work; encouraging Crown corporations with potentially significant environmental issues to report on environmental management; defining how we will raise awareness of E & SD issues through our international activities. We still need to work on : <ul style="list-style-type: none"> Systematically considering E & SD issues in our audit work / documenting it in planning documents; Better defining how we will address cross-jurisdictional issues. 	<ul style="list-style-type: none"> % of parliamentarians who felt that our reports added to their knowledge of E and SD (% who found reports useful). <i>Target 1999–2001: 60% Target 2003–2004 and beyond: same as for OAG reports overall</i> % of OAG references in the House of Commons and the Senate that were about environmental and SD issues. <i>Target 1999–2001: 25%</i> % conformance with appropriate standards of practice for protecting the environment and promoting sustainable development by federal organizations. <i>Target 2000–2001: 75%</i> % of our recommendations related to environment and SD on which satisfactory progress was made. <i>Target 1999–2001: 60% fully implemented or satisfactory Target 2003–2004 and beyond: 70%</i> 	<p>–</p> <p>8%</p> <p>12% fully implemented</p> <p>55% satisfactory (1991–95)</p>	<p>–</p> <p>15%</p> <p>–</p> <p>11% fully implemented</p> <p>37% satisfactory (1992–96)</p>	<p>38%¹ (baseline)</p> <p>12%</p> <p>32%² (baseline)</p> <p>16% fully implemented</p> <p>34% satisfactory (1993–97)</p> <p>(continued)</p>

¹ Results from the November 1998 survey of MPs. % of MPs who gave a rating of 1 or 2 on a scale of 1 to 5, 1 being a situation where they found the reports “very useful” and 5, “not useful”.

² Percentage conformance for the 28 federal organizations that prepared a sustainable development strategy. The baseline for 1998–1999 is based on an audit of six departments.

Sustainable Development Goals	Sustainable Development Objectives	Key Achievements in 1998–99	Key Performance Indicators			
			Indicator	1996–97	1997–98	1998–99
<p>In Administrative Activities:</p> <p>To optimize the use of natural resources and to minimize the negative environmental impacts of the OAG’s day-to-day operations.</p>	<ul style="list-style-type: none"> To complete and implement our Environmental Management System by Spring 98 (EMS). To reduce paper and paper product consumption. To increase the “greenness” of our purchases. To reduce energy and water consumption. To maximize the capture of recyclable material / To reduce waste production. To encourage the use of environmentally responsible transportation in our audit work whenever it is time-efficient / To encourage the use of teleconferencing 	<p>Out of 12 activities presented in the strategy, 4 are completed, 5 are in progress and 3 remain to be done.</p> <ul style="list-style-type: none"> In 1998–99, we: <ul style="list-style-type: none"> launched our sustainable development management process, an electronic database accessible office-wide since November 1998. We still need to work on : <ul style="list-style-type: none"> reducing paper consumption relative to use of Internet and electronic mail; evaluating the “greenness” of products stocked. 	<ul style="list-style-type: none"> Quantity of paper consumed per employee per year. <i>Target: 5% reduction from baseline year.</i> % of products stocked that are Ecologo products. 	9,040/employee (baseline)	9,452/ employee (5% increase)	8,740/employee (3.3% decrease)
<p>In Human Resources:</p> <p>To support activities that recognize our employees as our greatest assets in pursuing our sustainable development goals.</p>	<ul style="list-style-type: none"> To enhance the capacity of OAG staff to recognize and integrate sustainable development issues into their audit work. To increase OAG staff awareness and practice of sustainable development efforts in the Office’s day-to-day operations and in society at large. 	<p>Out of 15 activities presented in the strategy, 10 are completed, 1 is in progress and 4 remain.</p> <ul style="list-style-type: none"> In 1998–99, we offered training sessions to staff on “Introduction to E & SD” and “Environmental Management Systems”; We pursued initiatives to raise staff awareness (green series and electronic green tips). 	<ul style="list-style-type: none"> Self-assessment of staff ability to recognize sustainable development audit issues. % of staff who have participated in sustainable development training sessions. <i>Target 1999–2000: 50%</i> <i>Target 2000–2001: 65%</i> <i>Target 2001–2002: 80%</i> 	–	–	–
				–	–	29% (baseline)

Source: 1998–99 OAG Progress Report on the Implementation of the Sustainable Development Strategy



SECTION 5

Financial Performance

A. FINANCIAL PERFORMANCE OVERVIEW

Summary Financial Information

Legislative Auditing

Planned Spending	\$ 50,960,000
<i>Total Authorities</i>	\$ 55,214,875
1998–99 Actuals	\$ 53,739,517

The summary financial information presented above indicates:

- the plan at the beginning of the year, as presented in the 1998–99 Main Estimates (Planned Spending);
- total spending approved by Parliament, including Supplementary Estimates to reflect changing priorities and unforeseen events (Total Authorities); and
- amounts actually spent (1998–99 Actuals).

B. FINANCIAL SUMMARY TABLES

List of Tables presented in this section:

Table 1	Summary of Voted Appropriations
Table 2	Comparison of Total Planned Spending with Actual Spending for 1998–99
Table 3	Historical Comparison of Total Planned Spending with Actual Spending
Table 7	Non–Respendable Revenues
Table 8	Statutory Payments
Table 9	Transfer Payments
Table 17	How Canadian Taxpayer Dollars Were Spent

Table 1 – Summary of Voted Appropriations

Authorities for 1998–99 (\$ millions)		1998–99		
		Planned Spending	Total Authorities	Actual
Auditor General				
30	Program expenditures	44.4	48.3	46.8
(S)	Salary of the Auditor General	0.2	0.2	0.2
(S)	Contributions to employee benefit plans	6.4	6.7	6.7
Total Office		51.0	55.2	53.7

Total Authorities are Main Estimates plus \$3.9 million in Supplementary Estimates and \$0.3 million in adjustments and transfers.

Table 2 – Comparison of Total Planned Spending with Actual Spending for 1998–99 (\$ millions)

Planned versus Actual Spending (\$ millions)	1998–99		
	Planned	Authorized	Actual
FTEs	520	520	513
Operating ¹	50.6	54.8	53.3
Voted Grants & Contributions	0.4	0.4	0.4
Total Net Expenditures	51.0	55.2	53.7
Other Revenues and Expenditures			
Non-Respendable Revenues ²	(0.8)	(0.0)	(0.9)
Cost of services provided by other departments	6.2	6.2	6.2
Net Cost of the Program	56.4	61.4	59.0

Note: ¹ “Operating” includes contributions to employee benefit plans and the salary of the Auditor General.

² These revenues were formerly called “Revenues Credited to the Consolidated Revenue Fund”.

Table 3 – Historical Comparison of Total Planned Spending with Actual Spending (\$ millions)

Business Line	Actual 1996–97	Actual 1997–98	Planned Spending 1998–99	Total Authorities 1998–99	Actual 1998–99
Legislative Auditing	51.0	51.5	51.0	55.2	53.7

Note: Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.

Table 7 – Non-Respendable Revenues¹ (\$ millions)

Business Line	Actual 1996-97	Actual 1997-98	Planned Revenues 1998-99	Actual 1998-99
Legislative Auditing	1.0	0.9	0.8	0.9

Note: ¹ These revenues were formerly called “Revenues Credited to the Consolidated Revenue Fund”

Table 8 – Statutory Payments (\$ millions)

Business Line	Actual 1996-97	Actual 1997-98	Planned Spending 1998-99	Total Authorities 1998-99	Actual 1998-99
Legislative Auditing	4.9	5.6	6.6	6.9	6.9

Table 9 – Transfer Payments (\$ millions)

Business Line	Actual 1996-97	Actual 1997-98	Planned Spending 1998-99	Total Authorities 1998-99	Actual 1998-99
Contributions					
Legislative Auditing	0.4	0.4	0.4	0.4	0.4

Table 17 – How Canadian Taxpayer Dollars Were Spent

Details on Net Cost of Program for 1998–99

The outputs of the Office are the various opinions, management letters, and reports on audits and studies resulting from the audit process. The Office allocates net program costs to its outputs. In addition to direct costs, which are allocated to each output based on hours worked, certain of the Office's costs are related to overhead, for example, administration, official languages and accommodation. These cannot be directly attributed to our outputs. However, they must ultimately form part of the costs of our outputs. Accordingly, the Office has developed a cost accounting system that also allocates overhead to our outputs. Thus, the cost associated with each output is a "fully loaded" cost; in aggregate these total the net program cost of the Office.

1998–99 Audit Costs and (Hours) by Audit Type

1. Federal Government Organizations

a. Departments, Agencies and Special Audits

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
<i>(Both dollars and hours are in thousands)</i>						
Atlantic Canada Opportunities Agency	9	(0.1)			9	(0.1)
Canada Space Agency	17	(0.1)			17	(0.1)
Canadian International Development Agency	46	(0.7)	164	(1.4)	210	(2.1)
Correctional Service Canada	32	(0.4)	25	(0.2)	57	(0.6)
Department of Agriculture and Agri-Food	314	(3.7)	760	(7.1)	1,074	(10.8)
Department of Canadian Heritage	19	(0.2)	7	(0.1)	26	(0.3)
Department of Finance	267	(3.3)	413	(3.7)	680	(7.0)
Department of Fisheries & Oceans	34	(0.4)	969	(8.8)	1,003	(9.2)
Department of Foreign Affairs and International Trade	31	(0.5)			31	(0.5)
Department of Human Resources Development	119	(1.4)	1,738	(16.6)	1,857	(18.0)
Department of Indian Affairs and Northern Development	178	(2.2)	364	(3.2)	542	(5.4)
Department of Industry	62	(0.8)	1,190	(10.9)	1,252	(11.7)
Department of Justice	19	(0.2)			19	(0.2)
Department of Citizenship & Immigration	24	(0.3)	571	(4.9)	595	(5.2)
Department of National Defence	137	(1.8)	2,147	(21.4)	2,284	(23.2)
Department of Health	82	(0.8)	703	(6.7)	785	(7.5)
Department of Revenue	1,315	(15.2)	3,031	(24.8)	4,346	(40.0)
Department of Natural Resources	43	(0.4)	328	(2.7)	371	(3.1)
Department of Public Works and Government Services	85	(1.1)	1,328	(12.9)	1,413	(14.0)
Department of the Environment	23	(0.3)	2,294	(22.2)	2,317	(22.5)
Department of the Solicitor General			1	(0.0)	1	(0.0)
Department of Transport	63	(1.0)	1,055	(10.5)	1,118	(11.5)
Department of Western Economic Diversification	18	(0.2)	1	(0.0)	19	(0.2)
Federal Office of Regional Development – Québec	25	(0.3)			25	(0.3)
National Energy Board	46	(0.5)	235	(2.1)	281	(2.6)
National Film Board	225	(2.2)			225	(2.2)
Northern Pipeline Agency	11	(0.1)			11	(0.1)
Public Accounts (preparation of Observations)	2,038	(19.2)			2,038	(19.2)
Royal Canadian Mounted Police	48	(0.5)	258	(2.2)	306	(2.7)

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
Statistics Canada			471	(4.7)	471	(4.7)
Treasury Board Secretariat			544	(4.1)	544	(4.1)
Veterans Affairs	34	(0.3)	418	(3.6)	452	(3.9)
Government-Wide and Special Audits						
Accountability – Internal Studies			1,360	(12.3)	1,360	(12.3)
Biodiversity			26	(0.3)	26	(0.3)
Climate Change			109	(1.1)	109	(1.1)
Counting the Environment In			23	(0.2)	23	(0.2)
Environmental Assessment of Projects in the Federal Government			43	(0.4)	43	(0.4)
Expanding Horizons – A Strategic Approach to Sustainable Development Strategies			13	(0.1)	13	(0.1)
Financial Management and Control			799	(7.5)	799	(7.5)
Functional Responsibility – Authority Issues			25	(1.2)	25	(1.2)
Greening the Government of Canada			86	(0.8)	86	(0.8)
Human Resource Management – Downsizing at the Department of National Defence			200	(1.8)	200	(1.8)
Human Resource Management – Roles and Responsibilities of Central Agencies			239	(1.6)	239	(1.6)
Information for Parliament			55	(0.5)	55	(0.5)
Information Technology – Acquisition of IT			1	(0.0)	1	(0.0)
Information Technology – Development			8	(0.1)	8	(0.1)
Information Technology – Electronic Commerce			450	(3.9)	450	(3.9)
Information Technology – Year 2000 Final Preparation			153	(1.1)	153	(1.1)
Information Technology – Financial Information Systems (“mini-audit” of Systems Under Development)			182	(1.6)	182	(1.6)
Information Technology – Preparedness for the Year 2000 – Periodic Review			14	(0.1)	14	(0.1)
Knowledge Management – Office Strategies			160	(1.0)	160	(1.0)
Major Capital Projects			385	(3.3)	385	(3.3)
Performance Measurement for Sustainable Development Strategies			26	(0.3)	26	(0.3)
PS Reform – Ministerial Accountability			107	(0.7)	107	(0.7)
PS Reform – State of the Public Service			38	(0.2)	38	(0.2)
Protection of Public Assets			1,067	(9.8)	1,067	(9.8)
Public Service Commission – Efficiency of Staffing			71	(0.6)	71	(0.6)
Results Measurement			760	(7.7)	760	(7.7)
Regulatory Reform			83	(0.8)	83	(0.8)
Sustainable Development			1,351	(13.0)	1,351	(13.0)
Sustainable Development Strategies and Consultation Process			298	(2.6)	298	(2.6)
Values and Ethics			118	(1.4)	118	(1.4)
Working Globally – Canada’s International Environmental Obligations			47	(0.6)	47	(0.6)
Follow-up Audits			3,665	(33.2)	3,665	(33.2)

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
<i>(Both dollars and hours are in thousands)</i>						
Knowledge of the Business and Service to Audit Entities			2,517	(22.8)	2,517	(22.8)
Reports to the House of Commons			3,249	(26.6)	3,249	(26.6)
Total Departments, Agencies and Special Audits	5,364	(58.2)	36,743	(334.0)	42,107	(392.2)

b. Crown Corporations

Financial Audits

Annual audit work conducted in Crown corporations to express an opinion pursuant to section 132 of the *Financial Administration Act* and annual audit work conducted to express an opinion on corporations exempted pursuant to section 85 of the *Financial Administration Act*.

Value-for-Money Audits

Special examination work conducted in Crown corporations pursuant to section 138 of the *Financial Administration Act* and value-for-money audits conducted at the request of corporations exempted pursuant to section 85 of the *Financial Administration Act*.

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
<i>(Both dollars and hours are in thousands)</i>						
Atlantic Pilotage Authority	55	(0.8)	38	(0.3)	93	(1.1)
Atomic Energy of Canada Limited	293	(2.4)	385	(2.5)	678	(4.9)
Business Development Bank of Canada	185	(1.8)			185	(1.8)
Canada Council	132	(1.4)	135	(1.0)	267	(2.4)
Canada Deposit Insurance Corporation	135	(1.3)	6	(0.0)	141	(1.3)
Canada Development Investment Corporation	43	(0.4)			43	(0.4)
Canada Lands Company (Vieux-Port de Québec) Inc.	7	(0.1)			7	(0.1)
Canada Lands Company Limited	152	(1.2)			152	(1.2)
Canada Mortgage and Housing Corporation	237	(2.4)	757	(4.2)	994	(6.6)
Canadian Broadcasting Corporation	416	(4.1)			416	(4.1)
Canadian Commercial Corporation	90	(1.1)	231	(1.8)	321	(2.9)
Canadian Dairy Commission	127	(1.3)			127	(1.3)
Canadian Film Board Development Corporation	117	(1.0)			117	(1.0)
Canadian Museum of Civilization	85	(1.0)	134	(1.2)	219	(2.2)
Canadian Museum of Nature	93	(1.1)			93	(1.1)
Canadian Tourism Commission	2				2	(0.0)
Cape Breton Development Corporation	304	(3.0)			304	(3.0)
Defence Construction (1951) Limited	57	(0.6)	7	(0.0)	64	(0.6)
Enterprise Cape Breton Corporation	68	(0.7)	42	(0.4)	110	(1.1)
Export Development Corporation	484	(5.4)	475	(3.1)	959	(8.5)
Farm Credit Corporation	356	(3.3)			356	(3.3)
Federal Bridges Corporation Ltd.	4				4	(0.0)
Freshwater Fish Marketing Corporation	137	(1.6)	43	(0.5)	180	(2.1)

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
<i>(Both dollars and hours are in thousands)</i>						
Great Lakes Pilotage Authority Ltd	58	(0.6)			58	(0.6)
International Development Research Centre	75	(0.9)			75	(0.9)
Laurentian Pilotage Authority	80	(0.8)	2	(0.0)	82	(0.8)
Marine Atlantic Inc.	236	(2.3)	151	(1.2)	387	(3.5)
National Arts Centre Corporation	137	(1.6)			137	(1.6)
National Capital Commission	233	(2.6)	389	(2.8)	622	(5.4)
National Gallery of Canada	90	(1.1)			90	(1.1)
National Museum of Science & Technology	64	(0.8)	512	(4.1)	576	(4.9)
Old Port of Montreal Corporation Inc.	60	(0.7)	118	(0.9)	178	(1.6)
Pacific Pilotage Authority	46	(0.6)	67	(0.3)	113	(0.9)
Petro Canada Limited	14	(0.1)			14	(0.1)
Queens Quay West Land Corporation	32	(0.3)			32	(0.3)
Royal Canadian Mint	308	(3.4)	10	(0.1)	318	(3.5)
Standards Council of Canada	40	(0.5)	181	(1.5)	221	(2.0)
The Jacques Cartier and Champlain Bridges Incorporated	84	(0.9)			84	(0.9)
The Seaway International Bridge Corp. Ltd	62	(0.6)			62	(0.6)
The St. Lawrence Seaway Authority Ltd	234	(2.5)	10	(0.1)	244	(2.6)
Via Rail Canada Inc.	210	(2.2)	752	(5.4)	962	(7.6)
The Canadian Wheat Board			35	(0.2)	35	(0.2)
Treasury Board Quarterly Reports	15	(0.2)			15	(0.2)
Total Crown Corporations	5,657	(58.7)	4,480	(31.6)	10,137	(90.3)

c. Other Corporations and Entities

Atomic Energy Control Board	36	(0.4)			36	(0.4)
Canada Pension Plan Account and Canada Pension Plan Investment Fund	286	(3.2)			286	(3.2)
Canadian Centre for Occupational Health and Safety	40	(0.4)			40	(0.4)
Canadian Food Inspection Agency	199	(2.3)	248	(2.2)	447	(4.5)
Canadian Human Rights Commission			280	(2.9)	280	(2.9)
Canadian Polar Commission	16	(0.2)			16	(0.2)
Canadian Transportation Accident Investigation and Safety Board	23	(0.3)			23	(0.3)
Exchange Fund Account	78	(0.9)			78	(0.9)
Government Annuities Account	32	(0.3)			32	(0.3)
Human Frontier Science Program	27	(0.1)			27	(0.1)
International Centre for Human Rights & Democracy	67	(0.6)			67	(0.6)
Market Development Incentive Payments	8	(0.1)			8	(0.1)
Medical Research Council	27	(0.3)			27	(0.3)
National Battlefields Commission	36	(0.3)			36	(0.3)
National Research Council of Canada	18	(0.2)			18	(0.2)
National Round Table on the Environment and the Economy	20	(0.2)			20	(0.2)
Natural Sciences and Engineering Research Council	27	(0.3)			27	(0.3)

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
<i>(Both dollars and hours are in thousands)</i>						
Nunavut Implementation Commission	47	(0.4)			47	(0.4)
Patented Medicine Price Review Board			259	(2.2)	259	(2.2)
Royal Canadian Mounted Police (Dependants) Fund	9	(0.1)			9	(0.1)
Social Sciences and Humanities Research Council	34	(0.4)			34	(0.4)
Employment Insurance Account	213	(2.4)			213	(2.4)
Total Other Corporations and Entities	1,243	(13.4)	787	(7.3)	2,030	(20.7)
d. Requests by the Minister of Finance						
Child Tax Benefit	15	(0.2)			15	(0.2)
Debt Servicing Reduction Account	14	(0.2)			14	(0.2)
Provincial Income Tax – Opinion to the Minister	701	(7.6)			701	(7.6)
Total Requests by Minister of Finance	730	(8.0)			730	(8.0)
2. Territorial Organizations						
a. Departments and Agencies						
Northwest Territories						
Workers' Compensation Board	169	(1.6)			169	(1.6)
Government of Northwest Territories	578	(5.2)	117	(1.3)	695	(6.5)
Petroleum Products Revolving Fund	84	(0.9)			84	(0.9)
Yukon Territory						
Workers' Compensation Fund	106	(1.1)			106	(1.1)
Government of Yukon Territory	298	(2.9)	117	(0.7)	415	(3.6)
Total Departments and Agencies	1,235	(11.7)	234	(2.0)	1,469	(13.7)
b. Territorial Corporations						
Northwest Territories						
Aurora College	66	(0.6)			66	(0.6)
Nunavut Arctic College	165	(1.4)			165	(1.4)
Business Corporation	64	(0.7)			64	(0.7)
Development Corporation	160	(1.6)			160	(1.6)
Housing Corporation	217	(2.1)	4	(0.0)	221	(2.1)
Liquor Commission	28	(0.0)			28	(0.0)
Power Corporation	226	(2.2)			226	(2.2)
Yukon Territory						
Development Corporation	22	(0.2)			22	(0.2)
Energy Corporation	126	(1.0)			126	(1.0)
Housing Corporation	109	(1.1)			109	(1.1)
Liquor Corporation	57	(0.6)			57	(0.6)

	Financial Audits		Value-for-Money Audits		Total	
	\$	hrs	\$	hrs	\$	hrs
<i>(Both dollars and hours are in thousands)</i>						
Surface Rights Board	11	(0.1)			11	(0.1)
Yukon College	78	(0.8)			78	(0.8)
Total Territorial Corporations	1,329	(12.4)	4	(0.0)	1,333	(12.4)
3. International Organizations						
<i>(Order-in-Council Requests)</i>						
International Civil Aviation Organization	212	(3.8)	78	(1.2)	290	(5.0)
United Nations Educational Scientific and Cultural Organization (UNESCO)	55	(3.2)	127	(1.9)	182	(5.1)
Total International Organizations	267	(7.0)	205	(3.1)	472	(10.1)
Subtotal	15,825	(169.4)	42,453	(378.0)	58,278	(547.4)
International Activities					769	(11.0)
Total					59,047	(558.4)

SECTION 6

Other Information

A. LISTING OF STATUTORY REPORTS

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| • Report of the Auditor General of Canada to the House of Commons | published periodically and available in a variety of formats, including on the Internet at http://www.oag-bvg.gc.ca |
| • Report of the Commissioner of the Environment and Sustainable Development to the House of Commons | published annually and available in a variety of formats, including on the Internet at http://www.oag-bvg.gc.ca |
| • Opinion of the Auditor General on the Financial Statements of the Government of Canada | published annually in the Public Accounts of Canada, Volume I and available on the Internet at http://www.pwgsc.gc.ca/text/pubacc-e.html |
| • Opinion on the Condensed Financial Statements of the Government of Canada | published annually in the Annual Financial Report of the Government of Canada |
| • Opinions by the Auditor General on some 90 financial statements of parent Crown corporations, federal departmental corporations and other federal entities, territorial governments and organizations, other Canadian entities and international organizations | published in the various statutory reports containing the financial statements of these organizations and Treasury Board's Annual Report to Parliament on Crown Corporations and Other Corporate Interests in Canada |
| • Special examinations of Crown corporations | submitted to the respective boards of directors every five years for each Crown corporation |
| • Annual Report on Other Matters to the Yukon Legislative Assembly and to the Northwest Territories Legislative Assembly | submitted annually to the Legislative Assemblies and available from the Clerk of the respective assemblies |

B. CONTACTS FOR FURTHER INFORMATION

Office of the Auditor General
240 Sparks Street
Ottawa, Ontario
Canada K1A 0G6

Telephone: (613) 995-3708
Facsimile: (613) 957-4023
Internet: <http://www.oag-bvg.gc.ca>

Audit Operations Branch

Sheila Fraser, Deputy Auditor General

Corporate Services Branch

Michael J. McLaughlin, Deputy Auditor General and Senior Financial Officer

Environment and Sustainable Development

Brian Emmett, Commissioner of the Environment and Sustainable Development

Communications

Johanne McDuff, Director

