

The background of the cover features a photograph of four smiling business professionals. The image is split vertically: the left side is a blue-tinted version of the photo, and the right side is a green-tinted version. The people are dressed in professional attire, including shirts and ties.

RAPPORT ANNUEL

2012

 CCAF-FCVI^{INC.}

2013

ANNUAL REPORT

CCAF-FCVI BOARD OF GOVERNORS

AS OF MARCH 31, 2013



CHAIR

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



RICHARD C. KENNEDY, CPA, CA-CISA, CFE, CISM
*Chief Internal Auditor and Assistant Deputy Minister,
Ontario Internal Audit Division
Ministry of Finance*



VICE-CHAIR

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



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



TREASURER

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



BONNIE LYSYK, CA, MBA, CIA
Provincial Auditor of Saskatchewan



SECRETARY

GILLES BÉDARD, FCPA, FCGA
Former Assistant Auditor General of Québec



STUART NEWTON, CA
Comptroller General of British Columbia



KEVIN DANCEY, FCPA, FCA

*President and CEO
Chartered Professional Accountants of Canada*



JOCELYNE THERRIEN, MA

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



CAROL DEVENNY, FCPA, FCA, CBV CPA (ILLINOIS)

*Office Managing Partner and National Audit
Partner for the Public Sector
PricewaterhouseCoopers LLP*



JOY THOMAS, MBA, FCPA, FCMA, C.DIR.

*Executive Vice-President
Chartered Professional Accountants of Canada*

MESSAGE FROM THE CHAIR

Providing Leadership in Performance Audit and Oversight



This is my last annual report as Chair of CCAF's Board of Governors. I am pleased with the progress CCAF has made since 2011 in achieving the strategic goals and planned results in the 2011 – 2014 Strategic Plan. While management describes in detail CCAF's accomplishments this past year and plans for 2013-14, I take this opportunity to note the important role the Board of Governors plays in contributing to CCAF's success in achieving its mission and vision.

The Board's role in overseeing the Foundation and providing advice and direction to its strategies is pivotal to its ongoing success. We are fortunate to have a board comprised of individuals who are respected leaders in their communities. Regular turnover on the Board is important to refresh ideas and diversify its composition. At the Annual General Meeting held in October 2012, our members appointed the following new governors:

- ◆ **Carol Devenny**, *Office Managing Partner and National Audit Partner for the Public Sector, PricewaterhouseCoopers LLP;*
- ◆ **Richard Kennedy**, *Chief Internal Auditor and Assistant Deputy Minister, Ontario Internal Audit Division, Ministry of Finance, Government of Ontario;*
- ◆ **Bonnie Lysyk**, *Provincial Auditor of Saskatchewan;* and
- ◆ **Stuart Newton**, *Comptroller General of British Columbia.*

These individuals bring knowledge and experience from their respective communities to keep our Board strong and I am confident each of them will add great value to the Foundation. I express my appreciation on behalf of the Board to retired governors **Roxanne Anderson**, **Carol Bellringer**, and **James Ralston**, as well as the late **Doug Lynkowski**, for their considerable contributions. The involvement and support we receive from each of our governors is crucial to CCAF's strength and vitality.

At the October AGM, the Board also renewed the membership of each of its committees. Through our [National Capacity Building Committee](#) (chaired by Carol Bellringer and then Jocelyne Therrien) and [International Capacity Building Committee](#) (chaired by Jacques Lapointe), the Board provides oversight of our domestic and international lines of business: developing capacity in performance audit and oversight. Our [Governance Committee](#) (chaired by Vice-Chair Phil Howell) and [Audit & Finance Committee](#) (chaired by Roxanne Anderson and then Brian Bost) provide oversight of CCAF's governance, annual financial statement audit, internal control systems, funding, and risk management strategies. A working group has been formed to oversee and provide guidance to management on CCAF's plan to continue under Canada's new legislation for not-for-profit organizations, the *Canada Not-for-profit Corporations Act*.

2013-14 will represent the third year of CCAF's strategic plan. As noted in the President & CEO's message, the Board will play an active role in overseeing management's progress in developing a new five-year plan, as well as participating in the process. I look forward to seeing the process begin to unfold. I am confident that, notwithstanding the current fiscal environment and the related challenges to adequately fund the Foundation, the plan the Board will approve in 2014-15 will be ambitious, yet achievable, and responsive in a balanced and focused way to the needs and expectations of our members and their stakeholder communities.

In stepping down as Chair in October 2013, after eight years as a Governor, I do so with pride and satisfaction in CCAF's achievements, particularly during my two years as Chair. I will continue to follow and support the Foundation's work and extend my personal thanks to my Board colleagues, the CCAF team and our stakeholders with whom I have had the pleasure to collaborate over the years.



CHARLES-ANTOINE ST-JEAN, FCPA, FCA

Chair, Board of Governors

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MESSAGE FROM THE PRESIDENT & CEO

Implementing our strategic plan and looking forward



CCAF's strength lies in the commitment of our members and stakeholders to support what we do to achieve our mission: promoting effective performance audit and oversight of government operations in Canada and abroad. In addition to their vital financial contributions, we also rely on our members' generous in-kind support to help us deliver our programs, both in Canada, and internationally in developing countries and regions. Indeed, it is through CCAF's ability to serve as a focal point, where ideas and concepts can be shared among a wide community of performance audit and oversight practices, that its strength as an independent research and educational organization becomes apparent.

In the past year we have continued to build on recent successes with renewed enthusiasm and a stronger team. In this second year of our three-year strategic plan, we added two seasoned experts to our leadership and management team: **Yves Gauthier** and **John Reed** are Vice Presidents of our International Programs and Performance Audit, respectively. They join **Nicole Wieczorek**, Vice President, Operations and CFO, and **Caroline Jorgensen**, Director, International Programs to round out a strong and experienced leadership team at CCAF. The activities and deliverables described in the following sections of this report

speak for themselves but here are some highlights:

- ◆ We have continued to build on and deliver research, education and capacity development opportunities for public sector performance auditors, and started important new initiatives, including new applied research on auditing efficiency and additions to our recently streamlined *Audit News* product.
- ◆ We completed our highly successful 2007-12 *International Legislative Audit Assistance Program* (ILAAP). In September 2012, we began the first year of fellowships and planning and implementing the new \$8.8 million, five-year 2012-17 *International Legislative Oversight Program* (ILOP), funded again by the Canadian International Development Agency (CIDA) under a contribution agreement signed in August 2012.
- ◆ We continued to support public accounts committees, including a number of new ones, to build their capacity by delivering workshops to their members.
- ◆ We took steps to strengthen our governance and management practices, including risk identification and mitigation and drafting new by-laws for transition in 2014 to Canada's new *Not-for-profit Corporations Act*.

Our priorities for 2013-14 include: managing risk in the current fiscal environment; increasing and broadening our funding base; and continuing to deliver in all of our current strategic goal areas.

Sustaining and building on our recent success will depend on continuing financial and in-kind support from our members and stakeholders and our ability to maintain and enhance the value proposition that we offer in return. That value proposition consists of specific deliverables to members and our broader public interest goal of contributing to enhanced public sector auditing and accountability.

In 2013-14, we will be engaging our stakeholders to help us define a new strategic plan to guide the Foundation. My team and I will be consulting broadly with our members to solicit and hear their needs and views and carefully consider them as we craft strategies and operational plans for the future. It is essential to be responsive to members' needs and expectations and always mindful of our commitments to them.

To spearhead the strategic planning process, we have formed a Strategic Planning Task Force of management and staff. A Strategic Planning Advisory Group, composed of key stakeholders, has also been formed to be a sounding board and advise us on strategic issues, consultations and the overall conduct of the process. The wise counsel and oversight of our Governors will be critical to the success of the strategic planning process, through participation on the Advisory Group and in larger discussions and meetings of the Board.

At CCAF, we have been, and will continue to be, very active in each of our four strategic goal areas. I am confident that we are laying the groundwork to remain an innovative, focused, and sustainable capacity development service provider for public sector auditors and oversight bodies. The support and guidance of our Board of Governors, particularly our outgoing Chair, Charles-Antoine St-Jean, has been indispensable to the progress we are making.



PAUL LOHNES, CPA, CA

President and Chief Executive Officer

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CCAF'S STRATEGIC FRAMEWORK

2011-2014

VISION AND MISSION

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.

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.

STRATEGIC GOALS

STRATEGIC GOAL #1 – PERFORMANCE AUDIT

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

STRATEGIC GOAL #2 – OVERSIGHT

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

STRATEGIC GOAL #3 – INTERNATIONAL

SUPPORT CANADIAN AND INTERNATIONAL EFFORTS TO STRENGTHEN THE CAPACITY OF SUPREME AUDIT INSTITUTIONS (SAIs) AND RELATED PARLIAMENTARY OVERSIGHT IN SELECTED DEVELOPING COUNTRIES AND REGIONS

STRATEGIC GOAL #4 – CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

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



HIGHLIGHTS OF OPERATIONS

PERFORMANCE AUDIT

A CENTRE OF EXPERTISE TO SUPPORT PERFORMANCE AUDIT PRACTICE

PERFORMANCE AUDIT CAPACITY BUILDING GROUP (AT JUNE 30, 2013)

CHAIR

Paul Lohnes
President and CEO
CCAF-FCVI

MEMBERS

ALBERTA

Maureen Debaji
Systems Audit Principal
Office of the Auditor General of Alberta

BRITISH COLUMBIA

Sheila Dodds
Assistant Auditor General, Performance Audit
Office of the Auditor General of British Columbia

CANADA

Louise Dubé
Principal
Office of the Auditor General of Canada

MANITOBA

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

NEW BRUNSWICK

Eric Hopper
Director, Value-for-money Audit
Office of the Auditor General of New Brunswick

NEWFOUNDLAND

Sandra Russell
Deputy Auditor General
Office of the Auditor General Newfoundland and Labrador

NOVA SCOTIA

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

ONTARIO

Gary Peall
Acting Auditor General
Office of the Auditor General of Ontario

PRINCE EDWARD ISLAND

Barbara Waite
Audit Director
Office of the Auditor General of Prince Edward Island

QUÉBEC

Lucie Roy
Director, Strategic Issues and VFM Advisory Services
Vérificateur général du Québec

SASKATCHEWAN

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

CCAF REPRESENTATIVE

John Reed
Vice-President, Performance Audit

SECRETARY

Julien Raynaud
Projects Officer, Performance Audit
CCAF-FCVI

Since its founding in 1980, CCAF has played an important role in developing leading-edge thinking in performance auditing. Often referred to as value-for-money auditing, performance audit was an important component of comprehensive auditing at the time of CCAF's creation. Over the past seven years, CCAF has renewed its focus on providing support to performance auditors in Canada, beginning with the renewal of our training program in 2007. Our current [strategic plan](#) further solidifies our mission to support strengthening performance audit capacity in Canada and abroad. To achieve this, one of CCAF's strategic goals is to:

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

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

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

In 2012-13, CCAF continued to deliver high-quality training and other capacity building support to performance auditors in Canada. We have strengthened our internal capacity in this area with the addition of **John Reed** as Vice President, Performance Audit, in July 2012. John comes to CCAF through an executive interchange agreement with the Office of the Auditor General of Canada, where he has been a Principal since 1996. CCAF's [National Capacity Building Committee](#) (NCBC), provides oversight and strategic direction in this area.

NATIONAL CAPACITY BUILDING COMMITTEE (AT MARCH 31, 2013)

- ◆ *Jocelyne Therrien (Chair)*
- ◆ *Gilles Bédard*
- ◆ *Kevin Dancey*
- ◆ *Richard Kennedy*
- ◆ *Bonnie Lysyk*
- ◆ *Stuart Newton*

EX-OFFICIO

- ◆ *Charles-Antoine St-Jean*

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

SG #1 - TOTAL EXPENSES

YEAR ENDING MARCH 31, 2013

YEAR ENDING MARCH 31, 2012

PERFORMANCE AUDIT PROGRAMS & SERVICES

\$396,631

\$300,091

PERFORMANCE AUDIT EDUCATION

\$147,398

\$64,053

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

WHAT WAS ACCOMPLISHED IN 2012-13

We have continued to enhance *Audit News*, an online resource that provides quick and easy access to performance audit reports and trend analyses from 26 legislative audit institutions in Canada and abroad.



Audit News consists of three products:

- ◆ **Database:** The *Audit News Database* contains references to thousands of publicly available audit reports, going back to 2008, from 26 jurisdictions and is searchable by topic, month/year, subject matter, audit objective – and newly added in 2012-13 – audit criteria. New reports are added to the database on a monthly basis.
- ◆ **Bulletin:** The *Audit News Bulletin*, published quarterly, provides statistics on reports added to the database over the previous three months. The bulletin has been streamlined to provide readers with quicker access to the information that they need.
- ◆ **Analytics:** *Audit News Analytics* is a new product, launched in October 2012. The first edition of Analytics identified “Top Five” trends in audit reports in each of the database’s search categories from 2010-11 to 2011-12 and noted topic areas that have seen the most significant increase in activity from one year to the next.

In addition to the improvements noted above, the *Audit News Database* has also been upgraded to significantly improve

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**EFFICIENCY PRACTICE GUIDE PROJECT TEAM
(AT JUNE 30, 2013)**

CHAIR

John Reed
Vice-President, Performance Audit
CCAF-FCVI

Carmen Abela
Senior Vice-Chair, Board of Directors
IIA Canada

Mark Anderson
Executive Director, Strategic Issues
Office of the Provincial Auditor of Saskatchewan

Brian Bost
Partner, Risk Consulting
KPMG, LLP

Yves Denis
Strategic Issues and VFM Advisory Services Branch
Vérificateur général du Québec

Richard Flageole
CCAF Associate

Pierre Fréchette
Research Officer, Performance Audit and Oversight
CCAF-FCVI

Malcolm Gaston
Assistant Auditor General, Performance Audit
Office of the Auditor General of British Columbia

Shivani Harrypersad
Project Lead (A), Audit Centre for Excellence
Ontario Internal Audit Division, Ministry of Finance

Lenka Jendrusiak
Senior Manager (A), Audit Centre for Excellence
Ontario Internal Audit Division, Ministry of Finance

Paul Lohnes
President and CEO
CCAF-FCVI

Wendy Loschiuk
Assistant Auditor General
Office of the Auditor General of Canada

Lloyd Mills
Director, Internal Audit
BMO Group

Elaine Morash
CCAF Associate

Larry Munroe
Auditor General
Halifax Regional Municipality

Paul Nyquist
Director, Performance Audit
Office of the Auditor General of British Columbia

Julien Raynaud
Projects Officer, Performance Audit
CCAF-FCVI

Dale Shier
Principal
Office of the Auditor General of Canada

Gigi Yip
Audit Manager
Office of the Auditor General of Ontario

speed and functionality. Selected award-winning reports from the *African Organisation of Supreme Audit Institutions in English-speaking Africa (AFROSAI-E)* have been added.

CCAF provides live demonstrations of *Audit News* at CCAF course offerings and other events to promote its use by auditors in carrying out their work, particularly in the planning and reporting phases of performance audits.

TARGET DELIVERABLES FOR 2013-14

CCAF will continue to deliver its *Audit News* products in 2013-14 with monthly updates to the online database, as well as issuing four bulletins. *Audit News Analytics* will be published twice. We also intend to expand the coverage of *Audit News*, to include publicly available performance audit reports from other jurisdictions and communities.

We are excited to be launching a new program to develop methodology tools, in the form of a series of “*Practice Guides*”. These guides will inform the ongoing development of our performance audit courses and cover a range of areas. The first guide addresses *Auditing Efficiency* and will be exposed and released in 2013-14, followed by related training materials. The development of the *Auditing Efficiency* guide benefits greatly from the advice and guidance of a high caliber, broadly based project team, led by **John Reed**.

1 .2 DEVELOP AND MAINTAIN A CURRICULUM OF PERFORMANCE AUDIT TRAINING AND TOOLS BASED ON DEFINED COMPETENCIES AND CLIENT NEEDS

WHAT WAS ACCOMPLISHED IN 2012-13

We continued to collaborate with OAG BC’s Audit Learning Network (ALN), integrating our course materials and providing course participants with access to pre-learning and other resources to complement in-class training in some of our course offerings. Every time CCAF delivers a course, we have an opportunity to adjust course content and delivery methods based on participant input and feedback. With the arrival of new leadership and staff in this area, our focus was on engaging with our clients and on the delivery of our courses to meet new demand (see 1.3).

TARGET DELIVERABLES FOR 2013-14

CCAF will continue to review its products to ensure that performance auditors have access to high quality capacity building training and methodology tools.

We will conduct a course renewal workshop with key CCAF staff and Associates who help deliver our courses, with participation from the OAG of Canada and other Canadian Council of Legislative Auditors (CCOLA) members. Our aim is to: review and update course content to ensure that it continues to meet the needs of the current environment; identify new topics and new courses; and, integrate new teaching methods into course delivery.

As the ALN matures, we will work with Office of the Auditor General of British Columbia and CCOLA to make materials available to our course participants, providing them with additional resources that will enhance their professional development experience.

In addition, we are also planning to conduct a training needs assessment with our clients to ensure we develop products that are relevant to the communities we serve.

1.3 DELIVER RELEVANT AND HIGHLY RATED PERFORMANCE AUDIT COURSES

CCAF'S PERFORMANCE AUDIT TRAINING COURSES AT A GLANCE

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

WHAT WAS ACCOMPLISHED IN 2012–13

CCAF continued to deliver highly-rated training courses to support the professional development of performance auditors. We delivered thirteen offerings across Canada – three *Fundamentals of Performance (Value-for-money) Auditing (VFM I)*, nine *Performance (Value-for-money) Audit – Level II (VFM II)*, and one *Evidence Gathering and Analysis Techniques in Performance Audits*. We exceeded our planned target of nine offerings as a result of increased demand from both the legislative and internal audit communities. We trained 241 participants, and have now delivered 47 courses to 888 participants since 2007.

Deliveries of our courses were co-led by **John Reed** and several CCAF associates, including newly engaged retired performance auditors from the OAG's of Canada and Nova Scotia. Overall, these courses received outstanding reviews, with 92.7% rating our courses positively. We also received excellent post-course feedback from recipient offices. A participant at one of our recent VFM I offerings noted: "I feel as though I am

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PERFORMANCE AUDIT – LEVEL II - COURSE – ST. JOHN'S, NL, JULY 2012



better able to perform my job after taking this course," while another participant at a VFM II offering commented: "This course was well adapted to what we do... while also generic enough to give us an idea of future opportunities"

TARGET DELIVERABLES FOR 2013-14

CCAF will offer updated courses in 2013-14 to meet demand from legislative auditors and others who conduct performance audits. As the ALN project matures, we will align our in class offerings to its online materials and resources.

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

WHAT WAS ACCOMPLISHED IN 2012-13

Learning and collaborative events provide an important opportunity for auditors to share knowledge and experiences, network, and establish a dialogue on matters of mutual interest. CCAF has a long history of leading and contributing to successful events where members and other stakeholders can share experiences and ideas openly.

Led by **Nicole Wieczorek**, we again played an active role helping CCOLA plan and deliver its annual *Performance Audit Symposium*. Participating on CCOLA's Training Oversight Committee (TOC), we contributed ideas for the April 2012 Symposium, held in Toronto. CCAF led the development of a peer exchange session and delivered an information session on *CCAF Audit News*. These sessions were highly rated by participants in a post-event survey, with 98% and 88% of respondents indicating positive overall ratings for the peer exchange and *Audit News* sessions, respectively. Overall, the Symposium received overwhelmingly positive ratings, with almost 98% of post-symposium survey respondents giving it positive ratings. We prepared a summary of the event, providing participants with an important "aide-memoire".

John Reed worked with the TOC to help plan the agenda and sessions for the April 2013 PA Symposium.

Nicole Wieczorek has worked with the [Government Internal Auditors Council of Canada \(GIACC\)](#) since its creation in 2002, helping to deliver its national annual forum and providing research and other support. The purpose of GIACC is to bring together chief internal auditors from Canada's federal, provincial and territorial governments to discuss and debate important issues and trends, and identify areas for collaboration.



GIACC MEMBERS AT THE SEPTEMBER 2012 FORUM

From September 9-12, 2012, GIACC held its 10th annual Forum in Ottawa, hosted by GIACC member **Anthea English**, Assistant Comptroller General, Internal Audit and the Office of the Comptroller General of Canada. She co-chaired the event with **Richard Kennedy**, Chief Internal Auditor and Assistant Deputy Minister, Ontario Ministry of Finance; and **Paul Lohnes**, President & CEO, CCAF. The theme of the Forum was “*Internal Audit Transformation – Responding to Challenges and Opportunities*” and delegates engaged in interesting and lively discussions throughout the three-day event, including on the topics of performance indicators & management, Audit Committees, governance, and risk management. CCAF & GIACC were pleased to welcome special invitees, including the Auditors’ General of Canada, and Ontario.



Former Assistant Comptroller General of Canada **Brian Aiken** is presented with the 2nd Annual *W. David Moynagh¹ Commemoration Award* in recognition of his contribution and support to the internal audit community in Canada.

Special thanks to **Tim Flaherty**, Senior Director, Policy and Professional Practices, Internal Audit Sector, Office of the Comptroller General, Treasury Board of Canada Secretariat for his significant contributions, as part of the host organization team, to the development of the agenda, and content for the forum.

**THE GOVERNMENT INTERNAL AUDITORS COUNCIL OF CANADA (GIACC)
(AT MARCH 31, 2013)**

<p>Francine Asselin Director - Internal Audit Québec Ministry of Justice</p> <p>Chris Brown Assistant Deputy Minister Internal Audit & Advisory Services Ministry of Finance, Government of British Columbia</p> <p>Ted Doane Executive Director, Internal Audit Department Nova Scotia Department of Finance</p> <p>Anthea English Assistant Comptroller General, Internal Audit Office of the Comptroller General of Canada Treasury Board of Canada, Secretariat</p> <p>John Gunter Director, Government Audit Service Government of the Yukon</p> <p>Jane Holatko Director, Internal Audit & Consulting Services Manitoba Finance</p> <p>Richard Kennedy Chief Internal Auditor & Assistant Deputy Minister Ministry of Finance, Government of Ontario</p>	<p>Paul Lohnes President and Chief Executive Officer CCAF-FCVI</p> <p>David Nowlan Director, Audit and Consulting Services Office of the Comptroller of New Brunswick</p> <p>Brian O'Neill Director, Professional Services and Internal Audit Province of Newfoundland and Labrador</p> <p>Bob Shahi Director, Internal Audit Bureau, Department of Finance Government of the Northwest Territories</p> <p>Dan Stadlwieser Chief Internal Auditor, Corporate Internal Audit Services Alberta Treasury Board</p> <p>Grace Wilk Chief Internal Auditor, Internal Audit Services Branch, Department of Finance, Nunavut</p> <p>COUNCIL SECRETARY Nicole Wiczorek Vice-president, Operations and Chief Financial Officer CCAF-FCVI</p>
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TARGET DELIVERABLES FOR 2013-14

CCAF has been working with the TOC to plan and deliver the 2013 PA Symposium. In addition to helping deliver a peer exchange session, we will prepare the proceedings of the event. Thereafter, we will help CCOLA plan the 2014 symposium.

CCAF will support GIACC in organizing and delivering its 11th annual Forum in Edmonton in September. **Dan Stadlwieser**, Chief Internal Auditor, Corporate Internal Audit Services, Alberta Treasury Board and Finance, will host this year’s event and discussions on the theme and focus are underway.



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



KEY PERFORMANCE CHECKLIST – PERFORMANCE AUDIT

Planned Result Area	Target for 2012-13		Results for 2012-13
<p>1.1 Deliver timely information to Auditors General and other performance auditors on standards and practices.</p>	<p>1) Update Audit News Database monthly.</p> <p>2) Improve functionality of Database and include search by audit criteria.</p> <p>3) Expand number of jurisdictions covered by Audit News.</p> <p>4) Issue 4 Bulletins.</p> <p>5) Provide analyses on trends and practices in performance audit.</p>	<p><i>Met</i></p> <p><i>Met</i></p> <p><i>Partially Met</i></p> <p><i>Met</i></p> <p><i>Met</i></p>	<p>Database updated monthly; Database accessed by 1133 unique visitors in 2012-13.</p> <p>Look and feel updated with improved search functionality and speed. Search by audit criteria added.</p> <p>Selected reports from AFROSAI-E now included in Audit News.</p> <p>4 bulletins issued.</p> <p>Audit News Analytics developed and available on CCAF website; 422 unique visitors from Oct. 2012 –March 31, 2013.</p>
<p>1.2 Develop and maintain a curriculum of performance audit training and tools based on defined competencies and client needs.</p>	<p>1) Integrate ALN pre-learning materials and other resources with course delivery.</p> <p>2) Review and update course material based on course feedback.</p>	<p><i>Met</i></p> <p><i>Met</i></p>	<p>Access to selected ALN pre-learning materials provided to participants of VFM I & II offerings.</p> <p>Course content reviewed and updated after each offering, as necessary.</p>
<p>1.3 Deliver relevant and highly rated performance audit courses.</p>	<p>1) Deliver 9 offerings:</p> <ul style="list-style-type: none"> • VFM I – 6 offerings • VFM II – 2 • Evidence – 1 	<p><i>Met</i> <i>Increased Demand</i></p>	<p>Delivered 13 offerings:</p> <ul style="list-style-type: none"> • VFM I – 3 offerings; VFM II – 9; Evidence – 1. • Total participants – 241 <p>Overall positive course assessment: 92.7%</p>
<p>1.4 Plan and deliver learning and collaborative events for performance auditors and those they work with.</p>	<p>1) Support delivery of PA Symposium.</p> <p>2) Support delivery of GIACC Annual Forum</p>	<p><i>Met</i></p> <p><i>Met</i></p>	<p>2012 PA Symposium delivered.</p> <ul style="list-style-type: none"> • 98% positive rating. • 98% positive rating for Peer Exchange Session. • 88% positive rating for Audit News presentation. <p>2012 GIACC Forum successfully delivered.</p>

OVERSIGHT

SUPPORTING PUBLIC ACCOUNTS COMMITTEES AND OTHER OVERSIGHT BODIES

Since CCAF's founding in 1980, we have supported the development of effective oversight of government through our work with Public Accounts Committees (PACs) and their members. Since 2006, CCAF has developed and delivered a suite of workshops, tools and guidance for the PAC community, including an updated [Guide to Strengthening Public Accounts Committees \(2010\)](#). This Guide is part of a package of publications covering the twelve attributes of an effective public accounts committee that CCAF developed in its research.

OVERSIGHT ADVISORY GROUP (AT MARCH 31, 2013)

CHAIR

Paul Lohnes
President and CEO
CCAF-FCVI

ELECTED MEMBERS

ROB ANDERSON, MLA – AIRDRIE
Chair, Standing Committee on Public Accounts
Legislative Assembly of Alberta

DAVID CHRISTOPHERSON, MP – HAMILTON CENTRE
Chair, Standing Committee on Public Accounts
House of Commons

RON ELLIOTT, MLA – GRISE FIORD, RESOLUTE BAY, ARCTIC BAY
Chair, Standing Committee on Oversight of Government Operations and Public Accounts
Legislative Assembly of Nunavut

YVON MARCOUX, MNA – VAUDREUIL
Chair, Standing Committee on Public Administration
National Assembly of Québec

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

GROUP SECRETARY

Geoff Dubrow
CCAF Associate

CCAF's mission and vision call for the Foundation to continue its support for PACs and other oversight bodies by providing education, research and capacity development support. Our strategic goal is to:

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

To achieve this goal, we focus 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.

CCAF's work to support PACs in Canada is guided by advice from the Oversight Advisory Group – comprised of PAC Chairs and legislative staff from several Canadian jurisdictions. The Group provides

input and advice on CCAF's education, research and capacity development plans in this area. CCAF's National Capacity Building Committee (NCBC) provides oversight and strategic direction to our oversight work in Canada. CCAF Associate **Geoff Dubrow** and President and CEO **Paul Lohnes** lead and deliver our Oversight programs.

NATIONAL CAPACITY BUILDING COMMITTEE (AT MARCH 31, 2013)

- ◆ *Jocelyne Therrien (Chair)*
- ◆ *Gilles Bédard*
- ◆ *Kevin Dancey*
- ◆ *Richard Kennedy*
- ◆ *Bonnie Lysyk*
- ◆ *Stuart Newton*

EX-OFFICIO

- ◆ *Charles-Antoine St-Jean*

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

2012
2013

SG #2 - TOTAL EXPENSES

YEAR ENDING MARCH 31, 2013

YEAR ENDING MARCH 31, 2012

OVERSIGHT PROGRAMS & SERVICES

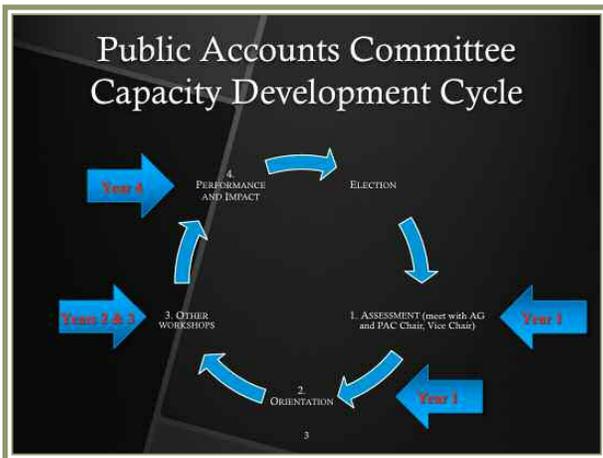
\$161,441

\$202,556



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

WHAT WAS ACCOMPLISHED IN 2012-13



CCAF’s work helping to build the capacity of PACs relies on a tailored approach to assess PACs individually and provide support specific to their needs and context. Internationally, CCAF’s capacity assessment model is used to identify a PAC’s training needs to build capacity and improve effectiveness. In Canada, newly formed PACs are offered an orientation workshop, which covers a range of topics from our *Attributes of an Effective Public Accounts Committee*. Subsequently, topical workshops are offered that address specific areas in-depth.

In 2012-13, we added **Taking Corrective Action: Recommendations and Follow-up** to our suite of deliverables. This workshop provides PAC members with guidance on developing recommendations and issuing reports, as well as on following up with auditees to ensure recommendations are being implemented and appropriate corrective action is undertaken.

TARGET DELIVERABLES FOR 2013-14

We will build on our workshop offerings and re-assess the current needs of PACs. To assess their progress in developing their capacities, we are conducting a survey on PAC trends in Canada in early 2013-14. The results of the survey will be compiled into a report for the annual joint conference of the Canadian Council of Public Accounts Committees and the Canadian Council of Legislative Auditors (CCPAC-CCOLA) in August 2013. This information will be used at the conference and at future orientations and other workshops to apprise participants of trends and best practices within the Canadian PAC community.

In collaboration with CCOLA and our Oversight Advisory Group, we will develop a workshop on the relationship between the PAC and the legislative auditor.

PAC WORKSHOPS AVAILABLE

- > Orientation
- > Effective Questioning of Committee Witnesses
- > PAC Staff Training
- > Performance & Impact
- > Taking Corrective Action: Recommendations and Follow-up (New)

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

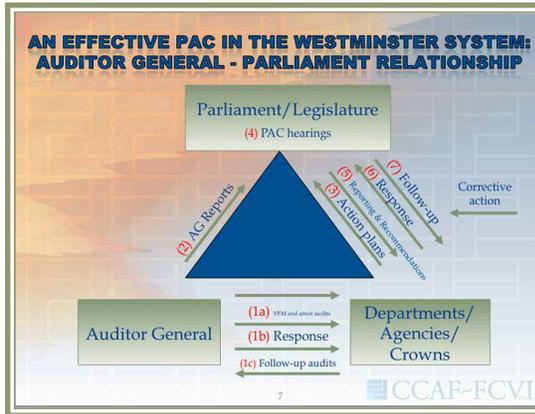
WHAT WAS ACCOMPLISHED IN 2012-13

Our **Orientation** and other sessions have now been delivered to PACs in nine provinces, and the PAC of the House of Commons. Following several provincial and territorial elections in 2011 and 2012, we focused our attention on providing the Orientation Workshop to newly formed PACs in New

Brunswick (January 2012), Manitoba (February 2012), Alberta (September 2012), Newfoundland & Labrador (November 2012), and Québec (March 2013). We followed up the orientation session delivered to the Nova Scotia PAC in 2010 with an *Effective Questioning* workshop in January 2013. This workshop, which offers techniques for effectively questioning committee witnesses, is one that PAC members have repeatedly indicated is a priority for them to improve their hearings on legislative auditor's reports. Workshops were highly rated by participants, with 92.5% giving positive ratings.

TARGET DELIVERABLES FOR 2013-14

We plan to offer up to six orientation and topic-specific workshops throughout Canada in 2013-14. As our suite of workshops has expanded to cover a range of specific issues facing PACs, we are well positioned to tailor our capacity development support to fit the needs of each of our legislative audit and PAC stakeholders.



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

2012
2013

WHAT WAS ACCOMPLISHED IN 2012-13



Each year CCAF plays a key role in helping to shape, organize and deliver the CCPAC-CCOLA annual conference. CCAF's Oversight Advisory Group is an important forum where members from the PAC community and the host jurisdiction discuss ideas for the agenda and develop the conference's theme.



Canadian Council of Public Accounts Committees

The theme of the August 2012 conference, held in Iqaluit, Nunavut, was *Strategy and Best Practices in a Time of Transition*. CCAF chaired and facilitated several sessions, including two that used interactive voting equipment to poll participants on their views on topics related to PAC effectiveness. The results of these and other sessions at the conference have been summarized in a [Synopsis](#) of the event.

TARGET DELIVERABLES FOR 2013-14

CCAF will continue its support to CCPAC-CCOLA by helping shape the agenda and organizing sessions to deliver at the August 2013 conference, to be held in Regina, Saskatchewan. CCAF's Oversight Advisory Group met in February 2013 and has collaborated with the host PAC and Provincial Auditor on the development of the agenda. As noted on page 18, CCAF will report at the conference on the results of a new survey of Canadian PACs.



KEY PERFORMANCE CHECKLIST – OVERSIGHT

Planned Result Area	Target for 2012-13		Results for 2012-13
<p>2.1 Develop workshops, courses, and tools to support the strengthening of public accounts committees and oversight bodies.</p>	<p>1) Develop 2 thematic workshops for PACs.</p>	<p><i>Partially Met</i></p>	<p>1 workshop completed– Taking Corrective Action.</p>
	<p>2) Conduct survey on PAC trends in Canada – Report to be published in Q2 - 2013-14, ahead of 2013 CCPAC-CCOLA Conference.</p>	<p><i>On Track</i></p>	<p>Survey in process. Survey report planned for publication in Q2 – 2013-14.</p>
<p>2.2 Effectively deliver this support in a manner that responds to local needs.</p>	<p>1) Deliver 5 workshops to PACs in Canadian jurisdictions.</p>	<p><i>Met Demand</i></p>	<p>4 workshops delivered:</p> <ul style="list-style-type: none"> • Alberta – Orientation. • Newfoundland & Labrador – Orientation. • Nova Scotia – Effective Questioning of Witnesses. • Québec – Orientation. <p>Overall positive workshop assessment – 92.5%</p>
<p>2.3 Deliver highly rated information exchange events that bring together public oversight officials from across Canada.</p>	<p>1) Support planning and delivery of CCPAC-CCOLA annual conference.</p>	<p><i>Met</i></p>	<p>CCPAC-CCOLA conference successfully delivered.</p> <ul style="list-style-type: none"> • CCAF led 4 sessions at the event with uniformly positive ratings.
	<p>2) Develop and publish synopsis of the conference.</p>	<p><i>Met</i></p>	<p>Synopsis published</p>

INTERNATIONAL

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

CCAF international programming contributes to improved transparency, effectiveness and accountability in public resource management, supporting international development efforts.

Working towards this ultimate objective, CCAF has a strategic goal to:

Support Canadian and international efforts to strengthen the capacity of Supreme Audit Institutions (SAIs) and related parliamentary oversight in selected developing countries and regions

INTERNATIONAL ADVISORY GROUP (AT MARCH 31, 2013)

CHAIR

Paul Lohnes
President and CEO
CCAF-FCVI

MEMBERS

Magnus Borge
Director General
INTOSAI Development Initiative

Richard Flageole
CCAF Associate

Malcolm Gaston
Assistant Auditor General, Performance Audit
Office of the Auditor General of British Columbia

Yves Gauthier
Vice-President, International Programs
CCAF-FCVI

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

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

Caroline Jorgensen
Director, International Programs
CCAF-FCVI

Jacques Lapointe
Auditor General of Nova Scotia

Julie Parent
Director, VFM Advisory Services
Vérificateur général du Québec

Hoa Quach
Audit Principal
Office of the Auditor General of Alberta

John Reed
Vice-President, Performance Audit
CCAF-FCVI

Jim Sylph
Executive Director
International Federation of Accountants

OBSERVER: CIDA PROJECT MANAGEMENT

Kimberly Heuckroth
International Development Project Advisor
Canadian International Development Agency

CCAF focuses on three planned results:

- 3.1 Enhance capacity and effectiveness in performance auditing of SAIs in targeted countries.
- 3.2 Enhance leadership and capacity of PACs to review SAI reports and support implementation of related recommendations.
- 3.3 Strengthen coordination, harmonization and knowledge sharing among donors, SAIs and their regional associations.

Our international programming draws on CCAF's strengths of performance audit and oversight. We partner with experts from across Canada, including the Offices of the Auditors General (OAGs) of Canada, Alberta, British Columbia, Manitoba, Nova Scotia, Québec and Saskatchewan. The international participants have benefitted significantly from these contributions.

Program partners and international stakeholders form CCAF's International Advisory Group, which provides guidance on the scope, direction and focus of our programs. The [International Capacity Building Committee](#) of the CCAF Board oversees our international strategies and activities.

This was an exciting year as CCAF concluded one five-year program in October and began another in August, both funded by the Canadian International Development Agency (CIDA). Under the new program, which will run until December 31, 2017, CIDA will contribute \$8.8M for capacity development with four countries of focus—Cameroon, Ghana, Tanzania and Vietnam—and their INTOSAI Regional Associations. By collaborating with other donors and partners in the

2012
2013

INTERNATIONAL CAPACITY BUILDING COMMITTEE (AT MARCH 31, 2013)

- ✦ Jacques Lapointe (Chair)
- ✦ Gilles Bédard
- ✦ Carol Devenny
- ✦ Bonnie Lysyk
- ✦ Jocelyne Therrien

EX-OFFICIO

- ✦ Charles-Antoine St-Jean



INTOSAI Community, we hope to continue supporting countries and regions, notably Benin, Mali, Kenya and Caribbean partners that are no longer eligible for direct support under this new program.

SG #3 - TOTAL EXPENSES	YEAR ENDING MARCH 31, 2013	YEAR ENDING MARCH 31, 2012
INTERNATIONAL EXPENSES	\$1,552,749	\$1,589,125

3.1 ENHANCE CAPACITY AND EFFECTIVENESS IN PERFORMANCE AUDITING OF SAIS IN TARGETED COUNTRIES

WHAT WAS ACCOMPLISHED IN 2012-13

Fellowships – In collaboration with the OAG’s of Canada, Alberta and Québec we concluded another successful Fellowship year—the last of the 2007-12 program—with the May graduation of the 2011-12 Fellows. The eight Fellows completed their audit team placements with the aforementioned OAGs. In September, we welcomed the four 2012-13 Fellows for their placements with the OAG of Canada.



Left: The 2011-12 Fellows—from Belize, Saint Lucia, Vietnam, Tanzania, Kenya, Cameroon and Benin—at their graduation ceremony with Auditor General Michael Ferguson. **Right:** The 2012-13 Fellows, from Tanzania, Cameroon, Ghana and Vietnam, at the International Fair held at the OAG of Canada.

While in Canada, the Fellows each prepare a plan for a performance audit to conduct when they return home. CCAF is increasing its emphasis on in-person and virtual mentoring, with a focus on these audits. This year, CCAF’s in-Canada mentoring for the Fellows included a course on scoping and planning performance audits, quality assurance, reviews of their draft audit plans at various stages, and mock advisory committee meetings. The mentors at the OAG of Canada contributed significantly to the quality of these performance audit plans.

The seven 2013-14 Fellows have been selected and will arrive in August for placements with the OAGs of Canada, Alberta, and Quebec. Representatives from these offices joined CCAF in interviewing candidates and selecting the Fellows.

Workshops and resources – In concluding our support to the Caribbean region under the previous program, CCAF delivered training on planning performance audits in Belize and Saint Lucia, and on report writing in Belize, using audits the SAIs were undertaking as practical examples.



PARTICIPANTS AND FACILITATORS AT THE ENVIRONMENTAL AUDITING WORKSHOP IN YAOUNDÉ, CAMEROON.

In Africa, CCAF contributed to the AFROSAI-E Management Development Program, including delivery of a workshop in Tanzania in July for approximately 90 SAI managers. In March 2013, CCAF collaborated with AFROSAI and German aid agency GIZ to hold a workshop on environmental auditing for the SAIs of Cameroon, Chad, Niger and Nigeria. The workshop focused on a joint audit these countries will conduct on the sustainable use of water resources in the Lake Chad basin.

CCAF supplements in-country training with distance education and online resources. Auditors from partner SAIs continued taking online courses in Algonquin College's *Forensic Accounting and Fraud Investigations* program; a Ghanaian participant completed his final course in December, becoming the third CCAF-sponsored student to graduate. We also provided access to our partner SAIs to use the [Audit News](#) tool when planning performance audits.

Other support to SAIs – CCAF will support partner SAIs' use of the new INTOSAI Performance Measurement Framework (PMF), helping them to assess and report on their operations and performance. Their application of the PMF—or sections of it—will also support CCAF's reporting to CIDA on the results of our program. As an initial step, CCAF staff and a representative of the Vietnam SAI participated in INTOSAI courses on the PMF this year.

Contributing to the AFROSAI-E quality assurance (QA) program, CCAF assisted with an update of the AFROSAI-E QA handbook (early 2012), co-facilitated a Training of Champions course (May 2012), and participated in QA reviews in Ghana, Kenya and Tanzania (August and September 2012). The QA reviews—in which the CCAF representatives focused on performance audit practices—formed part of the evaluation component of the 2007-12 CCAF program and supported planning for our continued partnerships with Ghana and Tanzania in the 2012-17 program. With guidance from CCAF, the SAI of Cameroon conducted a self-assessment QA review in October 2012.

CCAF also supports SAIs' strategic planning efforts, and this year completed a project with the SAI of Saint Lucia. Through meetings with the Director of Audit and her senior managers, consultations with external stakeholders, and a one-day planning workshop for all SAI staff, CCAF helped the SAI to develop a strategic plan.

**INTERNATIONAL PARTNERS:
INTOSAI, IDI AND REGIONAL SAI ASSOCIATIONS**

INTOSAI	<i>International Organization of SAIs</i>
IDI	<i>INTOSAI Development Initiative</i>
WGEA	<i>INTOSAI Working Group on Environmental Auditing</i>
AFROSAI-E	<i>English-speaking African SAIs</i>
CREFIAF	<i>French-speaking Sub-Saharan SAIs</i>
ASOSAI	<i>Asian SAIs</i>
ASEANSAI	<i>Southeast Asian SAIs</i>
CAROSAI	<i>Caribbean SAIs</i>

2012
2013



TARGET DELIVERABLES FOR 2013–14

With our partners at the OAGs of Canada, Alberta and Quebec, CCAF will deliver six performance audit Fellowships in 2013-14, plus our first financial/regulatory audit Fellowship – a six-month placement with the OAG of Canada for an auditor from Ghana. We will also hold our first internships for senior SAI managers; beginning a new annual program a senior manager will spend four-to-six weeks in Canada, including time at the OAG of Canada and a provincial OAG, studying topics such as quality control. CCAF will continue to mentor graduate Fellows and their audit teams in our four partner countries as they implement their audit plans.

We will deliver training on performance audit and environmental audit, responding to partner SAIs' needs and in line with our overall work plans. This will include support to the Vietnam SAI as it establishes its performance audit strategic plan, continued mentoring on the Lake Chad environmental audit for Cameroon and neighbouring countries, delivery of the Performance Audit Fundamentals workshop in Tanzania, and co-facilitation with AFROSAI-E of its Management Development Program in Ghana and a regional three-phase performance audit workshop in South Africa. We will also provide training and support for Quality Assurance reviews and SAIs' implementation of the INTOSAI PMF.

3.2 ENHANCE LEADERSHIP AND CAPACITY OF PACS TO REVIEW SAI REPORTS AND SUPPORT IMPLEMENTATION OF RELATED RECOMMENDATIONS

WHAT WAS ACCOMPLISHED IN 2012–13

SAI stakeholder relations and communications – It is internationally accepted that a strong external stakeholder communications strategy—particularly regarding the PAC—is an important part of an effective SAI. After a successful pilot in Ghana in February 2012, CCAF held a *Stakeholder Relations and Communications* workshop in Guyana in April and Saint Lucia in July. In Guyana, the editor-in-chief of a local newspaper identified strategies for better engaging the media, and the president of the Transparency Institute of Guyana spoke about collaboration between SAIs and civil society organizations. In Saint Lucia, a Member of Parliament and media representatives participated in some sessions with the SAI staff.

Also in Saint Lucia, CCAF held its Governance course in April for twenty participants from the SAI and several ministries. A member of Parliament was a keynote speaker. The Director of Audit and the other participants developed a set of resolutions focused on management control, strategic planning, performance budgeting, risk management, internal audit and support for the PAC.

AFROSAI-E and GIZ have developed a SAI-PAC Communications Toolkit, which includes content contributed by CCAF. CCAF collaborated with these organizations to deliver “training of champions” workshops, aiming to develop regional champions who will lead the implementation of the toolkit in their countries. An initial workshop was held in October 2012. In February-March 2013, a follow-up workshop was delivered for the participants who will become regional champions. Auditors from Cameroon, Ghana and Tanzania participated in both workshops.



Capacity building for PACs – In June 2012, CCAF held a two-day orientation session for Guyana’s PAC, formed after the November 2011 election. The training focused on holding an effective hearing on a performance audit report. The new PAC and the CCAF facilitators also reviewed the self-assessment completed by the previous PAC in 2011.

TARGET DELIVERABLES FOR 2013–14

CCAF will continue our work in the area of SAI stakeholder communications. In 2013-14, this will include reviewing our partner SAIs’ communications strategies and discussing them with SAI management. We plan to contribute to a third AFROSAI-E/GIZ workshop to complete the training of champions on the use of the SAI-PAC Communications Toolkit. The SAIs’ communications strategies will also be raised in discussions of the INTOSAI PMF and in training for SAI managers.

We will deliver CCAF’s PAC orientation workshop in Ghana and/or Tanzania, including an assessment of the PAC’s current status and needs using CCAF’s Capacity Assessment Model for PACs. We will also explore how best to support legislative oversight in Cameroon and Vietnam and will continue to seek opportunities to partner with other donors for best results.

3.3 STRENGTHEN COORDINATION, HARMONIZATION AND KNOWLEDGE SHARING AMONG DONORS, SAIS AND THEIR REGIONAL ASSOCIATIONS

2012
2013

WHAT WAS ACCOMPLISHED IN 2012–13

Coordinated support from Canadian partners – Under the 2007-12 international program, CCAF established mentoring partnerships between provincial OAGs and participating SAIs. The partnerships between British Columbia and Barbados, Manitoba and Kenya, Nova Scotia and Saint Lucia, and Quebec and Benin concluded with mentoring fellows on performance audit and strategic planning projects. The partnerships between Alberta and Vietnam, and Quebec and Cameroon and the CREFIAF region are continuing in the new program, with the OAGs hosting Fellowships, mentoring SAIs and contributing to planning and capacity building activities.

CCAF and the OAGs of Alberta and Quebec have discussed the planning of activities for the SAIs of Vietnam and Cameroon respectively to coordinate support. We have begun similar conversations with the OAGs of Manitoba and Saskatchewan to discuss mentoring for Fellows from Tanzania and Ghana, respectively, and how else they might become involved in supporting capacity building in these SAIs.

MOUs with partners – In October and November 2012, CCAF signed memorandums of understanding (MOUs) with the Auditor General of each partner SAI for the 2012-17 program. Supporting these MOUs, CCAF has worked with senior managers at each SAI to develop work plans for our partnerships. In the case of Vietnam, the OAG of Alberta collaborated with the SAI and CCAF to develop the work plan and all three partners signed the MOU.

Communication and coordination with regional SAI associations, IDI and other donors – CCAF’s involvement with key regional INTOSAI associations included participation in AFROSAI-E, CREFIAF and CAROSAI planning meetings and an ASEANSAI/CCAF introductory teleconference, as well as



contributions to AFROSAI-E projects on management development for SAIs, quality assurance reviews of SAIs, and training on the use of the SAI-PAC communications toolkit. Having led the regional workshop on environmental auditing in Cameroon, as mentioned on page 23, CCAF is involved in the AFROSAI/CREFIAC/GIZ audit project on Lake Chad.



Left: Paul Lohnes, President and CEO of CCAF, Dinh Tien Dung, Auditor General of Vietnam, and Merwan Saher, Auditor General of Alberta, sign the partnership MOU. Right: The MOU between CCAF and the SAI of Cameroon.

Once again this year, IDI participated in meetings of the CCAF International Advisory Group, providing a global perspective on SAIs’ needs and an update on the development of the INTOSAI Performance Measurement Framework. IDI maintains a database of SAI capacity building projects, including this CCAF program.

CCAF is proactive in meeting with, learning about, and collaborating with, other donors. At regional planning meetings in Africa, CCAF met with key players and donors active in AFROSAI or AFROSAI-E activities, namely GIZ and the national audit offices of Norway and Sweden. In Vietnam, CCAF held meetings with CIDA and Canadian Embassy staff, the United Kingdom’s Department for International Development, and the World Bank. As noted in 3.1, we cooperated with GIZ on the delivery of workshops on environmental auditing and SAI-PAC communications.

TARGET DELIVERABLES FOR 2013-14

Over the course of the five-year program, the regional INTOSAI associations will be key partners. This year, CCAF will again participate in AFROSAI-E meetings, including a planning meeting in May, continue to meet with the CREFIAC secretariat in Cameroon during missions to work with the SAI, and plan to further develop our relationships with ASOSAI and ASEANSAI during missions to Vietnam. As well, we will maintain a good working relationship with IDI, explore opportunities to develop a relationship with the INTOSAI WGEA, and contribute a case study on performance audit for the INTOSAI PMF. Throughout our interactions with our partner SAIs, we will support their engagement with their regional associations and other donors.

CCAF will continue supporting the partnerships between Alberta and Vietnam and Quebec and Cameroon, and will engage other Canadian partners to participate in supporting SAIs in specific areas of need.

KEY PERFORMANCE CHECKLIST – INTERNATIONAL

Target for 2012-13	Results for 2012-13	
3.1 ENHANCE CAPACITY AND EFFECTIVENESS IN PERFORMANCE AUDITING OF SAIS IN TARGETED COUNTRIES		
Fellowships:		
1) Complete 2011-12 Fellowships.	Met	8 Fellowships completed.
2) Prepare for and deliver 2012-13 Fellowships; support development of Fellows' audit plans.	Met	4 Fellows arrived in September; they are completing placements with the OAG of Canada and developing performance audit plans.
3) Interview and select Fellows for 2013-14; begin communications with incoming Fellows.	Met	7 Fellows have been selected and have been provided with initial information on the program.
4) Survey 2010-11 and 2011-12 graduate Fellows from four countries of focus.	Met	All Fellows replied, providing an update on their current roles and status of their special project implementation.
Workshops and resources:		
5) Conclude performance audit support in Belize and Saint Lucia.	Met	Delivered <i>Planning Performance Audits</i> workshop in Belize and Saint Lucia, and report writing mentoring in Belize.
6) Deliver training for Kenya SAI to coincide with quality assurance review.	Cancelled	Quality assurance review took place during evaluation period of 2007-12 program; could no longer deliver capacity building activities within the CIDA agreement timeline.
7) Deliver environmental auditing regional workshop for Lake Chad audit.	Met	Delivered workshop in March 2013 for participants from Cameroon, Chad, Niger and Nigeria.
8) Continue to sponsor students in Algonquin College distance education program on <i>Forensic Accounting and Fraud Investigations</i> .	Met	8 students took 18 courses over 3 terms; one Ghanaian student graduated.
9) Provide updated versions of Audit News to graduate Fellows and performance audit departments of partner SAIs.	Partially met	Graduate Fellows and all SAI staff now have access. CCAF will address how to further engage SAIs in using this product.
Other support to SAIs:		
10) Attend training sessions on using the INTOSAI Performance Measurement Framework.	Met	CCAF attended sessions in Oslo and London and funded a participant from Vietnam.
11) Contribute to AFROSAI-E Quality Assurance program for CCAF partner SAIs.	Met	Co-facilitated delivery of 3 QA reviews – Ghana, Kenya and Tanzania.
12) Conclude strategic planning support for Saint Lucia.	Met	Strategic planning project completed; included 1 week of on-site support in June.
3.2 ENHANCE LEADERSHIP AND CAPACITY OF PACS TO REVIEW SAI REPORTS AND SUPPORT IMPLEMENTATION OF RELATED RECOMMENDATIONS		
SAI communications and relationships:		
1) Deliver <i>Stakeholder Relations and Communications</i> workshop in Guyana and Saint Lucia.	Met	Delivered the workshop in Guyana in April and Saint Lucia in July.
2) Deliver Governance course in Saint Lucia.	Met	Delivered course in April.

2012
2013



KEY PERFORMANCE CHECKLIST – INTERNATIONAL CON'T.

Target for 2012-13		Results for 2012-13
3) Contribute to training regional champions on the use of AFROSAI-E toolkit on SAI-PAC communications.	Met	Co-facilitated workshops in October and February-March.
Capacity building for PACs:		
4) Deliver a workshop for the Guyana PAC.	Met	Delivered orientation session for Guyana PAC in June.
5) Provide additional oversight committee training in Tanzania.	Deferred to new agreement	Will re-establish links with UNDP in Tanzania to continue with joint donor delivery model for PAC training.
3.3 STRENGTHEN COORDINATION, HARMONIZATION AND KNOWLEDGE SHARING AMONG DONORS, SAIS AND THEIR REGIONAL ASSOCIATIONS		
Coordinated support from Canadian partners:		
1) Continue to support technical and mentoring partnerships between provincial OAGs and international SAIs through to conclusion of 2007-12 program.	Met	Supported partnerships between: <ul style="list-style-type: none"> • Alberta-Vietnam • British Columbia-Barbados • Manitoba-Kenya • Nova Scotia-Saint Lucia • Quebec-CREFIAC countries
2) Under the new program, continue to support Alberta-Vietnam and Quebec-Cameroon/CREFIAC partnerships.	Met	Engaged Alberta and Quebec in activities with Vietnam and Cameroon/CREFIAC respectively.
3) Engage provincial partners who are not hosting Fellows during the 2012-17 program.	Partially met	British Columbia, Manitoba, Nova Scotia, Ontario and Saskatchewan are engaged in hosting short visits from the Fellows and/or mentoring and support roles for the program.
MOUs with partners:		
4) Sign MOUs with 4 partner SAIs for 2012-17.	Met	MOUs signed with 4 SAIs.
5) Develop work plans with the 4 SAIs	Met	Work plans developed with 4 SAIs.
Communication and coordination with regional SAI associations, IDI and other donors:		
6) Engage with regional SAI associations, including participation in AFROSAI-E and CREFIAC annual planning meetings.	Met	Participated in AFROSAI-E and CREFIAC planning meetings, as well as CAROSAI Congress and ASEANSAI teleconference.
7) Continue work with AFROSAI-E on quality assurance project.	Met	Contributed to QA handbook and training and participated in QA reviews in Ghana, Kenya and Tanzania.
8) Continue work with AFROSAI-E on the Management Development Program and participate in pilot delivery of the program in Tanzania.	Met	Co-facilitated delivery of the workshop in Tanzania for approximately 90 SAI managers.
9) Partner with AFROSAI-E to include selected audit reports from that region in the Audit News database.	Met	Selected reports from AFROSAI-E are now being included in Audit News database. This will continue to be expanded.
10) Meet/communicate with other donors.	Met	Met with donors at regional meetings in Africa and the Caribbean, and held meetings with donors in Vietnam; collaborated with GIZ on 2 projects in Africa; IDI participated in CCAF's IAG meetings.
11) Update website	Postponed to mid-2013	Website will be updated in summer/fall 2013 to reflect new CIDA agreement and the objectives being set with our partner SAIs.

CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

EFFECTIVELY MANAGING AND GROWING OUR CAPACITY

CCAF’s vision is to be “recognized for leadership, expertise and innovation...with products and services [that] are widely respected, referenced and applied...”. Our ability to achieve this vision depends on the strength of our governance, management and human resources as well as ensuring we are responsive to our stakeholders’ needs. We recognize the need to continuously assess the strength of our organization and grow operational capacity.

Our strategic plan addresses this need with the following strategic goal:

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

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

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

In 2012-13, we took a number of important steps to ensure that CCAF remains strong, vibrant and well-positioned to deliver value to our members and stakeholders, as described below.

2012
2013

SG #4 - TOTAL EXPENSES	YEAR ENDING MARCH 31, 2013	YEAR ENDING MARCH 31, 2012
CORPORATE MANAGEMENT	\$284,681	\$369,544

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

WHAT WAS ACCOMPLISHED IN 2012-13

Our board committees, renewed in late 2011, met throughout the year to provide oversight to all areas of CCAF operations. The [National Capacity Building Committee](#) oversees CCAF’s Canadian performance audit (SG #1) and oversight (SG #2) work, while the [International Capacity Building Committee](#) oversees our international activities (SG #3) in both areas. The [Audit & Finance Committee](#) oversees audit and financial matters, including the annual financial statement audit, risk management, supporting the development of our funding strategy, and oversight of internal controls. The [Governance Committee](#) is responsible to ensure effective governance systems are in place and to lead the recruitment of new Board members.

An important achievement was the adoption of a formalized approach to the integration of risk management to our programs, services and operations. Under the direction of the Audit & Finance Committee, management carried out a risk identification and mitigation exercise where key risks in each of our strategic goal areas were assessed, mitigation considered, and reviewed with the Board.

**GOVERNANCE COMMITTEE
(AT MARCH 31, 2013)**

- ✦ Phil Howell (Chair)
- ✦ Carol Devenny
- ✦ Bonnie Lysyk
- ✦ Joy Thomas

EX-OFFICIO

- ✦ Charles-Antoine St-Jean



Our advisory groups provide advice on plans and activities for each of our strategic goal areas and consist of members of our stakeholder communities, as well as experts from both Canada and internationally.

Board Oversight	Advisory and Working Groups
<ul style="list-style-type: none"> ✦ National Capacity Building Committee ✦ International Capacity Building Committee ✦ Audit & Finance Committee ✦ Governance Committee 	<ul style="list-style-type: none"> ✦ Performance Audit Capacity Building Group ✦ Oversight Advisory Group ✦ International Advisory Group ✦ NFP Working Group ✦ Strategic Planning Advisory Group

New legislation governing federally incorporated not-for-profits in Canada requires CCAF to develop new governing documents, including general by-laws. These will be presented for members' approval and filed with Corporations Canada by October 2014. In Fall 2012 we began the process, striking a Working Group of Board members and staff to oversee the transition. Draft by-laws have been developed for submission to our members by early 2014.

Communicating plans and performance is important to ensuring that our members and stakeholders are well informed. In addition to issuing our 2011-2012 Annual Report, we provided email [communiqués](#) to members to update on activities, and advise of new resources on our website. We issued thirteen such communiqués to our membership. We communicated in person with members during events such as the CCOLA PA Symposium, CCOLA-CCPAC Annual Conference, GIACC forum, training courses, CCOLA meetings and conferences, and other similar events. We established an internal advisory team to establish a new communication strategy.

CCAF introduces a brand new information product: AUDIT NEWS ANALYTICS with it's 6th edition of the CCAF Audit News Bulletin

To view the Bulletin, please [click here](#).

CCAF introduces a brand new information product: **AUDIT NEWS ANALYTICS**. Under this new section, CCAF will publish interesting trends analysis derived from the **AUDIT NEWS DATABASE**.

[Click here](#) to view a comparison of the top 5 audited subjects in 2010 and 2011.

What is CCAF Audit News?

CCAF Audit News is a tool that aims to facilitate knowledge sharing within the performance audit community in Canada and abroad on recent reports and trends in audit practices. It monitors information published on the websites of legislative audit institutions from 26 jurisdictions within the five "Organization for Economic Co-operation and Development" (OECD) countries that share the Westminster government model. These are Australia, Canada, Ireland, New Zealand and the United Kingdom. CCAF Audit News also monitors publications from the International Organization of Supreme Audit Institutions (INTOSAI).

What is CCAF Audit News Bulletin?

CCAF COMMUNIQUÉ ON *AUDIT NEWS*, ISSUED OCTOBER 9, 2012

TARGET DELIVERABLES FOR 2013–14

We will develop a new communications strategy, including use of social media, to ensure that our members and stakeholders continue to receive critical information about our products and services, operations and performance on a timely basis.

We will begin the process of renewing our strategic plan, as noted in the CEO's report. The process, to be led by a Strategic Planning Task Force (SPTF) comprised of CCAF's management team, will consult with our stakeholders and look at all facets of our current strategy and operations and identify new opportunities to bring value to our stakeholders. A Strategic Planning Advisory Group, comprised of Board members and key stakeholders, will provide advice and serve as a 'sounding board' throughout the process.

**CCAF ASSOCIATES
(2012-13)**

Geoff Dubrow
Richard Flageole
Jean-Paul Gobeil
Barry Leighton
Lee McCormack
Michael McLaughlin
Elaine Morash
Shawn Murphy
John Noseworthy
Guy Perron
Nicole Plamondon
Bill Rafuse
Ron Wolchuk

**4.2 CONTINUOUSLY STRENGTHEN THE HUMAN
RESOURCE BASE OF THE FOUNDATION****WHAT WAS ACCOMPLISHED IN 2012–13**

Strengthening CCAF's human resource base has been a key strategic objective. Our plan called for us to recruit a senior leader to manage our performance audit related activities. We are pleased to report that **John Reed** joined our team as Vice President, Performance Audit, on interchange from the Office of the Auditor General of Canada, where he has served as a Principal. We are very fortunate to also have an additional technical resource provided by OAG Canada to support performance audit and oversight – **Pierre Fréchette**.

Another objective was to strengthen our roster of Associates. They are critical to delivering our products and services and offer a great depth of knowledge and expertise in performance audit and government oversight. As a result of an open call for Associates, we have begun to expand our roster of experts and will continue to do so.



CCAF TEAM
(AT MARCH 31, 2013):

Fourth Row: Caroline Jorgensen, James Oulton, Barb Dumont, Pierre Bussière
Third Row: John Reed, Pierre Fréchette, Julien Raynaud
Second Row: Lynne Casiple, Paul Lohnes, Nicole Wiczorek, Yves Gauthier
First Row: Eveline Callupe, Carine Turay, Kate Gertz

2012
2013



TARGET DELIVERABLES FOR 2013-14

As part of the strategic planning process, we will assess our human resource requirements, both for staff and Associates, to ensure we have the capacity to meet future demands for our products and services. Important priorities include engaging a leader for Oversight and additional expertise in communications. CCAF is a small organization that requires all of our staff members to be flexible and fill a variety of roles. We will coach and develop our staff so that they can continue to do so effectively.

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

WHAT WAS ACCOMPLISHED IN 2012-13

CCAF was pleased to welcome two new institutional funding members in 2012-13, **BMO Financial Group** and **Association des vérificateurs généraux municipaux du Québec (AVGMQ)**.

The support of CCAF members is critical: both financial and “in-kind” support and expertise to assure the success of our programs and services. We are also fortunate to have the continuing support of the Canadian International Development Agency (CIDA), which funds our *International Legislative Oversight Program (ILOP)*. We completed negotiations and finalized a new agreement for \$8.8 million in funding over five years (2012-2017).

With our Audit & Finance Committee, we have begun a review of our funding structure, with a view to developing a new funding strategy to ensure the future sustainability of our programs and services.

TARGET DELIVERABLES FOR 2013-14

Our work with the Audit & Finance Committee to develop a new funding strategy will continue and be integrated into the strategic planning process. As the new strategic plan is developed, the resource requirements to deliver it will be identified.

**AUDIT & FINANCE COMMITTEE
(AT MARCH 31, 2013)**

- ◆ *Brian Bost (Chair)*
- ◆ *Richard Kennedy*
- ◆ *Jacques Lapointe*
- ◆ *Jocelyne Therrien*
- ◆ *Joy Thomas*

EX-OFFICIO

- ◆ *Charles-Antoine St-Jean*

4.4 CONTINUOUSLY STRENGTHEN MANAGEMENT PRACTICES AND CONTROLS

WHAT WAS ACCOMPLISHED IN 2012-13

Following the results of an internal review in 2011, we took steps to further strengthen our system of internal controls, policies and practices. Revised practices were published in a Policies and Procedures Manual and communicated to staff.

TARGET DELIVERABLES FOR 2013-14

Continuous strengthening of management practices and controls is a cornerstone of CCAF's ongoing success. Working with our Board, we will continue to assess and strengthen them to ensure that CCAF is managed and governed in a cost effective manner. We will focus in particular on risk management, our quality management framework, performance indicators and reporting thereon.

KEY PERFORMANCE CHECKLIST – CORPORATE MANAGEMENT & INSTITUTIONAL DEVELOPMENT

Planned Result Area	Target for 2012-13		Results for 2012-13
4.1 Effectively and efficiently plan, manage, communicate and report on the operations of the Foundation.	1) Transition to new Canada NFP Corporations Act.	Ongoing	Draft By-Laws and Articles of Continuance have been drafted and are being reviewed by the Board of Governors. Plan is to file required documentation in 2014.
	2) Implement risk management approach.	Met	Risk management approach has been developed by management. Risk identification and mitigation exercise has been completed and discussed with Board. Process will be continuous to ensure risks are monitored and well managed.
	3) Release 1-2 timely communiqués to members each month.	Met	13 communiqués released to members.
4.2 Continuously strengthen the human resource base of the Foundation.	1) Recruit Vice President to lead Performance Audit work.	Met	John Reed joined as Vice President, Performance Audit.
	2) Issue Call for Associates and add new Associates to roster.	Met	Call for Associates completed. Associates interviewed and recruitment continues as needs are identified and developed.
4.3 Continuously strengthen the financial resource base of the Foundation and monitor the environment in Canada and abroad for new opportunities.	1) Work with Audit & Finance Committee to develop funding strategy and identify new sources of funding.	Ongoing	Funding strategy development continues.
4.4 Continuously strengthen management practices and controls.	1) Consolidate policies, practices and controls into employee Policies and Procedures Manual.	Met	Policies and Procedures Manual issued and signed off by all employees.

2012
2013

CCAF-FCVI INSTITUTIONAL MEMBERS & FUNDING PARTNERS

AS OF MARCH 31, 2013



ALBERTA – OFFICE OF THE AUDITOR GENERAL



ASSOCIATION DES VÉRIFICATEURS GÉNÉRAUX MUNICIPAUX DU QUÉBEC (AVGMQ)



AUSTRALASIAN COUNCIL OF AUDITORS-GENERAL



BMO FINANCIAL GROUP



**BRITISH COLUMBIA
OFFICE OF THE AUDITOR GENERAL**



CANADA – OFFICE OF THE AUDITOR GENERAL



CANADIAN INTERNATIONAL DEVELOPMENT AGENCY



CHARTERED PROFESSIONAL ACCOUNTANTS OF CANADA



EY



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
INTERNAL AUDIT DIVISION**



**ONTARIO
OFFICE OF THE AUDITOR GENERAL**



PRICEWATERHOUSECOOPERS LLP



**PRINCE EDWARD ISLAND
OFFICE OF THE AUDITOR GENERAL**



**QUÉBEC
VÉRIFICATEUR GÉNÉRAL DU QUÉBEC**



**SASKATCHEWAN
OFFICE OF THE PROVINCIAL AUDITOR**

CCAF-FCVI STAFF TEAM

AS OF MARCH 31, 2013



PAUL LOHNES, CPA, CA
President and CEO



PIERRE BUSSIÈRE
Finance & Administration Officer



EVELINE CALLUPE
*Administration & Logistics Officer,
International Programs*



LYNNE CASIPLE
Computer Specialist / Webmistress



BARBARA DUMONT
*Program Officer
International Programs*



PIERRE FRÉCHETTE
*Research Officer
Performance Audit & Oversight*



YVES GAUTHIER, FCPA, FCA, ICD.D
Vice-President, International Programs



KATE GERTZ
*Communications Officer,
International Programs*



CAROLINE JORGENSEN
Director, International Programs



JAMES OULTON
Corporate Officer



JULIEN RAYNAUD
Projects Officer, Performance Audit



JOHN REED
Vice-President, Performance Audit



CARINE TURAY
Administrative Coordinator



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

2012
2013



MANAGEMENT REPORT ON FINANCIAL STATEMENTS

CCAF-FCVI's financial statements for the years ended March 31, 2013, March 31, 2012 and as at April 1, 2011 together with the independent auditor's report thereon, are presented in this annual report.

The purpose of this Management Report is to provide our views to members and stakeholders on how the organization has performed financially and to provide some thoughts on the future. Our report explains significant items, fluctuations or changes in the policies affecting the presentation of our financial statements.

Board oversight for these financial statements is provided by the CCAF Audit and Finance Committee, whose six members include the Board Chair. The Committee meets with management and the external auditor before, during, and at the end of the audit process, and in-camera to discuss the audit, internal policies and controls, risk management, and any financial and reporting issues. The Committee recommends the audited financial statements for approval by the Board.

The external auditor, Collins Barrow Ottawa LLP, has reported to the Committee that there were no internal control matters to be brought to its attention, and has provided an unqualified audit opinion on the Foundation's financial statements.

The financial statements in this report have been prepared by management according to Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO), applied effective April 1, 2012, the first year of adoption with a transition date of April 1, 2011, and audited by Collins Barrow Ottawa LLP in accordance with Canadian Auditing Standards (CAS).

FUNDING AND REVENUE

Maintaining a steady and continuous base of funding continues to be a priority for CCAF, and a challenge in the current fiscal environment. We are fortunate to have a funding base provided by institutional members, including the Office of the Auditor General of Canada and each of the provincial audit offices. We continue to develop programs and services to bring value to these core funders, and seek opportunities to leverage our work to other communities that can benefit, and in turn, provide us membership and other funding.

The CCAF team worked hard in 2012-2013 to counteract a \$102,018 decline in **Membership fees and contributions** by achieving more deliveries of training courses, resulting in a 108% increase in **Performance audit education** revenue from the prior year.

Our **International program funds** remained steady as we completed our 2007-2012 international program, and began a new five year program (2012-2017) with a 6.6% increase (from \$8.258 to \$8.800 million) in the contribution to be received over the five years from the Canadian International Development Agency (CIDA). This was the 33rd year in which CCAF, along with its Canadian legislative audit and other partners, delivered a very successful CIDA-funded program. The current CIDA program focuses on four countries, Ghana, Tanzania, Cameroon and Vietnam, and their regions.

EXPENSES

As a result of the secondment of a performance audit leader, which had been deferred from the previous year, non-international **direct program expenses** increased by 24%. This in-house leadership, plus an additional resource donated by the Office of the Auditor General of Canada, allowed us to improve and increase our education deliverables and add to and expand on Audit News. We continue to deliver well-rated oversight services to members with support from our qualified associates. Our priority for the coming year will be to supplement and strengthen our in-house expertise in this area.

We re-engaged in performance audit methodology research and expect to introduce a first web-based practice guide on auditing efficiency during 2013-14. Research has been a building block in CCAF's sustained success over the years. Thought leadership is needed to continuously improve performance audit practices. We are especially pleased to have been able to engage the broad performance audit community in dialogue and research in such a topical area as auditing efficiency.

MAINTAINING A HEALTHY NET ASSET POSITION

Our **Net assets** position as at March 31, 2013 of \$691,587 provides protection to the Foundation against unanticipated fiscal challenges that could occur and meets our benchmark of approximately six months coverage of non-international **Direct program and General expenses**.

LOOKING FORWARD

We will continue to be challenged by the economic and fiscal environment as public sector organizations are asked to do more with less. We are working with the Audit and Finance Committee to develop robust funding strategies to better secure our Membership fees, expand them to other performance audit markets, and diversify our international funding.

Moving into year three of our strategic plan, we continue our focus on our three lines of capacity development services and research: Performance audit; oversight; and international programs. We will do so with continuing close attention to managing and mitigating risks as we work towards beginning to develop a new five-year strategic plan.

Our primary goal at CCAF is to continuously seek new ways to deliver value to our members and stakeholders – the CCAF team looks forward with energy and enthusiasm to working with our Board, our members, and our partners to continue to achieve our strategic goals and the planned results that we set out for ourselves in the 2011-14 strategic plan.

2012
2013



PAUL LOHNES, CPA, CA

President and Chief Executive Officer



NICOLE WICZOREK

*Vice-president, Operations &
Chief Financial Officer*





Financial Statements
For the years ended March 31, 2013,
March 31, 2012 and as at April 1, 2011



CCAF-FCVI Inc.
Financial Statements
For the years ended March 31, 2013,
March 31, 2012 and as at April 1, 2011

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Independent Auditor's Report

To the Members of CCAF-FCVI Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of CCAF-FCVI Inc., which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations and changes in net assets, and the statements of cash flows for the years ended March 31, 2013 and March 31, 2012, 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 Accounting Standards for Not-for-Profit Organizations, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CCAF-FCVI Inc. as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

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 Accounting Standards for Not-for-Profit Organizations have been applied on a consistent basis.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants
July 8, 2013
Ottawa, Ontario

CCAF-FCVI Inc.
Statements of Financial Position

March 31, 2013, March 31, 2012 and April 1, 2011

	March 31 2013	March 31 2012	April 1 2011
Assets			
Current			
Cash (Note 2)	\$ 651,836	\$ 1,283,038	\$ 1,002,608
Accounts receivable	28,820	136,525	274,611
Government remittances receivable	36,162	-	-
International program funds receivable (Note 5)	381,602	-	-
Prepaid expenses	16,297	66,604	72,886
	1,114,717	1,486,167	1,350,105
Tangible capital assets (Note 3)	22,397	15,540	-
	\$ 1,137,114	\$ 1,501,707	\$ 1,350,105

Liabilities and Net Assets

Current			
Accounts payable and accrued liabilities	\$ 279,810	\$ 420,076	\$ 739,381
Government remittances payable	-	96,261	100,474
Deferred revenue (Note 4)	43,284	15,491	1,500
Unexpended international program funds (Note 5)	122,433	357,281	79,043
	445,527	889,109	920,398
Net assets			
Unrestricted	691,587	612,598	429,707
	\$ 1,137,114	\$ 1,501,707	\$ 1,350,105

On Behalf of the Board of Governors:

Charles-Antoine St-Jean

Governor

Governor

CCAF-FCVI Inc.

Statements of Operations and Changes in Net Assets

For the years ended March 31, 2013 and March 31, 2012

	2013	2012
Revenue		
Membership fees and contributions	\$ 1,056,032	\$ 1,158,050
International program funds (Note 5)	1,769,910	1,760,808
Research and other contributions	18,775	31,418
Performance audit education	169,529	81,349
Interest	9,983	7,345
	3,024,229	3,038,970
Direct program expenses (Note 6)		
Performance audit programs and services	396,631	300,091
Performance audit education	147,398	64,053
Oversight programs and services	161,441	202,556
International program	1,552,749	1,589,125
	2,258,219	2,155,825
General expenses (Note 6)		
Corporate management	284,681	369,544
Operations and other support	391,379	330,710
Amortization of tangible capital assets	10,961	-
	687,021	700,254
Total expenses	2,945,240	2,856,079
Excess of revenue over expenses for the years	78,989	182,891
Net assets , beginning of years	612,598	429,707
Net assets , end of years	\$ 691,587	\$ 612,598

CCAF-FCVI Inc.
Statements of Cash Flows

For the years ended March 31, 2013 and March 31, 2012

	2013	2012
Cash flows from operating activities		
Excess of revenue over expenses for the years	\$ 78,989	\$ 182,891
Item not affecting cash:		
Amortization of tangible capital assets	10,961	-
	89,950	182,891
Changes in non-cash working capital balances:		
Accounts receivable	107,705	138,086
Government remittances receivable	(36,162)	-
International program funds receivable	(381,602)	-
Prepaid expenses	50,307	6,282
Accounts payable and accrued liabilities related to operations	(124,726)	(334,845)
Government remittances payable	(96,261)	(4,213)
Deferred revenue	27,793	13,991
Unexpended international program funds	(234,848)	278,238
	(597,844)	280,430
Cash flows from investing activities		
Acquisition of tangible capital assets	(17,818)	(15,540)
Increase (decrease) in accounts payable and accrued liabilities related to tangible capital assets	(15,540)	15,540
	(33,358)	-
Increase (decrease) in cash during the years	(631,202)	280,430
Cash, beginning of years	1,283,038	1,002,608
Cash, end of years	\$ 651,836	\$ 1,283,038

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2013, March 31, 2012 and April 1, 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 5 to these financial statements. In addition, the Foundation derives approximately 44% of its membership fees and contributions 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.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

Use of Estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations 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 dates of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the fiscal year in which they become known.

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

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2013, March 31, 2012 and April 1, 2011

Use of Estimates
(continued)

The March 31, 2012 and April 1, 2011 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 was uncertain. Any differences between the amounts accrued and the accrual settlement have been credited to March 31, 2013 operations which is the fiscal year of settlement.

Financial Instruments

Financial instruments are financial assets or liabilities of the Foundation where, in general, the Foundation has the right to receive cash or another financial asset from another party or the Foundation has the obligation to pay another party cash or other financial assets.

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash, accounts receivable, government remittances receivable and international program funds receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable and unexpended international program funds. The Foundation has no financial assets measured at fair value.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Foundation recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

CCAF-FCVI Inc.
Summary of Significant Accounting Policies

March 31, 2013, March 31, 2012 and April 1, 2011

Revenue Recognition	<p>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.</p> <p>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.</p> <p>Membership fees and performance audit education revenues are recognized in the year in which they are earned.</p>
Contributions in Kind	<p>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.</p>
Capital Assets	<p>Tangible capital assets consisting of 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.</p> <p>Intangible assets being computer software are expensed in the year of acquisition.</p> <p>When a tangible capital asset no longer has any long-term potential to the Foundation, the write-down, being the excess of its net carrying amount over any residual value, is expensed. A write-down is not reversed in subsequent years.</p>
Development Costs	<p>The Foundation develops educational products and research publications for the purposes outlined in the previously set out disclosure of the Nature and Purpose of the Organization. Fees charged for the use and purchase of these items are generally set such that direct costs are recovered. Related development costs are expensed in the year incurred.</p>
Allocation of Expenses	<p>The Foundation's expenses are presented in the statements of operations and changes in net assets on a functional basis. Certain expenses incurred are applicable to more than one function, are directly related to the output of the applicable function, and are therefore considered direct program expenses. Therefore the functional expense totals do not include any indirect costs.</p>

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2013, March 31, 2012 and April 1, 2011

1. Impact of the Change in the Basis of Accounting

The Foundation has elected to apply Canadian Accounting Standards for Not-for-Profit Organizations in Part III of the CICA Handbook.

These financial statements are the first for which the Foundation has applied Canadian Accounting Standards for Not-for-Profit Organizations, hereafter referred to as "ASNPO".

The financial statements for the years ended March 31, 2013 and March 31, 2012, and as at April 1, 2011 were prepared in accordance with ASNPO and the provisions set out in First-Time Adoption, Section 1501 of Part III of the CICA Handbook, for first-time adopters of this basis of accounting.

The Foundation has not elected to use any of the exemptions relating to the initial adoption of ASNPO under Section 1501.

The adoption of ASNPO did not result in any changes to net assets at the date of transition of April 1, 2011 and the previously issued financial statements for the year ended March 31, 2012. As a result, no reconciliations are required. The adoption of ASNPO did however require the retroactive reclassification of government remittances payable from accounts payable and accrued liabilities, and as applicable, government remittances receivable from accounts receivable in the statements of financial position as at March 31, 2012 and April 1, 2011.

2. Cash

The Foundation's cash is held in two accounts at one Canadian chartered bank, a major portion of which is in a business cash account that earns interest at a nominal rate. The remaining cash is held in a cash investment account and earns interest at the lesser of 0.35% and the bank's prime rate less 3%. At year end, the cash investment account had a balance of \$307,714 (March 31, 2012 - \$458,945 and April 1, 2011 - \$454,133).

3. Tangible Capital Assets

	March 31, 2013		
	Cost	Accumulated Amortization	Net Book Value
Furniture, office equipment and leasehold improvements	\$ 33,358	\$ 10,961	\$ 22,397

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March 31, 2013, March 31, 2012 and April 1, 2011

3. Tangible Capital Assets (continued)

	March 31, 2012		
	Cost	Accumulated Amortization	Net Book Value
Furniture, office equipment and leasehold improvements	\$ 55,978	\$ 40,438	\$ 15,540
	April 1, 2011		
	Cost	Accumulated Amortization	Net Book Value
Furniture, office equipment and leasehold improvements	\$ 40,438	\$ 40,438	\$ -

During the March 31, 2013 fiscal year, the Foundation wrote off \$40,438 of fully amortized capital assets.

During the March 31, 2013 fiscal year, the Foundation purchased \$17,818 (March 31, 2012 - \$15,540) of office equipment. No amortization was recorded for the March 31, 2012 fiscal year since the equipment was not put into service until the March 31, 2013 fiscal year.

4. Deferred Revenue

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

	March 31 2013	March 31 2012	April 1 2012
Membership fees	\$ 18,190	\$ 15,491	\$ 1,500
Other	25,094	-	-
	\$ 43,284	\$ 15,491	\$ 1,500

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5. International Program Funds

The Foundation coordinates a program designed to build the capacity and effectiveness of performance audit in the supreme audit institutions (SAIs) of selected developing countries. The program also contributes to enhanced leadership and capacity of parliamentary oversight committees and to strengthened coordination and knowledge-sharing among donors, SAIs and their regional associations. Partnering with a network of Canadian experts, the Foundation delivers capacity building activities including Fellowship placements with Canadian audit offices, in-country and regional workshops, and other targeted training and mentoring.

International program costs are funded by the Canadian International Development Agency (CIDA) with in-kind contributions from Canadian experts at the Office of the Auditor General of Canada, participating provincial audit Offices, the Foundation, municipal audit offices, parliamentarians and individual Canadians. CIDA pays direct costs associated with the program and makes a contribution to the Foundation's general overhead. The current agreement with CIDA is effective August 29, 2012, includes CIDA contributions of \$8,800,000 and ends on December 31, 2017. Activities for the previous agreement concluded by July 31, 2012 and a final report was submitted to CIDA in December, 2012. The total funding under the current agreement yet to be potentially recognized as revenue at March 31, 2013 is \$7,992,833.

The flow of the program funds is as follows:

	March 31 2013	March 31 2012
Unexpended funds, beginning of years	\$ 357,281	\$ 79,043
Advances from CIDA (including amounts receivable)	1,535,062	2,039,046
	1,892,343	2,118,089
Revenue recognized representing expenses for the years including overhead allocation	1,769,910	1,760,808
Unexpended funds, end of years	\$ 122,433	\$ 357,281

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6. Salaries and Benefits

The total amount of salaries and benefits for the 2013 fiscal year is \$1,147,224 (March 31, 2012 - \$900,617). Salaries and benefits are allocated to various operational areas based on management's estimate of resource utilization as outlined in the following table.

	March 31 2013	March 31 2012
Performance audit programs and services	\$ 283,008	\$ 178,011
Performance audit education	17,100	11,400
Oversight programs and services	72,347	98,940
International program	378,171	281,478
Corporate management	188,641	151,772
Operations and other support	207,957	179,016
	<u>\$ 1,147,224</u>	<u>\$ 900,617</u>

7. Commitments

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

2014	\$ 87,830
2015	89,585
2016	<u>83,622</u>
	<u>\$ 261,037</u>

The Foundation also has residential leases as part of the international program. New annual leases have been negotiated for two apartments starting in June 2013 and one starting in July 2013. The annual leases expire on May 31, 2014 and June 30, 2014 and continue on a month-to-month basis after the end of the leases. The fiscal year commitment for 2013-2014 is \$29,155 and for 2014-2015 is \$7,025.

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8. Financial Instruments Risks and Concentrations

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations as at March 31, 2013, March 31, 2012 and April 1, 2011.

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.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, government remittances payable, and its ability to provide the activities related to its deferred revenue and unexpended international program funds.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risks relate to its accounts receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is mainly exposed to interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation's financial instruments are in Canadian currency. Consequently, the Foundation is not exposed to foreign exchange fluctuations on its financial instruments. However, the Foundation does incur expenses in foreign currencies related to its international activities, and is therefore exposed to foreign exchange fluctuations on its future expenses.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on fixed and variable interest rate financial instruments. The Foundation does not hold fixed-rate instruments so it is not subject to a fair value risk. The Foundation holds a floating-rate financial instrument being its cash investment bank account, as set out in Note 2 to these financial statements, which would subject the Foundation to a cash flow risk.

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8. Financial Instruments Risks and Concentrations (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is not exposed to other price risk.

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