

The background of the cover features a photograph of four smiling business professionals. The image is split vertically: the left side is blue-tinted and shows three people (two men and one woman), while the right side is green-tinted and shows two people (one man and one woman).

RAPPORT ANNUEL

2010

 CCAF-FCVI^{INC.}

2011

ANNUAL REPORT

MESSAGE FROM THE INTERIM CHAIR

TURNING THE PAGE



Looking back over 30 years since the founding of CCAF, I am struck by how much value the organization has delivered in the areas of performance auditing, government oversight, performance measurement and reporting, modern comptrollership and numerous other initiatives that have fed the dialogue and efforts to continuously improve government accountability in Canada and abroad. While the Foundation has faced considerable challenges over these years, they have only served to strengthen the organization and make it more resilient.

I have served on [CCAF's Board of Governors](#) since 2005, but it was only in recent months that I assumed the role of Interim Chair following a tragic and unfortunate event.

Ronald C. Thompson, Chair of CCAF's Board of Governors since 2009, and for many years prior to that a strong contributor to and supporter of CCAF, passed away unexpectedly on July 17 2011. In his capacity as Chair, Ron played a pivotal role in providing a new direction to the Foundation. His work ethic and constant enthusiasm served us immeasurably and have left an indelible mark on the Foundation. His leadership of CCAF's recent strategic planning exercise proved critical in moving it forward and laying the groundwork for our future success. Most importantly, Ron left a lasting positive professional and personal impression on all of his many colleagues and friends in the Canadian and international public sectors. He will be sorely missed.

In mid 2010, CCAF consulted with our members and stakeholders across Canada and internationally. The Board approved a new strategic plan in June 2011. I believe the 2011-2014 Strategic Plan provides the Foundation's Board, management and staff with a solid and focused roadmap for success.

CCAF has been active internationally since its inception in 1980, when the Foundation launched its first fellowship program. CCAF's international program has always been an important way for the Foundation and its members and partners to contribute to Canada's efforts to strengthen governance abroad. CCAF's existing agreement with the Canadian International Development Agency (CIDA), which currently funds CCAF's international program, will be in effect until 2012. CCAF has submitted a proposal to CIDA to renew our agreement with a more focused direction that I am confident will add even greater value to our efforts internationally.

As we move into a new chapter of CCAF's story, I would like to thank CCAF's members, partners and other stakeholders in Canada and abroad for their continued support. At its core, CCAF has always been an organization that thrives and prospers through the cooperation and synergy of a number of key players in Canada and around the world. We are grateful for this support and look forward to walking side by side with these important partners as we move forward.

In 2010-11, and in the current year, two key members of CCAF's team have retired.

I thank **Lee McCormack** for his steadfast service to the Foundation over the past three years. Lee joined CCAF in late 2007, following a long and fruitful career with the Government of Canada. He led an important research project on innovation, risk and control in government organizations. He also played a key role in CCAF's recent strategic planning exercise, as well as helping CCAF develop its focused approach to future international development initiatives.

I also recognize **Michael Eastman** for his dedication to the Foundation, serving for seven years as Executive Director. During that period he guided the Foundation through a number of challenges and achievements.

Looking forward, CCAF has turned the page and begun a new phase of focused development with ambitious goals. To signal this transition, we are pleased, as of August 2011, to have a new President and Chief Executive Officer, **Paul Lohnes**, to lead our team forward, including implementing CCAF's Strategic Plan for 2011 to 2014. A career chartered accountant, Paul brings a wealth of experience to the Foundation with his background in audit services, professional practice and quality assurance, standard setting and, most recently, oversight of Canadian auditing firms as a founding executive of the Canadian Public Accountability Board. My Governor colleagues and I look forward to working with Paul over the coming years to ensure a healthy and vibrant Foundation.



CHARLES-ANTOINE ST-JEAN, FCA

Interim Chair, Board of Governors

2010
2011



MESSAGE FROM THE PRESIDENT & CEO

BUILDING ON OUR CORE STRENGTHS



The year 2010-11 represented a critical transition period for the Foundation. In April 2010, CCAF's Board of Governors embarked on a strategic review of the organization. The Foundation was wrapping up important initiatives in public performance reporting and innovation, risk and control. The timing was optimal to develop a new strategic plan that would help focus CCAF and strengthen the ability of the organization to deliver on the needs of our members and key stakeholders.

In June 2011 CCAF's Board approved a new strategic plan for the Foundation. Management and the Board had begun working towards implementing this new plan during 2010-11.

CCAF's new mission and vision represent what I believe are and will continue to be the core strengths of the Foundation going forward.

Our new **Mission:**

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

Our new **Vision:**

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

To support the new vision and mission, the strategic plan 2011-2014 sets out four key strategic goals, with corresponding planned results areas for each of them. The goals focus on our two key products and services: **performance audit capacity building** and **improved oversight of government operations**.

First, CCAF will **develop and maintain a centre of expertise to support the strengthening of performance audit capacity**. As this report notes, we have taken significant steps towards developing a standards based curriculum of education to support performance auditing in Canada and abroad. Our aim is to become the go-to organization for research and education for the performance audit community.

Second, CCAF will **support public accounts committees and other instruments of oversight in scrutinizing the management of public funds**. This means continuing our support for legislative oversight committees in Canada and abroad, and also looking for new ways to strengthen the oversight of government operations, an issue that continues to be pertinent in the current environment.

Third, CCAF will **support Canadian and international efforts to strengthen the capacity of Supreme Audit Institutions and related parliamentary oversight in selected developing countries and regions**. We continue to deliver on our current international program, tailoring and focusing it in anticipation of a favorable response from CIDA for a new five year international program beginning in 2012-13.

Finally, CCAF will work to continuously strengthen our operations and governance. Our auditors recently conducted a review of procedures and controls at the Foundation, which will help us strengthen our processes and accountabilities. We will be looking to improve continuity and sustainability by building internal capacity to develop and deliver our two lines of business. We will also seek a more solid funding base to increase and maintain our internal capacity. In the current public sector environment of fiscal restraint, this is particularly challenging.

This annual report represents the beginning of a new phase for the Foundation. Through the efforts and support of our Board of Governors, our staff and associates, and our members, partners and other stakeholders in Canada and around the world, I am confident about CCAF's future vibrancy.

I am pleased and proud to be leading CCAF and look forward to working with our Board, our team of employees and associates, and our partners in the coming years to bring to life our mission and vision and to implement our strategic goals for 2011-14.



PAUL LOHNES, CA

President and Chief Executive Officer

2010
2011



CCAF'S STRATEGIC FRAMEWORK (2011-2014)

MISSION AND VISION

MISSION

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

VISION

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

STRATEGIC GOALS AND PLANNED RESULTS AREAS

STRATEGIC GOAL #1 – PERFORMANCE AUDIT

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

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

STRATEGIC GOAL #2 – OVERSIGHT

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

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

STRATEGIC GOAL #3 – INTERNATIONAL PROGRAM

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

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

STRATEGIC GOAL #4 – CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

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

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



HIGHLIGHT OF

**2010
OPERATIONS 2011**



PERFORMANCE AUDIT

A CENTRE OF EXPERTISE TO SUPPORT PERFORMANCE AUDIT PRACTICE

CCAF RECOGNIZES THE CONTRIBUTIONS OF THE FOLLOWING WHO PROVIDED ADVICE AND GUIDANCE IN HELPING CCAF DEVELOP THE PLAN AND SOME INITIAL PRODUCTS FOR ITS PERFORMANCE AUDIT STRATEGIC AREA

Stuart Barr, CMA

Assistant Auditor General, Office of the Professional Practices
Office of the Auditor General of Canada

Véronique Boily, CA

Directrice des services-conseils en optimisation des ressources
Vérificateur général du Québec

François Boisclair, MPA

Director of studies
Vérificateur général du Québec

John Doyle, MAcc, CA

Auditor General of British Columbia

Renaud Lachance, FCA

Vérificateur général du Québec

Jacques Lapointe, CA, CIA, CGAP

Auditor General of Nova Scotia

Gary Peall, CA

Deputy Auditor General
Office of the Auditor General of Ontario

Beverly Romeo-Beehler, B.B.A, CMA, J.D. (Juris Doctor)

Assistant Auditor General, Standards and Quality
Office of the Auditor General of British Columbia

Ed Ryan, B.Comm, CMA

Assistant Auditor General
Office of the Auditor General of Alberta

Ronald C. Thompson, FCA

Former Chair
CCAF Board of Governors

Rhordon Wikkramatileke, PhD, MPA, BA

Faculty, School of Business
University of Victoria

There are many additional contributors from various Canadian Legislative Audit Organizations – while too numerous to name, CCAF extends gratitude and appreciation to them all.

Advancing the concept and practice of performance audit has been the central focus of CCAF since its founding in 1980. The early focus of CCAF's performance audit work (termed comprehensive audit and later value-for-money audit) was primarily focused on the development of methodologies.

More recently, CCAF has focused on providing dynamic learning opportunities for the performance audit community by offering courses for public sector auditors in Canada and abroad. Our course offerings in recent years have been developed with the support of the Canadian Council of Legislative Auditors (CCOLA), whose Training Oversight Group provides the Foundation with ongoing guidance and input.

In implementing its new strategic plan, CCAF is taking its support for the performance audit community to a new level by developing and delivering a new standards based approach to learning for performance auditors. CCAF's aim is to become the go-to source for education and research for legislative and other performance auditors.

To achieve this, CCAF has set a new strategic goal for 2010-11 and going forward:

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

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

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

The strategic review conducted during 2010-11 signaled an important transition year for CCAF. The Foundation initiated new projects to support performance audit capacity, while continuing to deliver its established education program to the performance audit community in Canada.

WHAT WAS ACCOMPLISHED IN 2010-11

Delivering timely information to the performance audit community: 2010-11 saw the Foundation begin development of a new product, [CCAF Audit News](#).



DID YOU KNOW ...

... THAT ALL EMPLOYEES OF CCAF FUNDING MEMBERS ARE ISSUED COMPLIMENTARY ACCESS TO THESE AND OTHER RESOURCES AND TOOLS

[REGISTER NOW](#)

CCAF *Audit News* is an online tool that facilitates knowledge sharing within the performance audit community in Canada and abroad, providing access to recent performance audit reports and trends within 26 selected audit institutions in Organization for Economic Co-operation and Development (OECD) countries. The idea for *CCAF Audit News* originated with the Vérificateur général du Québec (VGQ), which recognized that there was a need within the performance audit community for quick and easy access to information on the activities and reports of other audit institutions within the community. The VGQ played a key role in launching the project, providing the services of one of their directors, **François Boisclair**, using as a starting point their existing database of recent audit reports from various audit institutions.

CCAF Audit News consists of two products, an electronic quarterly bulletin that provides a summary and analysis of recent reports published within the 26 audit institutions, and an online research tool that archives all of the reports published by them going back to 2008. Both of these tools are available to CCAF's membership through our [website](#).

2010-11 saw the first steps taken to bring this important tool to fruition: building the online research tool and developing the prototype for the quarterly bulletin. The prototype was presented to CCAF's Performance Audit Advisory Group in March 2011.

Developing and delivering training for performance auditors: In 2010-11, CCAF began its fresh look at the education model for performance auditors. In doing so, the Foundation collaborated with the Office of the Auditor General of British Columbia. Led by **Beverly Romeo-Beehler**, CCAF associates, and contributors from other legislative offices, we began developing the baseline competencies and a curriculum outline to help performance auditors learn and develop their knowledge and skills. As we undertook this process, it became apparent that Canada's public sector audit community shares much common ground, and that the efficiencies to be gained by developing shared educating tools are significant. No greater common ground exists than the application of professional audit standards, upon which CCAF is basing its capacity development efforts.

Other elements were identified that would drive this new model: it would be client focused and adaptable to the needs of individual offices; it would be accessible and simple to use; and, it would focus on providing the right training, at the right time, to the right level of performance auditor.



While laying the groundwork for its new curriculum, CCAF continued to deliver its existing courses during the 2010-11 fiscal year.

The *Fundamentals of Performance (Value-for-Money) Auditing (VFM I)* course was delivered in Québec City in June 2010, and in Halifax in October. This course continues to be a cornerstone offering, providing new auditors with an introduction to performance auditing standards and methodology.

2010
2011



Performance (Value-for-money) Audit – Level II (VFM II) was delivered in three offerings in 2010-11, with two offerings in Toronto in April and October, and a third in Edmonton in November.

The offering in Edmonton was particularly significant for the Foundation – we went paperless! CCAF began a new green initiative in 2010 to look for ways to reduce its footprint on the environment. The result is that all CCAF material is now provided to participants electronically only – no more paper, binders, slides or the related environmental impact of shipping. Participants applauded this initiative, noting that not only was this good for the environment, but that it also made it easy with for them to manage the materials.



CCAF also piloted a new course/workshop, *Report Writing*, in Toronto in April 2010. *Report Writing* provides participants with an opportunity to learn how to effectively organize and present audit findings to achieve maximum readability and report impact. CCAF received positive and constructive feedback from participants at the pilot and has since incorporated *Report Writing* into its regular course offerings.



Overall, CCAF’s courses received strongly positive reviews from participants, with 96% rating our courses positively in 2010-11.

CCAF is committed to continuous improvement in everything it does. In addition to receiving participant feedback at its courses, CCAF also had reviewers attend and evaluate some of its course offerings in 2010-11. Their feedback has been incorporated into CCAF’s course delivery.

Planning and delivering collaborative events for performance auditors: CCAF played an important role in helping develop and support the program for CCOLA’s 2010 Performance Audit Symposium. In addition to helping plan the program for the event, CCAF provided panelists and moderators for some of the sessions.



The *Government Internal Auditors Council of Canada (GIACC)* held their annual National Forum in Winnipeg, September 20-22, 2010. This event provides the internal audit community in Canada with an annual opportunity to discuss issues of importance, and identify areas for collaboration within the internal audit community. GIACC is composed of the Chief Internal Auditor (or equivalent) for each Province and Territory and the Assistant Comptroller General of Canada. Since 2003, CCAF has worked with GIACC to help organize their forum and other initiatives.



The 2010 Forum was co-chaired by **Jane Holatko**, Director of Internal Audit and Consulting Services, Manitoba Finance; **Rick Kennedy**, Chief Internal Auditor and Assistant Deputy Minister, Ontario Ministry of Finance; and CCAF Executive Director **Michael Eastman**. Delegates discussed a

number of important topics, among them the independence of the internal audit function and governance issues. Visit the [GIACC Website](#) for more information.



GIACC members, participants and guests at the annual National Forum in Yellowknife, September 2011.

TARGET DELIVERABLES FOR 2011-12

Delivering timely information to the performance audit community: Following a positive reception for the *CCAF Audit News* prototype at the April 2011 *Performance Audit Symposium*, CCAF launched the online research tool and quarterly bulletins. The first quarterly bulletin was released in April 2011, followed by one in July. The *CCAF Audit News* database is updated with new materials monthly. It includes information for 26 jurisdictions.

A survey will be distributed to CCAF membership early in 2012 to obtain feedback on the usefulness of the product, and identify areas that can be improved.

Developing and delivering training for performance auditors: While 2010-11 signaled the first steps toward building and developing the strategy for the new performance audit capacity building project, the first months of 2011-12 focused on defining the competency profiles and the learning requirements for performance auditors at various levels of knowledge and experience.

CCAF recognizes the support of the Office of the Auditor General of BC, which has contributed by donating the services of Assistant Auditor General **Beverly Romeo-Beehler** to lead the initial stage of the project. Beverly has contributed performance audit knowledge and experience and innovative approaches to CCAF. On behalf of CCAF, she presented the curriculum outline and competency profiles to the CCOLA community at their annual conference in Halifax in August.

CCAF will build on this work by preparing guidance and learning tools, and identifying other learning applications to support the new curriculum. We will also map existing courses with the new curriculum.

While building this new curriculum, we continue to deliver our existing courses, fulfilling significant demand within the community. To date, CCAF has delivered *VFM I* in St. John's in May and in Edmonton in July. We also piloted a workshop, *Evidence Gathering and Analysis in Performance Audits* in Québec City in April 2011. This new workshop focuses participants on the link between the evidence collected and documented and the findings reported in the audit report.

2010
2011



**GOVERNMENT INTERNAL
AUDITORS COUNCIL OF CANADA**
(AS OF AUGUST 31, 2011)

Brian Aiken, CIA, CFE
Assistant Comptroller General, Internal Audit
Treasury Board of Canada, Secretariat

Chris Brown, CA
Acting Executive Director
Ministry of Finance, Government of British Columbia

Ted Doane, CA
Executive Director, Internal Audit Department
Nova Scotia Department of Finance

Pierre Gagné
Président
Forum des responsables de la vérification interne (Québec)

John Gunter
Director, Government Audit Service
Government of the Yukon

Jane Holatko, CA, CIA
Director, Internal Audit & Consulting Services
Manitoba Finance

Richard Kennedy, CA, CISA, CFE, CISM
Chief Internal Auditor & Assistant Deputy Minister
Ministry of Finance, Government of Ontario

Paul Lohnes, CA
President and Chief Executive Officer
CCAF-FCVI

Brian O'Neill, CA
Director, Professional Services and Internal Audit
Government of Newfoundland and Labrador

T. Bob Shahi, FCGA, CIA, CFE, CISA
Director, Internal Audit Bureau
Government of the Northwest Territories

Dan Stadlwieser, CA, CIA
Chief Internal Auditor, Corporate Internal Audit Services
Alberta Treasury Board

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

Grace Wilk, CGA
Chief Internal Auditor, Internal Audit Services Branch
Department of Finance, Government of Nunavut

COUNCIL SECRETARY

Nicole Wieczorek
Director of Operations and Chief Financial Officer, CCAF-FCVI

For the remainder of 2011-12, CCAF plans to deliver two offerings of *VFM I* and *VFM II* training and one each of *Report Writing* and *Evidence Gathering and Analysis for Performance Audits*.

Planning and delivering collaborative events for performance auditors:

CCAF's strategic and operational plan called for the Foundation to continue offering support to CCOLA to plan and deliver its annual Performance Audit Symposium. In April 2011 it did just that, helping plan sessions and providing support to the CCOLA Training Oversight Group. CCAF has provided CCOLA with proceedings from the sessions.

Going forward, CCAF will continue to offer its support in planning and delivering on this very important event.

We have continued our work and support for the *Government Internal Auditors Council of Canada (GIACC)* by helping organize and facilitate its annual National Forum in Yellowknife, in September 2011.

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

CCAF will report more fully on this initiative in an upcoming *Update* to members.

OVERSIGHT

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

CCAF has a long history of supporting and promoting improved oversight of government expenditures, especially in its work with Canadian public accounts committees (PACs). In fact, one of CCAF's first major research projects, in 1981, examined the role of Canadian PACs and legislative auditors.

Since 2006, CCAF has renewed support of PACs in Canada and abroad by developing the *Attributes of an Effective Public Accounts Committee* and holding workshops to explore issues of importance to the PAC community. In September 2009, CCAF presented its research on the *Attributes of an Effective PAC* at the annual conference of public accounts committees and legislative auditors (CCPAC-CCOLA), and since then has continued to build on the findings of this study.

CCAF's new strategic plan calls for the Foundation to continue work in this important area. One of CCAF's strategic goals for 2010-11 and going forward is to:

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

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

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

2010
2011

WHAT WAS ACCOMPLISHED IN 2010-11

Developing workshops and tools: In 2010-11 CCAF piloted a capacity assessment model for use in helping PACs in Canada and abroad self-assess their capacity and identify areas to build capacity and improve effectiveness. CCAF's Oversight Advisory Committee has reviewed the model. It was used in Guyana and Tanzania internationally and the PAC in Manitoba used a version of the model to conduct a self-assessment.

CCAF also updated its 2006 boxed-set titled [*Parliamentary Oversight: Committees and Relationships*](#), which includes an updated version of *A Guide to Strengthening Public Accounts Committees*. It also released the *Attributes of an Effective Public Accounts Committee*. The updated boxed-set, along with the *Attributes*, are now available on CCAF's website.

In 2010-11, CCAF also worked with its Oversight Advisory Committee to develop a list of potential future thematic workshops to be developed. Topics being explored include Effective Questioning and Impact and Communications.

Delivering support to PACs: Since 2006, CCAF has delivered more than a dozen orientation and capacity development workshops to PACs in a number of Canadian provinces. In 2010-11, the Foundation conducted orientation workshops for PACs in two Atlantic provinces for the first time – Nova Scotia and Prince Edward Island.



Supporting CCPAC and CCOLA's annual conference: CCAF again played a substantial role in the joint annual conference of the Canadian Council of Public Accounts Committees (CCPAC) and the Canadian Council of Legislative Auditors (CCOLA), held in Québec City in August 2010, by supporting the organization of sessions and providing speakers for panels. We also conducted an interactive voting session, where PAC members and clerks/researchers voted in real time on questions pertaining to the effectiveness of PACs.

The Foundation also produced a [synopsis of selected sessions](#) held at the CCPAC-CCOLA annual conference, which was distributed to participants and made available for members on our website.



CCAF'S OVERSIGHT ADVISORY COMMITTEE (AS OF AUGUST 31, 2011)

CHAIR

Paul Lohnes, CA
President and CEO, CCAF-FCVI

ELECTED OFFICIALS

Len Derkach, MLA – Russell
Chair, Public Accounts Committee
Legislative Assembly of Manitoba

Sylvain Simard, MNA – Richelieu
Chair, Standing Committee on Public Administration
National Assembly of Québec

Norm Sterling, MPP – Carleton-Mississippi Mills
Chair, Standing Committee on Public Accounts
Legislative Assembly of Ontario

Diana Whalen, MLA – Halifax-Clayton Park
Chair, Standing Committee on Public Accounts
Legislative Assembly of Nova Scotia

Trent Wotherspoon, MLA – Regina Rosemont
Chair, Standing Committee on Public Accounts
Legislative Assembly of Saskatchewan

LEGISLATIVE STAFF

Craig James
Clerk, Legislative Assembly of British Columbia &
Executive Director, Canadian Council of Public
Accounts Committees

Éric Thomassin
Clerk, Public Administration Committee
National Assembly of Québec

Rick Yarish
Deputy Clerk
Legislative Assembly of Manitoba

CCAF BOARD REPRESENTATIVES

James Ralston, CA, Ph.D.
Comptroller General of Canada

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

COMMITTEE SECRETARY

Geoff Dubrow, MA, MPA
Principal Associate, CCAF-FCVI

TARGET DELIVERABLES FOR 2011-12

Developing workshops and tools: CCAF's operational plan for 2011-12 calls for the Foundation to continue developing new workshops for PACs. We are working on two workshops in 2011-12, one of which will likely be **effective questioning of witnesses**.

CCAF also published a first profile of legislative oversight committee practices outside of Canada. The document, titled [Sharing International Practices – A Profile of Legislative Oversight Committees in the United Kingdom and Scotland](#) was published and distributed at the joint annual conference of CCPAC-CCOLA in Halifax, Nova Scotia in August 2011. The document and research questionnaire was guided by the *Attributes of an Effective Public Accounts Committee*, which looked at PAC practices in Canadian jurisdictions. This important study helps feed CCAF capacity development initiatives both in Canada and abroad. Subject to available resources and the advice of the Oversight Advisory Committee, additional profiles will be published in the coming years.



Delivering support to PACs: CCAF's operational plan for 2011-12 calls for the Foundation to deliver four workshops to Canadian PACs. 2011 was an election year in seven provinces and territories, as well as at the federal level. CCAF will be offering to provide orientations to PACs in the newly constituted legislatures in early 2012.

CCAF conducted a workshop with the Manitoba PAC, designed to identify the progress made by the PAC over the life of their four year legislative term. Electronic voting was used to capture the views of members on the progress made by the PAC, with the intention of passing these observations on to the incoming PAC.

Supporting CCPAC and CCOLA's annual conference: The Foundation continued its support for the CCPAC-CCOLA annual conference by organizing and delivering sessions at the August 2011 conference in Halifax, Nova Scotia. This included an address by the Right Hon. Margaret Hodge, Chair of the Public Accounts Committee of the UK House of Commons.

CCAF delivered a number of sessions at the event. Among them were two interactive voting sessions; one delivered to PAC members and clerks/researchers, and another, for the first time, held jointly with federal and provincial legislative auditors. CCAF also led a session for PAC members and clerks/researchers on effective questioning in PAC hearings. These sessions are examples of how CCAF provides a neutral forum for the exchange of dialogue between these two important communities.



As was done last year, a synopsis of the CCPAC-CCOLA conference will be distributed to CCAF members.

2010
2011

INTERNATIONAL

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



In celebration of the program's 30th anniversary, CCAF Chair Ronald Thompson presented the Office of the Auditor General (OAG) of Canada and the *Vérificateur général du Québec* with certificates recognizing their long-term contributions to the program. Here, Auditor General Sheila Fraser accepts the certificate on behalf of the OAG of Canada.

May 2010

The CCAF international program builds performance auditing capacity in partnering Supreme Audit Institutions (SAIs) and strengthens their relationships with oversight committees, thereby contributing to improved accountability and governance in selected developing countries.

To support SAIs, CCAF collaborates with a network of partners. The Office of the Auditor General (OAG) of Canada has been an invaluable partner since the international program's founding in 1980, and the *Vérificateur général du Québec* since shortly thereafter. Beginning in 2007, CCAF has also partnered with the other Canadian jurisdictions as well as international organizations—and together we provide more comprehensive support to participating SAIs. Since 1980, the program has received funding support from the Canadian International Development Agency (CIDA).



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

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

CCAF is pursuing this goal through four planned results:

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

CCAF's current five-year agreement will conclude on November 30, 2012 and we have begun to bridge the transition to a newly redesigned program aligned with CIDA's current priorities.

CCAF is strengthening its links with INTOSAI, IDI, and regional SAI organizations where CCAF partner countries are involved:

AFROSAI-E	English-speaking African SAIs
CREFIAF	French-speaking African SAIs
CAROSAI	Caribbean SAIs
OLACEFS	Latin American SAIs
ASOSAI	Asian SAIs

WHAT WAS ACCOMPLISHED IN 2010-11

Renewing the program: In March 2011, CCAF submitted a proposal to CIDA to fund the international program for five years, 2012 to 2017. The proposal called for a redesigned program, focusing on fewer priority countries, offering a broader and more flexible assortment of capacity building tools, and increasing coordination with Canadian and international stakeholders. The proposal was developed in consultation with CCAF's Board of Governors, the International Advisory Committee and the INTOSAI Development Initiative (IDI). The CCAF Board approved the program design, as did our key Canadian and international partners, who provided letters of support to be included with the proposal submission to CIDA.



Left: The graduating Fellows with Sheila Fraser at the 30th Fellows' graduation ceremony in May 2010.
Right: Instructors and participants at the Environmental Auditing workshop in Costa Rica, February 2011.

Delivering the program: The Fellowships, assessment and evaluation, capacity building and administrative activities continued to meet all requirements of the current CIDA agreement.

Highlights included:

- The [2009-2010 class of eleven Fellows graduated in May 2010](#), the program's 30th graduation celebration.
- CCAF delivered 17 workshops abroad for partnering SAIs, including its first Spanish language workshop and first environmental auditing workshop. CCAF leveraged Graduate Fellows from Argentina and Brazil to translate CCAF materials on performance auditing, provide a Latin American context, test the materials with professionals, and finally deliver a regional workshop. CCAF and the OAG of Canada collaborated to update IDI materials (with IDI permission) on environmental auditing and deliver a regional workshop to Caribbean and Latin American countries.

"The course was extremely relevant and practical in approach. Though short, the course will definitely have an impact in my report writing."

– Audit Report Writing workshop participant
in Kenya, April 2010

- While participating in CCAF's workshop on [Accountability, Governance, Risk, Control and Reporting on Performance](#) in October 2010, senior auditors and government officials in Tanzania and Kenya prepared resolutions to present to their governments, reflecting the conclusions they developed in the workshop.
- CCAF piloted a capacity assessment model for Public Accounts Committees (PACs). CCAF and the PAC of Guyana used this model in December 2010 to assess the Committee's performance, particularly its preparedness to review and respond to performance audits. Based on the assessment, CCAF delivered an orientation workshop for this PAC in March 2011.



May 2010 Symposium

The international symposium delegates on the steps of the Parliament Buildings in Ottawa. CCAF's symposium brought together representatives of the six Technical Support and Mentoring partnerships:

- Alberta and Vietnam
- British Columbia and Barbados
- Manitoba and Kenya
- New Brunswick and Tanzania
- Newfoundland and Guyana
- Nova Scotia and Saint Lucia

2010
2011



- CCAF held an international symposium in Ottawa in May 2010. Auditors General and senior representatives of the provincial audit offices and international SAs discussed needs and strategies to address gaps, resulting in enriched partnerships and a better understanding of capacity building requirements.

Coordinating with IDI and other organizations: This year, CCAF significantly strengthened its relationship with IDI, enabling better coordination of activities



Einar Gorrissen, Deputy Director General, and Magnus Borge, Director General of IDI (centre) at the CCAF International Advisory Committee meeting with Ron Thompson and Yves Gauthier of CCAF, in March 2011.

and strategies, and therefore more efficient and effective programming. CCAF met with IDI in Oslo in October 2010 and in Ottawa in March 2011, and throughout the year the organizations kept each other apprised of their activities

and exchanged materials such as guides and training resources. In March, IDI participated in the CCAF International Advisory Committee meeting in Ottawa.

Furthering CCAF's coordination with INTOSAI and other donors, CCAF Chair Ronald Thompson attended the meeting of INTOSAI's Capacity Building Steering Committee in June 2010.

Improving program delivery: In late 2010-11, CIDA commissioned an audit and an evaluation to assess the CCAF program's financial compliance and its mid-term results for the current funding agreement. The recommendations of the evaluation assist CCAF in its efforts to continually improve the program. The evaluators shared their preliminary recommendations with CCAF in March 2011, and CCAF incorporated these recommendations in its proposal submitted to CIDA for 2012-2017.

TARGET DELIVERABLES FOR 2011-12

Pursuing funding opportunities: In 2011-12, CCAF expects to receive CIDA's decision on its proposal for the redesigned program, to run 2012-2017. Anticipating approval, CCAF maintains ongoing communications with CIDA—through its Partnerships with Canadians Branch and its geographic programs—and with other donors.

CCAF'S INTERNATIONAL ADVISORY COMMITTEE (AS OF AUGUST 31, 2011)

CHAIR

Paul Lohnes, CA
President and CEO
CCAF-FCVI

MEMBERS

François Boisclair, MPA
Director of studies
Vérificateur général du Québec

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

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

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

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

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

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

John Wiersema, FCA
Interim Auditor General of Canada

OBSERVERS

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

CCAF-FCVI

Yves Gauthier, FCA
Principal Associate, International Programs

Caroline Jorgensen
Deputy Director, International Programs

Barbara Dumont
Program Officer, International Programs

To learn about and build relationships with donors, CCAF meets with donor organizations and in-country CIDA officials during trips abroad. While delivering activities in Tanzania in April and October 2011, CCAF met with the Canadian High Commission and representatives of the United Nations Development Programme to discuss funding arrangements for capacity building activities for the country's SAI and oversight committees.

"Being assigned to an audit team and involved in all aspects of the team's work provides an experience that cannot be obtained from any textbook. This practical experience will remain with me for a long time."

– 2010-11 Fellow

Delivering the program: CCAF's operational plan for 2011-12 has CCAF continuing to deliver the international program as per the current agreement and beginning to transition to the new program design and focus.

CCAF will conduct assessment missions of partner SAIs to evaluate their current needs or, upon program renewal, to assess other SAIs' suitability for the program. The new Auditor General of Kenya seeks a full understanding of the strengths and gaps within his office. Therefore, in lieu of a mid-term evaluation, a needs assessment will take place in Kenya in November 2011 in close coordination with the SAI of Sweden.

Capacity building activities have continued in 2011-12 in fulfillment of the current agreement, with a greater emphasis on mentoring as the program transitions to the new design. As per the operational plan:

- The six [2010-11 Fellows graduated in May 2011](#), and the eight [2011-12 Fellows arrived in Canada in August 2011](#) for placements with the OAGs of Canada, Québec and Alberta, who continue their excellent support to this program
- Workshops are being delivered abroad in response to partner SAIs' needs. Where possible, CCAF draws on graduate Fellows to provide support in neighbouring countries and in the delivery of workshops.
- CCAF continues to sponsor auditors' participation in Algonquin College's distance education *Forensic Accounting and Fraud Investigations* certificate program. Two Kenyan participants graduated from the program in August 2011.
- CCAF is planning to incorporate training for senior SAI managers in its capacity building initiatives and coordinate with AFROSAI-E to build upon the content of its leadership training course.



The 2011-2012 class of Fellows

Front Row: Joyce Ndung'u, Tuyet Nguyen, Hong Han, Célestin Ankamtsene
Back Row: Ibrahim Baba-Moussa, Elizabeth Augustino, Charles Flowers, Carlisle Marshall

2010
2011



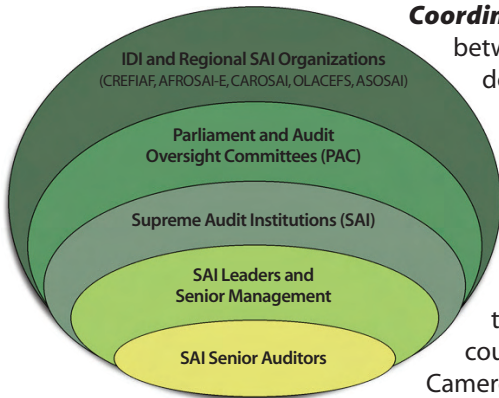
- CCAF continues its involvement with PACs to strengthen (or establish) links between partner SAIs and their PACs. CCAF uses a Capacity Assessment Model (CAM) to identify a PAC’s needs. The Capacity Assessment Model was used in Tanzania in April 2011, with follow up training in October 2011. In February 2012, CCAF plans to use the CAM in Ghana to help the PAC produce a legacy report, enabling the Committee to communicate its experience to a new PAC following the country’s December 2012 elections.
- CCAF continues to support the Technical Support and Mentoring partnerships and acknowledges the continued support of the AG offices of British Columbia, Alberta, Manitoba, New Brunswick, Nova Scotia and Newfoundland. Partnership stakeholders will typically assist the SAI with input into its strategic implementation plan addressing recommendations arising from the needs assessment.

“This course has equipped me with the knowledge and confidence required to champion the conduct of an environmental audit.”

– Environmental Auditing regional workshop participant in Costa Rica, January-February 2011

“As part of the performance audit team, this will definitely assist me in conducting interviews and completing audits.”

– Evidence Gathering and Analysis workshop participant in Saint Lucia, March 2011



Coordinating with IDI and other organizations: To maintain and strengthen the links between CCAF and INTOSAI, the 2011-12 operational plan calls for CCAF to interact with donors such as INTOSAI, IDI, regional SAI organizations, and others. CCAF maintains open communications with these organizations, continues to share materials, and meets with them when possible. CCAF attended AFROSAI-E and CREFIAP meetings in April and May 2011, respectively, to learn about the organizations’ strategic plans, their needs and those of their SAIs and to ensure CCAF programming is aligned with their initiatives and priorities underway.

We contact CIDA field and domestic officials when delivering activities abroad to keep them informed of CCAF activities and to keep up to date on other activities in partner countries. CCAF met with CIDA officials in Tanzania in April 2011 and October 2011 and in Cameroon in June 2011.

Improving program delivery: As called for in the 2011-12 operational plan, CCAF follows up on the recommendations from the audit and evaluation carried out the previous year. CIDA’s evaluators’ primary recommendations were to increase the focus on training for parliamentarians and government officials; place a greater emphasis on mentoring, in-country training and follow-up support, and allow for shorter Fellowship placements; and better coordinate with CIDA geographic programs and other donors to maximize the support that can be provided to SAIs. These recommendations are being implemented as CCAF transitions to the new program design.

CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

BUILDING ON 30 YEARS OF SUCCESS

Continuous improvement is necessary to the success of any organization. Organizations that continually look for ways to improve their management and operational practices strengthen their delivery of results and ensure their long-term viability.

One of the strategic goals identified in CCAF's strategic plan will ensure the Foundation is managed in a way that sustains it well into the future. To achieve this, CCAF will:

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

CCAF is pursuing this strategic goal through four planned results areas:

- 4.1 Effectively and efficiently plan, manage, communicate and report on the operations of the Foundation.***
- 4.2 Continuously strengthen the human resource base of the Foundation.***
- 4.3 Continuously strengthen the financial resource base of the Foundation.***
- 4.4 Continuously strengthen management practices and controls.***

As part of its strategic review, during the 2010-11 year CCAF engaged its external auditors to conduct an internal review of management practices and controls. The results of this review have helped focus management and the Board on ways to improve management and governance practices. Many of these improvements are being implemented in 2011-12.

In 2012-13, management and the Board will complete required improvements to oversight and governance practices. In particular, we will address increasing and sustaining our funding base and building a stronger complement of professional staff to better balance human capital between employees/secondes and the use of associates when developing and maintaining new products and services.

CCAF's website is key to communicating frequently and effectively with our members. In June 2010, the Foundation launched its new website. Going forward, as CCAF builds capacity and implements its new strategic plan, the website will be an important resource for CCAF members to retrieve information on topics of importance to the public sector audit and oversight communities.

To lead the implementation of the Foundation's Strategic Plan 2011- 2014, the Board of Governors engaged a new President and Chief Executive Officer, Paul Lohnes, CA. Paul joined CCAF on August 8, 2011.

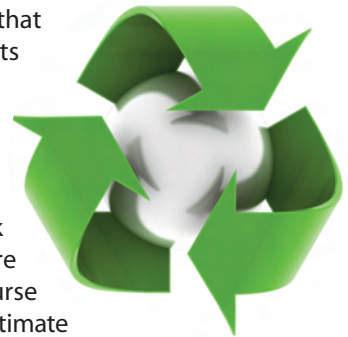


2010
2011



CCAF'S GREEN STRATEGY

CCAF is committed to ensuring that its operations are conducted in a manner that is mindful of the natural environment, continually seeking ways to reduce its environmental footprint. Recent initiatives to reduce waste include:



- **Reducing paper and other material use:** As previously reported, when delivering training and conferences, we have eliminated the practice of distributing hardcopy materials to course participants. Course and event participants now receive all materials electronically and are asked to work off laptop computers at CCAF events. Where appropriate infrastructure exists, we are also incorporating this approach in our international course offerings. The reduction of paper and other materials are significant. We estimate that we can save over 100,000 sheets of paper per year with these new initiatives.
- **Reducing energy use:** We have encouraged staff to manage energy usage.
- **Participating in the City of Ottawa's Green Bin program:** The City of Ottawa recently instituted a Green Bin organic composting program for residents, schools and businesses. In addition to recycling, CCAF is now an active participant in the Green Bin program.
- **Significant reduction in printing:** CCAF has taken steps to ensure its publications and newsletters, distributed to thousands of CCAF members, are provided electronically. This annual report is only available electronically and print runs are minimized for other publications, as they are all available electronically.

A CCAF Green Committee is in place to ensure that the foundation operates in a way that is respectful of the environment.

2010
2011



CCAF-FCVI BOARD OF GOVERNORS

AS OF AUGUST 31, 2011



INTERIM CHAIR & SECRETARY
CHARLES-ANTOINE ST-JEAN, FCA
*Partner, National Public Sector Leader
Ernst & Young, LLP*



VICE-CHAIR
PHILIP HOWELL, BA, MSC
*CEO and Superintendent
Financial Services Commission of Ontario*



TREASURER
ROXANNE L. ANDERSON, CA, MBA, CIRP
*Lead Partner for the Federal Government of Canada
Services and Ottawa Office
Managing Partner, PricewaterhouseCoopers, LLP*



GILLES BÉDARD, FCGA
*Former Assistant Auditor General
Office of the Auditor General of Québec*



CAROL BELLRINGER, FCA, MBA
Auditor General of Manitoba



BRIAN BOST, CA, CIA, CGAP
*Partner, Risk Consulting
KPMG, LLP*



KEVIN DANCEY, FCA
President and CEO
Canadian Institute of Chartered Accountants



JACQUES LAPOINTE, CA, CIA, CGAP
Auditor General of Nova Scotia



DOUG LYNKOWSKI, CA
Controller
Alberta Treasury Board



JAMES RALSTON, CA, PH.D.
Comptroller General of Canada



JOY THOMAS, FCMA, MBA, C.DIR
President and CEO
Certified Management Accountants (CMA) – Canada



JOHN WIERSEMA, FCA
Interim Auditor General of Canada

2010
2011



CCAF-FCVI INSTITUTIONAL MEMBERS & FUNDING PARTNERS

AS OF AUGUST 31, 2011



ALBERTA – OFFICE OF THE AUDITOR GENERAL



AUSTRALASIAN COUNCIL OF AUDITORS-GENERAL



BRITISH COLUMBIA – OFFICE OF THE AUDITOR GENERAL



CANADA – OFFICE OF THE AUDITOR GENERAL



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



CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS



CANADIAN INTERNATIONAL DEVELOPMENT AGENCY



ERNST & YOUNG



KPMG CANADA



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



MANITOBA – OFFICE OF THE AUDITOR GENERAL



NEW BRUNSWICK – OFFICE OF THE AUDITOR GENERAL



NEWFOUNDLAND & LABRADOR – OFFICE OF THE AUDITOR GENERAL



GOVERNMENT OF NORTHWEST TERRITORIES



NOVA SCOTIA – OFFICE OF THE AUDITOR GENERAL



GOVERNMENT OF NUNAVUT



ONTARIO – MINISTRY OF FINANCE, ONTARIO INTERNAL AUDIT DIVISION, TREASURY BOARD OFFICE



ONTARIO – OFFICE OF THE AUDITOR GENERAL



PRICEWATERHOUSECOOPERS



PRINCE EDWARD ISLAND – OFFICE OF THE AUDITOR GENERAL



QUÉBEC – VÉRIFICATEUR GÉNÉRAL DU QUÉBEC



SASKATCHEWAN – OFFICE OF THE PROVINCIAL AUDITOR

2010
2011



THE CCAF-FCVI TEAM

AS OF AUGUST 31, 2011



PAUL LOHNES, CA

President and CEO



JULIA BELANGER

Finance & Administration Officer



LYNNE CASIPLE

Computer Specialist / Webmistress



BARBARA DUMONT

Program Officer, International Programs



YVES GAUTHIER, FCA

Principal Associate, International Programs



KATE GERTZ

Communications Officer, International Programs



CAROLINE JORGENSEN
Deputy Director, International Programs



JAMES OULTON
Research Assistant



NICOLE PLAMONDON, C. TRAN.
Official Translator



JULIEN RAYNAUD
Events & Corporate Assistant



CARINE TURAY
Administrative Coordinator



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

2010
2011



MANAGEMENT REPORT TO MEMBERS

CCAF-FCVI financial statements for the year ended March 31, 2011, together with the auditor's opinion thereon are presented in this report.

The purpose of the Management Report to Members is to let readers see CCAF's financial statements through the eyes of management and the Board and to explain any significant items, fluctuations or changes in policies affecting the presentation of our financial statements.

CCAF's Audit Committee has three permanent members in addition to the Chair of CCAF's Board. The Audit Committee meets with management and the external auditor before and throughout the audit process to discuss matters related to the audit, internal controls and financial and reporting issues. At each meeting the Audit Committee and the external auditor hold an in-camera session without management's presence. The Audit Committee reports on the results of the audit to the Board and makes a recommendation to the full Board for approval to publish audited financial statements. The Audit Committee also recommends the engagement or reappointment of the external auditor, and this recommendation is ratified by vote of CCAF members at the Annual General Meeting.

The external auditor for CCAF in 2011, Collins Barrow Ottawa LLP, has reported to the Audit Committee that there were no internal control matters to be brought to the attention of the Committee. The financial statements in this report have been audited in accordance with Canadian generally accepted auditing standards.

Membership and funding contributions are the lifeblood of most non-profit organizations and CCAF is no different. These contributions allow the organization to continue providing value to members and stakeholders in Canada and abroad through our research, capacity development and education initiatives. We are very fortunate to have continuous annual funding from our members, whom we've recognized in the "Institutional Members and Funding Partners" section of our annual report. Not only do these organizations provide annual funding to CCAF, they also provide significant in-kind contributions towards CCAF projects both in Canada and abroad. CCAF is very grateful to have these organizations working alongside it to fulfill its mission to foster confidence in the public sector by promoting effective performance audit and oversight of government operations.

The net increase in revenue of 3.7% in 2010-2011 is made up of the following:

- 25.2% increase in international program revenues: the five year funding structure with CIDA provides for an incremental increase year over year as the program matures;
- 13% increase in contributions from CCAF Members and Contributors; and
- 74.8% decrease in other revenues reflecting the culmination in the prior year of a three year funding agreement (Alfred P. Sloan) related to performance reporting, a three year partnership with KPMG for training updates on *Accounting and Auditing Standards for the Public Sector*, and of a number of smaller international projects.

Direct program expenses increased by 1% in 2010-11. The components of the net increase are consistent with the revenue fluctuations described above and the completion in the prior year of the three year research study on *Innovation, Risk and Control* in public sector organizations.

As noted in this annual report, 2011 also saw CCAF shift its focus to setting a new strategic direction, supported by a new mission and vision developed with significant consultations and dialogue with our Board, members and stakeholders. The result – a new strategic and operational plan approved by the CCAF Board in June 2011. The significant increase in general expenses reflect one time costs of the strategic planning exercise and related changes, as well as those for the independent review of management practices and controls.

In June 2012, CCAF's current five-year international program, funded by the Canadian International Development Agency (CIDA), will be up for renewal. In early 2011, CCAF submitted to CIDA a newly formulated, focused plan to deliver support to legislative auditors and oversight committees in developing countries. This program builds on the strength of CCAF's 30 years of experience along with the considerable contributions of our Board and partners in delivering the Program – the Canadian legislative audit community, many of whom receive Fellows or provide overseas support to Supreme Audit Institutions in helping develop and strengthen their performance audit capacity. In addition, members of Canadian PACs contributed their time and expertise to CCAF's oversight training program abroad.

Two of our key strategic objectives focus on increasing internal capacity to implement programs and to seek increased and sustainable funding sources that can help the Foundation move forward on a solid footing towards the achievement of its goals. We are pleased to report that in 2011-2012, one of our major funding communities increased their annual funding contribution to CCAF in recognition of their support for the CCAF and its new direction.

The future holds great promise! We look forward to working with our Board and stakeholders in the coming year.



PAUL LOHNES, CA

President and Chief Executive Officer



NICOLE WICZOREK

Director of Operations and Chief Financial Officer

2010
2011





Financial Statements

For the year ended March 31, 2011

CCAF-FCVI Inc.
Financial Statements
For the year ended March 31, 2011

Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Summary of Significant Accounting Policies	6
Notes to Financial Statements	10

Independent Auditor's Report

To the Members of CCAF-FCVI Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of CCAF-FCVI Inc., which comprise the statement of financial position as at March 31, 2011 and the statement of operations and changes in net assets and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CCAF-FCVI Inc. as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matters

The financial statements of CCAF-FCVI Inc. for the year ended March 31, 2010, were audited by another auditor who expressed an unmodified opinion on those statements on June 4, 2010 before the amendment set out in Note 8 to the financial statements which describes the prior period reclassifications that were applied to amend the March 31, 2010 financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Canada Corporations Act, we report that, in our opinion, the accounting principles in Canadian generally accepted accounting principles have been applied, after giving retroactive effect to the prior period reclassification with respect to the presentation of the Foundation's statement of cash flows as explained in Note 8 to the financial statements, on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

July 4, 2011

Ottawa, Ontario

CCAF-FCVI Inc.
Statement of Financial Position

March 31 **2011** **2010**

Assets

Current

Cash (Note 1)	\$ 1,002,608	\$ 812,719	
Accounts receivable	274,611	170,276	
Prepaid expenses	72,886	8,220	
	\$ 1,350,105	\$ 991,215	

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 839,855	\$ 372,655	
Deferred revenue (Note 3)	1,500	29,880	
Unexpended international program funds (Note 4)	79,043	26,967	


920,398 **429,502**

Net assets (Note 7)

429,707 **561,713**

\$ 1,350,105 **\$ 991,215**

On Behalf of the Board of Governors:



Governor

Charles Anton Syron, FCA

Governor

CCAF-FCVI Inc.

Statement of Operations and Changes in Net Assets

For the year ended March 31	2011	2010
Revenue		
Membership fees and contributions	\$ 1,168,878	\$ 1,034,180
International program funds (Note 4)	2,118,127	1,692,425
Public performance reporting funds	-	175,577
Research and other contributions	36,213	212,236
Courses and publications	106,652	196,193
Interest	4,749	2,503
	3,434,619	3,313,114
Direct program expenses (Note 5)		
International program	1,916,963	1,466,438
Public performance reporting	-	140,957
Research and capacity development	483,181	700,776
Stakeholders engagement and communications	96,664	183,909
Courses and publications	84,951	141,111
Training development	276,433	198,979
	2,858,192	2,832,170
General expenses (Note 5)		
Corporate and support services	524,798	172,280
Overhead and operating	183,635	187,630
Amortization of capital assets	-	2,485
	708,433	362,395
Total expenses	3,566,625	3,194,565
Excess (deficiency) of revenue over expenses for the year	(132,006)	118,549
Net assets, beginning of the year	561,713	443,164
Net assets, end of the year	\$ 429,707	\$ 561,713

CCAF-FCVI Inc.
Statement of Cash Flows

For the year ended March 31	2011	2010
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (132,006)	\$ 118,549
Item not affecting cash		
Amortization of capital assets	-	2,485
	<u>(132,006)</u>	121,034
Change in non-cash working capital balances related to operations		
Accounts receivable	(104,335)	(69,127)
Prepaid expenses	(64,666)	14,829
Accounts payable and accrued liabilities	467,200	(14,979)
Deferred revenue	(28,380)	(27,813)
Unexpended international program funds (Note 8)	52,076	(415,278)
Unexpended Public Performance Reporting program funds (Note 8)	-	(176,164)
	<u>189,889</u>	(567,498)
Total cash flows from operating activities (Note 8)	189,889	(567,498)
Cash flows from investing activities		
Redemption of guaranteed investment certificate	-	1,100,000
	<u>-</u>	1,100,000
Increase in cash during the year	189,889	532,502
Cash, beginning of year	812,719	280,217
	<u>812,719</u>	280,217
Cash, end of year	\$ 1,002,608	\$ 812,719
	<u>\$ 1,002,608</u>	\$ 812,719

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2011

Nature and Purpose of the Organization

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

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

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

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

Use of Estimates

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

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

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

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2011

Financial Instruments

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

The Foundation's financial instruments as at March 31, 2011 consist of cash, accounts receivable, accounts payable and accrued liabilities, and unexpended international program funds. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

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

Financial Instruments Disclosures

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

CCAF-FCVI Inc.
Summary of Significant Accounting Policies

March 31, 2011

Financial Risk Management

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

Revenue Recognition

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

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

Membership fees, training revenues and publication revenues are recognized as revenue in the year which they are earned.

Contributions in Kind

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

Capital Assets

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

Development Costs

The Foundation develops courses and publications for the purposes outlined in the nature and purpose of the organization. Fees charged for the use and purchase of publications are generally set such that only direct costs are recovered. All costs related to development of the publications are expensed in the year incurred. Development costs related to courses are expensed as incurred unless recovery of those costs is certain at the time of development.

Publications

Due to the uncertainty of recovering direct costs incurred in the printing of publications, such costs are expensed in the year incurred.

CCAF-FCVI Inc.
Summary of Significant Accounting Policies

March 31, 2011

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

Future Changes in Accounting Standards The CICA has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Foundation, at its option, may adopt IFRS if it so chooses.

The CICA has also announced that effective January 1, 2012 Canadian private sector not-for-profit organizations (i.e. those not controlled by government entities) will have a new financial reporting framework and that early adoption will be permitted.

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

The Foundation is currently reviewing and assessing the new not-for-profit standards.

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2011

1. Cash

The Foundation's cash is held in two accounts at one Canadian chartered bank, a major portion of which is held in a business cash account that earns interest at a nominal rate. The remaining cash is held in a cash investment account and earns interest at the bank's prime rate less 3%. At year end, the cash investment account had a balance of \$454,133 (2010 - \$451,414).

2. Capital Assets

	2011			2010		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture, office equipment and leasehold improvements	\$ 40,438	\$ 40,438	\$ -	\$ 40,438	\$ 40,438	\$ -

3. Deferred Revenue

Deferred revenue consists of various operating and research contributions related to periods subsequent to the year end as summarized below:

	2011		2010	
Balance, beginning of year	\$ 29,880		\$ 57,693	
Recognized as revenue in the year	(29,880)		(57,693)	
Received in the year and applicable to subsequent years	1,500		29,880	
Balance, end of year	\$ 1,500		\$ 29,880	

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2011

4. International Program Funds

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

International Program costs are funded by the Canadian International Development Agency (CIDA) with in-kind contributions from Canadian experts at the Office of the Auditor General of Canada and participating provincial offices. CIDA pays direct costs associated with the Program and makes a contribution to the Foundation's general overhead. The current five-year agreement with CIDA continues until November 30, 2012. The total funding still available under the agreement at March 31, 2011 is \$2,808,388 (2010 - \$4,907,515).

The flow of the program funds is as follows:

	2011	2010
Unexpended funds, beginning of year	\$ 26,967	\$ 442,245
Advances received from CIDA	2,161,277	1,272,083
	2,188,244	1,714,328
Revenue recognized representing expenses for the year including overhead allocation	2,118,127	1,692,425
Other adjustments	(8,926)	(5,064)
	2,109,201	1,687,361
Unexpended funds, end of year	\$ 79,043	\$ 26,967

On March 30, 2011, a new five-year proposal for the period ending during the Foundation's 2016-2017 fiscal year, was submitted to CIDA for consideration.

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2011

5. Salaries and Benefits

The total amount of salaries and benefits for the year is \$1,159,297 (2010 - \$1,033,232). Salaries and benefits are allocated to various operational areas based on management's estimate of resource utilization as outlined in the following table.

	2011	2010
International program	\$ 296,096	\$ 241,683
Public performance reporting	-	117,791
Research and capacity development	248,023	323,242
Stakeholders engagement and communications	59,432	85,788
Courses and publications	11,550	26,250
Training development	186,154	132,837
Corporate and support services	358,042	105,641
	\$ 1,159,297	\$ 1,033,232

6. Commitments

During the year the Foundation amended the lease agreement for its office premises. The original lease was to expire February 28, 2013 and the amended lease expires February 28, 2016. The amended lease has the following annual commitments:

2012	\$ 83,673
2013	86,028
2014	86,917
2015	89,590
2016	83,628
	\$ 429,836

The Foundation has also entered into residential leases as part of the international program with the following annual commitments. The leases expire June 30, 2012.

2012	\$ 80,850
2013	20,400
	\$ 101,250

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2011

7. Capital Disclosures

The Foundation defines its capital as its net assets which totals \$429,707 (2010 - \$561,713) and is not subject to external restrictions on its capital. The Foundation's objective when managing its capital is to hold sufficient net assets to maintain the stability of its financial structure enabling it to focus its efforts on serving its members.

8. Prior Period Reclassifications

During the preparation of the March 31, 2011 financial statements, certain reclassifications of the March 31, 2010 amounts presented for comparative purposes were considered necessary.

During the 2011 fiscal year, it was determined that the unexpended portions of the international program and the Public Performance Reporting program funds should be presented as part of cash flows from operating activities and not cash flows from financing activities on the statement of cash flows. Although there is no impact on Foundation's overall net financial position or net results of operations, both cash flows from operating activities and cash flows from financing activities for the 2010 fiscal year were reclassified to correctly report cash flows. The impact of this change on the 2010 amounts reclassifies the changes in unexpended international program funds of \$415,278 and unexpended Public Performance Reporting program funds of \$176,164 for a total of \$591,442. The total reclassification is as follows:

	As Previously Reported	Reclassification	As Reclassified
Cash flows from operating activities	\$ 23,944	\$ (591,442)	\$ (567,498)
Cash flows from financing activities	(591,442)	591,442	-

9. Comparative Amounts

In certain other instances, 2010 amounts presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.

IN MEMORY OF ...

It is with sadness that we have said farewell to the following CCAF alumni over the past year. Their contributions to CCAF have been significant.

They are missed every day.



RONALD C. THOMPSON, FCA

CCAF CHAIR 2009-2011

(JULY 2011)



W. DAVID MOYNAGH

CCAF DIRECTOR OF RESEARCH 1990-2006

(FEBRUARY 2011)



MICHAEL S. WEIR, CA

CCAF DIRECTOR OF RESEARCH 1985-1987

CCAF RESEARCH ASSOCIATE 1999-2003

(NOVEMBER 2010)

