

**Canadian Audit and Accountability Foundation
2022–2023 ANNUAL REPORT**

**Working Together to
Build a Stronger Public
Sector Audit Community**



CANADIAN AUDIT
& ACCOUNTABILITY
FOUNDATION

Message from the CHAIR OF THE BOARD



Evangeline Colman-Sadd

I joined the Canadian Audit and Accountability Foundation's (CAAF's) Board in 2017 and took over as Chair two years later. With my years of experience at smaller audit offices in Nova Scotia and the Halifax Regional Municipality, I knew first-hand how important CAAF is to the audit community—both from an audit perspective as well as oversight and accountability. I got involved with the Foundation because I wanted to play a role in ensuring that the audit community

could continue to depend on this valuable resource in the years to come.

Although there are many organizations that offer financial audit training, quality performance audit training is hard to come by—and CAAF is one of the few places offering it. For audit offices like mine, the organization has become an indispensable resource where junior staff can acquire the skills they need to better fulfil their roles, and veteran auditors can continue to develop professionally.

CAAF's oversight program also provides elected officials with the training they need to better understand their role, whether it be with a public accounts committee (PAC) or a municipal audit committee. Ensuring these officials know how to avoid being partisan in a world where party politics is the norm, or how to probe management's responses to an audit, is essential to the successful functioning of these committees.

Celebrating CAAF's successes

One of CAAF's other strengths has always been its ability to evolve and adapt to the changing needs of its members—and of the audit community in general. For instance, when the COVID-19 pandemic began, CAAF pivoted to deliver its courses and other services online. This past year, it pivoted once again by offering in-person services to those members looking for them.

[Q]uality performance audit training is hard to come by—and CAAF is one of the few places offering it. For audit offices like mine, the organization has become an indispensable resource....

The Foundation is also continuously monitoring important trends so that it can stay abreast of the developments and issues that affect the work of its members. From offering courses on the importance of considering gender equality when conducting audits to integrating the implementation of the United Nations Sustainable Development Goals (SDGs) into audits, CAAF adapts its offerings to keep them up-to-date in order to provide value to its members.

One of CAAF's other strengths has always been its ability to evolve and adapt to the changing needs of its members....

CAAF's support to developing countries has been another area of success for the organization. By providing invaluable support to its four partner supreme audit institutions (SAIs) through its international program, the Foundation is helping to develop the audit and oversight capacity of these countries—and building a stronger global audit community in the process. Ensuring that this international program continues to receive the funding it needs in the future will be key to ensuring that CAAF remains a global leader when it comes to oversight and accountability.

Overcoming challenges and capitalizing on new opportunities

There is no question that the biggest challenge facing CAAF going forward is securing a sustainable and recurring funding source. The time has come for the Foundation to transition away from its dependence on the Canadian Council of Legislative Auditors (CCOLA) member offices for funding. Making this shift will be no easy task, but CAAF must put plans into place to ensure it has the financial resources necessary for its long-term growth and success. Only by developing and implementing a clear funding plan can the organization continue to provide the support that the audit and oversight community has come to depend on.

The organization also needs to keep producing fresh content and training materials to remain relevant. CAAF needs to continue engaging and communicating with auditors and elected officials both in Canada and internationally to understand their needs so it can develop new courses that will generate interest from members. It will also need to decide how to best deliver this content as it expands its course offerings.

Bidding farewell to CAAF

I am sad to say that this is my last annual report as Chair of the Board. And although I will miss working with the other Board members and with CAAF's incredible staff, I believe that CAAF's Board has the expertise and dedication needed to support the organization going forward. It is a much more diverse Board than when I joined back in 2017, which is something that I'm pleased to see. But I think it can go even further and would benefit from more members with different lived experiences and varying backgrounds. To stay relevant in today's world, CAAF's Board needs that diversity of thought.

There may be some challenges on the horizon, but I believe that CAAF's new President and CEO is the right person to be at the helm. Paul's background has provided him with the experience and change management skills necessary to bring about the positive changes the organization needs. I would have loved to have been able to support him and the Foundation on the journey facing them, but I feel confident that I am leaving the organization in very capable hands.

Evangeline Colman-Sadd

Chair, Board of Directors

Message from CAAF'S PRESIDENT & CEO



Paul Forgues

I am pleased to present the Canadian Audit and Accountability Foundation's 2022-23 annual report—my first as head of CAAF. I joined this organization in April 2023 because I believe that the profession—and public sector audit community in particular—can be even stronger with access to current research and more professional development opportunities. Auditors, oversight bodies, and public administrators need a place to connect with like-minded individuals so that they

can discuss the challenges facing them today—and those that may emerge in the future. Having this outlet can help auditors keep pace with the changes happening in their world so that the profession is able to grow and remain strong.

For more than 43 years, CAAF has responded to the professional needs of the public sector audit community. It has brought together auditors and other professionals from across the country and around the world to share experiences, improve practices, and work together to solve common challenges. It has also consistently delivered the tools that auditors, oversight bodies, and public administrators need to effectively fulfil their roles.

Offering the tools and training our members need to succeed

Delivering innovative training courses that enhance the skills of our members has always been a staple of what CAAF offers. Over the past year, we held 40 courses with audit offices from across Canada and other countries, helping more than 500 participants hone their skills. We also delivered 10 workshops to federal, provincial, and municipal governments to help oversight committee members better understand the importance of audit to ensure money was spent the

way legislators intended it to be, and how implementing audit recommendations can lead to a more effective use of government money.

We are continuously working to stay relevant by updating our existing courses while providing our members with access to new offerings and products. For instance, we launched a new course in 2022-23 to improve auditors' interviewing skills, another on internal controls and fraud, and a third on auditing the implementation of the Sustainable Development Goals. We also developed a workshop to help auditors and public servants better prepare for appearances before Public Accounts and Audit Committees. As part of our efforts to support oversight at the municipal level, we launched the first two modules of our online self-paced course, Municipal Oversight for Councillors.

For more than 43 years, CAAF has responded to the professional needs of the public sector audit community.

Over the course of the year, we hosted 14 webinars and roundtable discussions to keep members informed about current issues. These covered a range of topics from addressing the challenges of auditing in a post-pandemic world to the importance of integrating Gender-based Analysis Plus into audits to reduce inequalities. Moreover, we published on a variety of topics like COVID-19, cognitive biases, and the challenges of establishing a new audit function. We also continued to update *Audit News*, our extensive database of some 10,000 audit documents. Through products and services like these, CAAF offers our members a wealth of relevant information in a way that is both timely and practical.

Forging partnerships to build a stronger audit community

Our professional development program and research products are helping to shape the direction of the profession. But to develop these tools, it takes strong partnerships, both in Canada and abroad. As an organization, we are always collaborating and participating in key forums to learn from others—so that we can pass on that knowledge to our members.

In 2022-23, we partnered with the Office of the Auditor General (OAG) of British Columbia to participate in the Caribbean Organisation of Supreme Audit Institutions (CAROSAI) Congress where we delivered a master class on appearing before Public Accounts Committees (PACs) and dealing with the media. We also began collaborating with the International Organization of Supreme Audit Institutions (INTOSAI) Working Group on Extractive Industries to adapt some of their training materials on auditing oil and gas for use in our international program and completed a project with the INTOSAI Development Initiative to build gender awareness at the Madagascar Supreme Audit Institution (SAI). In addition, we delivered a session at the Latin American Internal Audit Conference on auditing organizational culture. On the research front, the Pacific Association of Supreme Audit Institutions (PASAI) commissioned CAAF to support the design and implementation of performance management systems for the Office of the National Auditor of the Federated States of Micronesia and the Pohnpei Office of the Public Auditor. These are just a few examples of how we continue to work with other jurisdictions to identify best practices and build a body of knowledge that enriches our work and provides value to our members.

As I look to the future, I see many new and exciting opportunities—as well as some hurdles.

Continuing our international program

The future of CAAF depends on our ability to expand our reach and achieve our vision to be a global leader in the audit community. One of the ways we are doing this is through our International Governance, Accountability and Performance (IGAP) program. When I started at CAAF, I knew little about this program. But the more I have learned about it, the more impressed I have become by the passion of the individuals who are part of it—and the results that it achieves.

Through the IGAP program, we continue to provide valuable support to SAIs and parliamentary oversight committees in our four partner countries: Guyana, Rwanda, Senegal, and Vietnam. Over the past year, we delivered a total of 48 courses in these four countries, reaching more than 500 participants—

more courses than CAAF has ever delivered in a single year since starting our international programming.

We also provided capacity-building support to the PAC of Guyana through several initiatives, including a week-long leaders program in October 2022. This program provided participants with the opportunity to witness Canadian oversight practices in action and to learn directly from the PAC and OAG of British Columbia and from the OAG of Ontario. As a direct result of these activities, Guyana's PAC held its first hearing on a performance audit in February 2023.

In addition, we saw our five 2022 IGAP Fellows graduate in September and welcomed six new ones in November. These two classes marked the first time that the Fellowship Program has been run as a "hybrid" model. Fellows worked virtually from their home countries before beginning their placements at the audit offices of our Canadian partners. By giving the Fellows first-hand experience with the Canadian audit system, this program continues to help our partner SAIs build their audit practice and better perform their roles.

Overcoming the challenges ahead of us

As I look to the future, I see many new and exciting opportunities—as well as some hurdles. The biggest challenge facing our organization will be to ensure that we can secure the funding we need moving forward. Our current model is based on membership dues from the audit community and this is not sustainable in the long-term. That's why we have started to explore new and innovative ways to make sure that CAAF can continue to provide value to our current members—as well as to attract new ones.

This past year, we called on the federal government to provide \$1 million annually in direct funding to CAAF's Oversight Program so that we can help communities build and exercise strong accountability systems within their jurisdictions. This funding would also enable CAAF to expand its reach into Indigenous communities and municipalities across Canada. Although some funding has been allocated to support our Oversight Program in the past, we are searching for a stable funding source so that we can expand on our program and reach the oversight bodies that need us the most.

The path ahead may have its challenges, but I am confident that we have the passion, expertise and commitment needed to overcome any hurdles in front of us and to build an even stronger, more resilient organization. Going forward, we will continue to advocate for and promote the wellbeing of the public sector audit community by listening to what their challenges are, and by providing the support and resources they need to grow and mature.

Paul Forgues
President and CEO



HOW WE SERVED OUR MEMBERS IN 2022–2023

Delivered **40 courses** to **500+ participants**, including the highly regarded **Emerging Leaders** program, heralded as “one of the most important professional experiences” participants ever had.

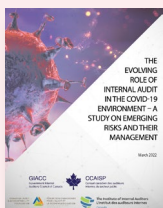
[View our courses](#) ➔



Continuously updated CAAF's **Audit News database** which now contains over **10,000** documents members can easily search and access.



Contributed to discussions on auditing and accountability through **10+ speaking engagements** and by organizing 2 sessions at the CCOLA Performance Audit Symposium.



Shared new insights and research through **7 publications** including ***The Evolving Role of Internal Audit in the COVID-19 Environment***



Held **8 webinars** and **6 member exclusive roundtable discussions** on current issues of interest for public sector auditors.



[See the archives](#) ➔

Supported effective oversight by delivering

10 workshops including:

- ▶ sessions for public accounts committees and audit committees
- ▶ a new workshop designed to help auditors and managers prepare to appear before oversight committees



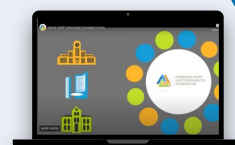
Completed **contracts and research projects** for diverse clients including the Office of the New York City Comptroller and the Pacific Association of Supreme Audit Institutions.



Hosted the **Municipal Audit Forum**, attended by the Auditors General of **5** Canadian cities.



Supported municipal councillors in understanding their oversight responsibilities and the role of audit by launching an online self-paced course: ***Municipal Oversight for Councillors***.



Continued to **seek funding for CAAF's Oversight Program** from the Government of Canada by preparing a pre-budget submission and meeting with Members of Parliament.

[Read more about it here](#) ➔



Helped **4** organizations with their staffing needs by advertising their job openings in our **Career Centre**.



Welcomed new members:

- ▶ Canada Revenue Agency
- ▶ McGill University, Internal Audit Unit

[See all our members](#) ➔



For more information on our activities throughout the year, see our **quarterly Strategic Plan Highlights reports** (p. 7–10)



HIGHLIGHTS FROM OUR INTERNATIONAL PROGRAM

Under our International Governance, Accountability and Performance Program (2018–2025), we work with the supreme audit institutions (SAIs) and oversight committees of our four partner countries: Guyana, Rwanda, Senegal, and Vietnam. The SAIs are strengthening their performance audit practices and oversight committees are learning how they can effectively review and act on the audit reports.

Providing professional development for performance auditors



Delivered **48 courses** for **575 participants**

Held the first deliveries of **3 new courses**:

- ▶ [Auditing Implementation of the SDGs](#)
- ▶ [Internal Controls and Fraud](#)
- ▶ [Interviewing Skills for Performance Auditors](#)



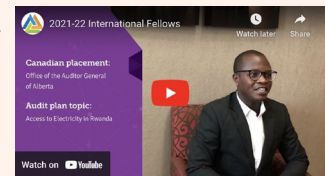
Worked with the **Vietnam SAI's Course Development Team** to translate and adapt 4 CAAF courses and supported them to deliver this training to their colleagues.

Supporting audit leaders through the CAAF Fellowships



Completed the in-Canada portion of the 2021-2022 Fellowships—our first to take a hybrid approach including some virtual training and mentoring—and celebrated the **graduation of 5 Fellows** from Guyana, Rwanda, and Senegal.

[See their video and profiles](#)



Began the **2022-23 Fellowships** virtually then welcomed the 6 Fellows to Canada in February.

Strengthening parliamentary oversight



Supported the **Public Accounts Committee of Guyana** as it prepared to hold its first ever hearing on a performance audit. Activities included a one-week program in Canada for PAC members, support staff and the Auditor General in which they studied auditing and oversight practices in British Columbia and Ontario.

Launched an online, self-paced course for **PAC support staff**.



Cooperating with international partners



Participated in the **CAROSAI (Caribbean Organization of SAIs) Congress** and delivered a master class for delegates on "Speaking Truth to Power – and the Media!" with OAG British Columbia.

Attended **INCOSAI**, the triennial conference of International Organizations of SAIs, and met with many Auditors General and other representatives from around the world.

Collaborated with **INTOSAI's Working Group on Extractive Industries** to adapt their materials for a 2023-2024 course on auditing oil and gas for Guyana's SAI.

Thank you to our partners!

Thank you to the **Offices of the Auditors General of Alberta, British Columbia, Canada, and Quebec**, who hosted Fellowships and co-facilitated courses abroad this year.





QUARTERLY REPORTS



CANADIAN AUDIT
& ACCOUNTABILITY
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TAKE A LOOK AT THE COMPLETE
2022-2025 Strategic Plan [➔](#)

Strategic Plan Highlights

Advancing Public Sector Accountability

Activities from April - June 2022

OVERARCHING GOAL: OUR COMMITMENT TO EDI*

Collected resources on EDI, from sources such as the Canadian Centre for Diversity and Inclusion, and began to look at assessment tools CAAF can use.

*Equity, Diversity & Inclusion (EDI)

UNDERPINNING GOAL: OUR SUSTAINABILITY



Continued our efforts in our request for government to fund CAAF's Oversight Program

- ▶ Met with 4 Members of Parliament
- ▶ Launched a new web page
- ▶ Published an opinion editorial in **The Hill Times**
- ▶ Sent a **notice** to members



Welcomed a new employee to the IGAP team: **Miko Demers**



Approved financial statements for 2021-22 which presented a **surplus**

GOAL AREA: MEMBER ENGAGEMENT



▶ Welcomed **Canada Revenue Agency** as a new CAAF member



▶ Held **2** member exclusive roundtable events



▶ Published our **member satisfaction survey** results



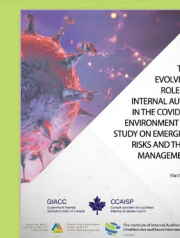
▶ **Worked closely with members** to provide dedicated course offerings at a time and date that works best for them – and at a member discounted price!



GOAL AREA: KNOWLEDGE EXPLORATION



▶ Published **The Evolving Role of Internal Audit in the COVID-19 Environment**, developed in partnership with the Government Internal Auditors Council of Canada and the Institute of Internal Auditors Canada



▶ Delivered a session at the **Latin American Internal Audit Conference** on Auditing Organizational Culture



▶ Participated in CAROSAI Congress and **delivered a master class on Appearing Before the Public Accounts Committee and the Media**



▶ **Delivered FREE webinars** on robotics process automation and on beneficial ownership

Upcoming webinars [➔](#)

Previous webinars [➔](#)



▶ CAAF's CEO, Carol Bellringer, **published an article** in The Institute of Internal Auditors blog titled: **On the Frontlines: Navigating Awkward Audit Findings in the Public Sector**



▶ Held CAAF's **Canadian Municipal Audit Forum** where the Auditor Generals of 5 Canadian cities discussed shared.

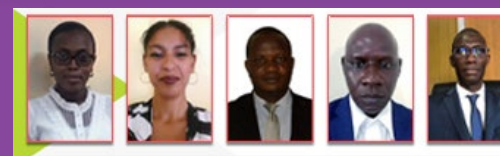


▶ Launched a new course **Appearing before Parliamentary Committees** which will be held on November 8

GOAL AREA: CAPACITY BUILDING



▶ Welcomed CAAF's **International Fellows** to Canada



▶ Provided an **Effective Questioning** workshop for the Guyana PAC



▶ Delivered a new course on **Internal Controls and Fraud** through our international program



▶ **Connected the Tanzania SAI** (a former partner) with OAG New Brunswick for mentoring



▶ Delivered an **orientation workshop** to the municipal audit committee from the city of Laval



▶ Offered **6 courses to 103 participants**. Participants came from:



International Governance, Accountability and Performance Program



Strategic Plan Highlights

Advancing Public Sector Accountability

Activities from July - September 2022

OVERARCHING GOAL: OUR COMMITMENT TO EDI*

This quarter's courses and projects included the following related to EDI:

- ▶ Delivered training on **Auditing Gender Equality**
- ▶ Continued SAI Leaders Program on **Gender Mainstreaming**
- ▶ Awarded a contract to develop a **People-Powered Audit Framework** to **Audit Equity** for the New York City Comptroller's office

*Equity, Diversity & Inclusion (EDI)

UNDERPINNING GOAL: OUR SUSTAINABILITY



Submitted CAAF's **Pre-Budget Submission** to the House of Commons Standing Committee on Finance to request funding for our oversight program

- ▶ Delegates at the CCPAC conference unanimously passed a motion endorsing CAAF's request for funding

[Learn more](#)



Held CAAF's **Annual General Meeting**



Published the **2021-22 Annual Report**



GOAL AREA: MEMBER ENGAGEMENT



- ▶ Held a member exclusive roundtable call on **Advisory Services and the Internal Audit Mix – Challenges and Opportunities**



- ▶ Met and exchanged with many members at the **CCPAC-CCOLA* Annual Conference**

GOAL AREA: KNOWLEDGE EXPLORATION



- ▶ Delivered a presentation on *Studying the Public Accounts* at the **CCPAC-CCOLA* Annual Conference**



- ▶ Met with the **Rwanda PAC** to discuss next steps in our partnership



- ▶ Continued working with the **Guyana Public Accounts Committee** and provided research and guidelines to support its practices



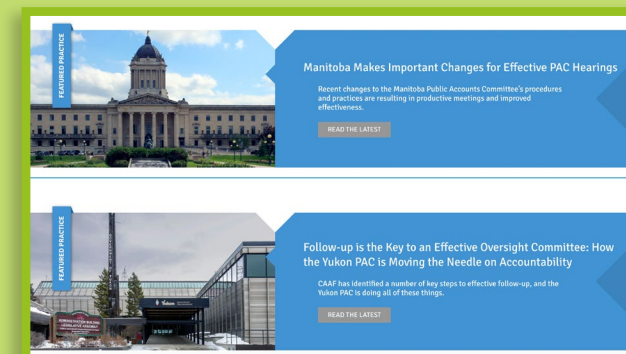
- ▶ Held a webinar titled **60 Days to Shorter Audit Reports** which attracted 122 registrations

[Upcoming webinars](#)

[Archived webinars](#)



- ▶ Published two articles featuring **good practices** undertaken by the **Manitoba** and **Yukon** Public Accounts Committees



GOAL AREA: CAPACITY BUILDING



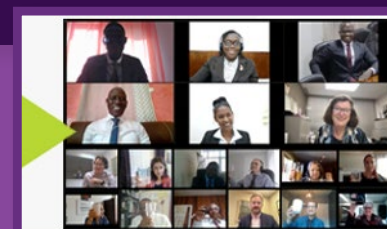
- ▶ Completed the **2021-2022 international Fellowships** and celebrated the **Fellows' graduation**



- ▶ Delivered **12 courses** in Rwanda for the supreme audit institution (SAI), with a co-facilitator from OAG Alberta



- ▶ Completed a project for the INTOSAI Development Initiative to build **gender awareness** at the Madagascar SAI



- ▶ Delivered a series of **4 courses** in **Ottawa** for participants from the SAIs of Korea and Vietnam



- ▶ Welcomed a senior delegation from the **Vietnam SAI** for meetings and executive-level workshops



- ▶ Delivered a workshop for the Edmonton City Council on **effective audit committees**



- ▶ Contributed to a session on gender mainstreaming for the Senegal SAI led by the participants in our **SAI Leaders Program**



Strategic Plan Highlights

Advancing Public Sector Accountability

Activities from October – December 2022

TAKE A LOOK AT THE COMPLETE

**2022-2025
Strategic Plan** ➔

GOAL AREA: MEMBER ENGAGEMENT



- ▶ Held **3 member exclusive roundtable calls**, including presentations on recent audits of the Offices of the Auditors General (OAGs) of Québec and Canada



Auditor General of Canada
Vérificateur général du Canada

[Our next roundtable](#) ➔

[Archived roundtables](#) ➔



- ▶ Updated the ***Audit News* database**, which gives members access to 8000+ audit reports and documents



- ▶ Welcomed the **Internal Audit Unit of McGill University** as a new member



McGill

[Our members](#) ➔

GOAL AREA: KNOWLEDGE EXPLORATION



- ▶ Published **6 *Learnings From Establishing a New Audit Function*** by Karina Sangha, Chief Auditor, Mine Audits Unit of British Columbia



- ▶ Continued a project to help the **New York City Comptroller's office develop a People-Powered Audit Framework**



- ▶ Completed a chapter on Canada and supported submission of a book manuscript, ***Towards a Best Practice Guide for PACs in Smaller Jurisdictions***, as part of a project led by McGill University and funded by the Social Sciences and Humanities Research Council



- ▶ Participated in **4 conferences**
 - INCOSAI, the triennial conference of the International Organization of Supreme Audit Institutions (SAIs)
 - The International Anti-Corruption Conference
 - Carleton University's Bell Chair workshop for Canadian legislative researchers
 - The Municipal Internal Auditors Association's annual conference, where CAAF presented on Auditing Culture



- ▶ Worked with the **SAIs of the Federated States of Micronesia and the State of Pohnpei** to improve their performance measurement systems



- ▶ Responded to **research and analysis requests** from the oversight community



CANADIAN AUDIT
& ACCOUNTABILITY
FOUNDATION

Strategic Plan Highlights

Advancing Public Sector Accountability

OVERARCHING GOAL: OUR COMMITMENT TO EDI*

This quarter's courses and projects included the following related to EDI:

- ▶ Developed a **People-Powered Audit Framework** with the New York City Comptroller's office
- ▶ Delivered training on **Auditing Gender Equality**

*Equity, Diversity & Inclusion (EDI)

UNDERPINNING GOAL: OUR SUSTAINABILITY



- Launched the recruitment process for the Foundation's next President and CEO

[Learn more](#) ➔



- Continued meeting with Members of Parliament to discuss **CAAF's Pre-Budget Submission** to the House of Commons Standing Committee on Finance to request funding for our oversight program

[Learn more](#) ➔



GOAL AREA: CAPACITY BUILDING



- ▶ Held our week-long **Emerging Leaders program** for 22 auditors from across Canada and from Australia and Guyana



- ▶ Delivered **11 courses** in our partner countries, including
 - Leadership training for Guyana's SAI, with the OAG of British Columbia
 - Courses for auditors and SAI executives in Senegal, with the OAG of Québec
 - Auditing Implementation of the Sustainable Development Goals (SDGs) in Vietnam, with the OAG of Canada



- ▶ Presented on ***Performance Audit in Canada*** at a webinar of the Peru National Audit Office



- ▶ Began the **2022-2023 International Fellowships** with virtual training, mentoring and a bookclub

[Meet the Fellows](#) ➔



- ▶ Delivered **11 courses**, in **3 languages**, to over 200 participants from audit offices in Canada, Australia, Korea, Cayman Islands, the UAE, and 19 jurisdictions in Latin America



- ▶ Welcomed **Guyana's Public Accounts Committee (PAC)** and Auditor General for meetings and working sessions in Canada



- ▶ Delivered **2 oversight workshops** to
 - The Federal PAC on Reading the Public Accounts
 - The Nova Scotia PAC on Building and Sustaining an Effective Public Accounts Committee



- ▶ Held **3 workshops on appearing before the PAC or audit committee**, for Fisheries and Oceans Canada, the Office of the Auditor General of Vancouver, and the City Auditor of Winnipeg



- ▶ Added **3 new courses** to our offerings



Interviewing Skills for Performance Auditors



Auditing Implementation of the SDGs



Auditing Internal Controls and Fraud

[Learn more](#) ➔



International Governance, Accountability and Performance Program

Strategic Plan Highlights

Advancing Public Sector Accountability

Activities from January – March 2023

TAKE A LOOK AT THE COMPLETE

[2022-2025 Strategic Plan](#) ➔

GOAL AREA: MEMBER ENGAGEMENT



- ▶ Held a **member-exclusive roundtable** call featuring the Acting Director of the British Columbia Mines Unit, who presented an audit on worker health and safety

[Watch the recording](#) ➔



- ▶ Engaged with the Canadian Council of Legislative Auditors (CCOLA) by participating on the organizing committee of the **2023 CCOLA Performance Audit Symposium**

GOAL AREA: KNOWLEDGE EXPLORATION



- ▶ Published new ***Audit Tips*** and ***Oversight Tips***:



4 Biases That Could Make an Audit Less Credible ➔



4 Ways to Maintain Collaborative AG-PAC Relations ➔



- ▶ Completed development of a **People-Powered Audit Framework for the New York City Comptroller's office** and presented the Framework to management and staff



- ▶ Developed **performance monitoring systems** for the Office of the National Public Auditor of the Federated States of Micronesia and for the Pohnpei Office of the Public Auditor, under a contract with the Pacific Association of Supreme Audit Institutions (PASAI)



- ▶ Delivered a presentation on Root Cause Analysis at a conference of the **Ontario Association of School Business Officials**



- ▶ Shared knowledge via the IIA Canada 2022 National Conference website, where the slides from a panel organized by CAAF on **A Changing Landscape: How internal auditors in the public sector are facing the challenges of the post-COVID-19 environment** were posted

[Upcoming Webinars](#) ➔

[Catch up on any you missed in our Archived Webinars](#) ➔



CANADIAN AUDIT
& ACCOUNTABILITY
FOUNDATION

Strategic Plan Highlights

Advancing Public Sector Accountability

OVERARCHING GOAL: OUR COMMITMENT TO EDI*

This quarter's courses and projects included the following related to EDI:

- ▶ Hosted a webinar on International Women's Day about **OAG Canada's audits on Gender-Based Analysis Plus**
- ▶ Delivered training on **Auditing Gender Equality in Vietnam**

*Equity, Diversity & Inclusion (EDI)

UNDERPINNING GOAL: OUR SUSTAINABILITY



Issued a call for **candidates to join our Board of Directors**

[Learn more](#) ➔



Hired **Paul Forgues** as CAAF's President & CEO and bid farewell to **Carol Bellringer** who retired from that position

[Read Paul's biography](#) ➔



Concluded our contract with a government relations firm regarding **CAAF's Pre-Budget Submission** to the House of Commons Standing Committee on Finance, which sought funding for our oversight program. Our submission did not result in funding in the 2023 federal budget. We are continuing our outreach to federal Members of Parliament and considering options to approach other orders of government.

GOAL AREA: CAPACITY BUILDING



- ▶ Welcomed the **2022-2023 international Fellows to Canada**



The Fellows attended a hearing of the federal Public Accounts Committee and met with PAC members and the Auditor General of Canada.

Thank you to the offices hosting the Fellowships!

Auditor General
OF ALBERTA



Auditor General of Canada
Vérificateur général du Canada



- ▶ Delivered **12 courses, to over 175 participants**

• Courses included:



Root Cause Analysis



Engaging the Auditee



Auditing Implementation of the Sustainable Development Goals



Evidence Collection and Analysis



Risk Assessment in Audits

- Participants were from the audit offices of Canada, Manitoba, Saskatchewan, New Brunswick, and the Canton de Vaud in Switzerland, as well as internal audit groups from the Department of National Defence, the Canada Revenue Agency, Parks Canada, and the Public Service Commission

[About Our Courses](#) ➔



- ▶ Held **8 courses in Vietnam**, supporting the State Audit Office's Course Development Team to adapt CAAF courses and deliver them to their colleagues



- ▶ Delivered virtual training for Senegal's **Cour des comptes** on Engaging the Auditee



- ▶ Delivered a workshop on **Demystifying the Public Accounts** for New Brunswick's Public Accounts Committee



- ▶ Continued to provide access to our **Municipal Oversight for Councillors** online self-paced course—including to all councillors for the City of Ottawa



International Governance, Accountability and Performance Program



FINANCIAL REPORTS



The Canadian Audit and Accountability Foundation's financial statements for the year ended March 31, 2023, together with the independent auditor's report thereon, are presented in this annual report. The external auditor, Welch LLP, has provided an unqualified audit opinion on the Foundation's financial statements.

The financial statements contained in this report have been prepared by management according to Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and audited by Welch LLP in accordance with generally accepted auditing standards. This report provides our members, stakeholders, and other interested parties with information on the Foundation's financial position and performance and explains significant items, fluctuations or changes in the policies affecting the presentation of financial results.

FINANCIAL SNAPSHOT

Revenue



2022-2023 REVENUE: **\$4,557,367**

44% increase from last year

OF NOTE:

International program (IGAP) revenue **increased by 118%**

WHY? Because we resumed in-person Fellowships and in-country training, resulting in increased direct program expenses. Our contract with Global Affairs Canada allows us to recover these expenses plus a fixed percentage to cover administrative costs.

Membership revenue **decreased by 12%**

WHY? Because of reductions in the membership fees received from CCOLA offices.

Revenue from professional development offerings **increased by 5%**

WHY? Because we delivered a similar number of courses as last year.

Expenses



2022-2023 EXPENSES: **\$4,317,196**

42% increase from last year

OF NOTE:

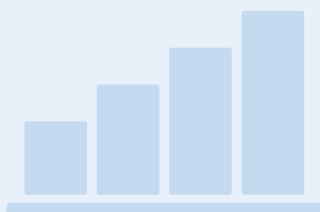
International program (IGAP) expenses **increased by 56%**

WHY? Because we resumed in-person Fellowships and in-country training, resulting in increased direct program expenses.

Other expenses **decreased by 15%**

WHY? Due in large part to the departures of some staff members who moved on to new positions.

OUR SUSTAINABILITY



Net surplus: over \$240,000 due to the increased activities for the International Program and administration fee received on the higher international program expenses.

Net assets: over \$1,000,000, an increase of 22%.

As we seek to ensure the financial stability and sustainability of the Foundation, we:

- Invested in short-term securities generating a small return.
- Submitted a request to the Government of Canada for funding for our oversight program. [Learn more about our request.](#)

FINANCIAL STATEMENTS
For
**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**
For year ended
MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

Opinion

We have audited the financial statements of Canadian Audit and Accountability Foundation/Fondation canadienne pour l'audit et la responsabilisation (the Foundation), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

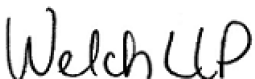
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
August 24, 2023.

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,125,855	\$ 316,567
Short-term investments (note 4)	500,000	2,000,000
Accounts receivable	291,609	211,545
HST receivable	38,522	4,020
Prepaid expenses	<u>132,429</u>	<u>52,755</u>
	2,088,415	2,584,887
TANGIBLE CAPITAL ASSETS (note 5)	<u>-</u>	<u>10,936</u>
	<u>\$ 2,088,415</u>	<u>\$ 2,595,823</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 472,687	\$ 268,794
Deferred international program funds (note 6)	451,326	1,423,079
Deferred membership, training and other revenue (note 7)	62,254	36,676
Lease inducements	<u>24,715</u>	<u>30,012</u>
	1,010,982	1,758,561
NET ASSETS		
Unrestricted	<u>1,077,433</u>	<u>837,262</u>
	<u>\$ 2,088,415</u>	<u>\$ 2,595,823</u>

Approved by the Board:

Twangelina Colman-Sadd
..... Director

Steve Martin
..... Director

(See accompanying notes)

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
International program funds (note 6)	\$ 2,763,405	\$ 1,266,754
Membership fees and contributions (note 7)	904,890	1,016,917
Audit and professional development (note 7)	673,360	640,572
Interest and other	159,239	197,482
Other programs (note 7)	<u>56,473</u>	<u>39,322</u>
	<u>4,557,367</u>	<u>3,161,047</u>
Expenses		
Personnel	2,472,092	2,473,530
Travel	734,936	11,352
Rent, utilities & venues	454,165	131,881
Program expenses	204,430	31,648
Contract and professional services	160,706	170,044
Translation	99,755	61,053
Office and operations	74,612	40,550
IT supplies, equipment and support	55,026	43,604
Board expenses	18,301	2,666
Bank and credit card fees	18,054	13,650
Conferences	17,782	554
Amortization	10,936	8,278
Insurance	8,451	8,601
Miscellaneous	8,371	32,677
Memberships and professional development	5,634	14,107
Foreign exchange gain/loss	<u>(26,055)</u>	<u>(8,935)</u>
	<u>4,317,196</u>	<u>3,035,260</u>
Excess of revenue over expenses	240,171	125,787
Unrestricted net assets, beginning of year	<u>837,262</u>	<u>711,475</u>
Unrestricted net assets, end of year	<u>\$ 1,077,433</u>	<u>\$ 837,262</u>

(See accompanying notes)

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 240,171	\$ 125,787
Adjustments for:		
Amortization	<u>10,936</u>	<u>8,278</u>
	251,107	134,065
Changes in non-cash working capital components:		
Accounts receivable	(80,064)	212,943
HST receivable	(34,502)	3,025
Prepaid expenses	(79,674)	(7,379)
Accounts payable and accrued liabilities	203,893	(206,825)
Deferred international program funds	(971,753)	752,905
Deferred membership, training and other revenue	25,578	(40,646)
Lease inducements	<u>(5,297)</u>	<u>(5,296)</u>
	<u>(690,712)</u>	<u>842,792</u>
INVESTING ACTIVITIES		
Tangible capital asset additions	-	(13,079)
Maturity (purchase) of short-term investments	<u>1,500,000</u>	<u>(1,500,000)</u>
	<u>1,500,000</u>	<u>(1,513,079)</u>
INCREASE (DECREASE) IN CASH	809,288	(670,287)
CASH, BEGINNING OF YEAR	<u>316,567</u>	<u>986,854</u>
CASH, END OF YEAR	<u>\$ 1,125,855</u>	<u>\$ 316,567</u>

(See accompanying notes)

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

1. NATURE OF OPERATIONS

Canadian Audit and Accountability Foundation/Fondation canadienne pour l'audit et la responsabilisation was established in 1980 by letters patent under the provisions of Part II of the Canada Corporations Act. The Foundation continued under the Canada Not-for-profit Corporations Act (the "Act") effective September 9, 2014.

In accordance with the Foundation's Articles of Continuance under the Act, the purpose of the Foundation is to promote and strengthen public sector auditing, oversight, and accountability in Canada and abroad. 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 revenue, including a contribution to general expenses, are derived from Global Affairs Canada ("GAC"). In addition, the Foundation derives approximately 41% 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

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

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

The Foundation sets its membership fees on an annual basis, and they are recognized as revenue in the year to which the memberships relate.

Professional development revenue is recognized in the year in which the goods and services are rendered or sold.

Development costs

The Foundation develops educational products and research publications for the purposes outlined in note 1. Fees charged for the use of these items are generally set such that direct costs are recovered. Related development costs are expensed in the year incurred.

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value adjusted by transaction costs. Financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. Cash is subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

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.

Contributions in kind

Members and other contributors provide a significant amount of time and absorb costs related to certain activities of the Foundation. These services are in the normal course of the Foundation's operations but their fair value and completeness are not reasonably determinable. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Tangible capital assets

Tangible capital assets are recorded at cost. Tangible capital assets consist of furniture, office equipment and IT equipment. Amortization of furniture and office equipment is provided on a straight-line basis over a three-year period. Amortization of IT equipment is provided on a straight-line basis over a four-year period. When a tangible capital asset no longer has any long-term benefit to the Foundation, its carrying amount is written down to its residual value.

Lease inducements

Lease inducements, such as free rent, are deferred and amortized over the term of the lease. Annual amortization is recorded as a credit to rent expense.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

Significant estimates include assumptions used in the collectibility of accounts receivable, the useful life of tangible capital assets and provisions for accrued liabilities.

3. FINANCIAL INSTRUMENTS

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.

The Foundation does not use derivative financial instruments to manage its risks.

Credit risk

The Foundation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Foundation's maximum exposure to credit risk is the sum of the carrying value of its cash, short-term investments and accounts receivable. The Foundation's cash and short-term investments are deposited with a Canadian chartered bank and as a result, management believes the risk of loss to be remote. Accounts receivable balances are managed and analyzed on an ongoing basis and accordingly, management believes all amounts receivable will be collected and has determined that a provision for bad debts is not required.

Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they become due. The Foundation meets its liquidity requirements by establishing budgets and cash estimates to ensure it has funds necessary to fulfill its obligations.

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 is comprised of currency risk, interest rate risk and other price risk.

i) *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. Included in cash is \$44,853 (2022 - \$53,991) originally denominated in US dollars.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates.

The Foundation believes it is not exposed to significant interest rate risk on its fixed interest rate financial instruments. However, the Foundation holds cash at the floating rate which is subject to interest rate risk.

iii) *Other price risk*

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

Changes in risk

There have been no significant changes in the Foundation's risk exposure from the prior year.

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

4. SHORT-TERM INVESTMENTS

Short-term investments consist of the following:

	<u>2023</u>	<u>2022</u>
Cashable GIC - 1.25%, due April 2023	\$ 500,000	\$ -
Cashable GIC - 0.35%, due June 2022	-	500,000
Cashable GIC - 0.45%, due October 2022	<u>-</u>	<u>1,500,000</u>
	<u>\$ 500,000</u>	<u>\$ 2,000,000</u>

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<u>2023</u>	<u>2022</u>
Furniture, office equipment and IT equipment	\$ -	\$ 28,666
Accumulated amortization	<u>-</u>	<u>(17,730)</u>
	<u>\$ -</u>	<u>\$ 10,936</u>

6. DEFERRED INTERNATIONAL PROGRAM FUNDS

International program costs are funded by Global Affairs Canada ("GAC") 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. GAC pays direct costs associated with the program and makes a contribution to the Foundation's general expenses.

	<u>2023</u>	<u>2022</u>
Deferred program funds, beginning of year	\$ 1,423,079	\$ 670,174
Advances from GAC	<u>1,791,652</u>	<u>1,992,059</u>
	3,214,731	2,662,233
Revenue recognized representing direct expenses for the year including contributions to general expenses	<u>(2,763,405)</u>	<u>(1,239,154)</u>
Deferred program funds, end of year	<u>\$ 451,326</u>	<u>\$ 1,423,079</u>

An agreement with GAC was signed on March 29, 2018 and provides total funding of \$14,950,000 until March 31, 2025.

**CANADIAN AUDIT AND ACCOUNTABILITY FOUNDATION/
FONDATION CANADIENNE POUR L'AUDIT ET LA RESPONSABILISATION**

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

7. DEFERRED MEMBERSHIPS, TRAINING AND OTHER REVENUE

Deferred memberships, training and other revenue consists of the following:

	<u>Memberships</u>	<u>Training</u>	<u>Other</u>	<u>2023 Total</u>	<u>2022 Total</u>
Balance, beginning of year	\$ 21,333	\$ 8,843	\$ 6,500	\$ 36,676	\$ 77,322
Advances received	909,975	700,353	49,973	1,660,301	36,676
Revenue recognized	<u>(904,890)</u>	<u>(673,360)</u>	<u>(56,473)</u>	<u>(1,634,723)</u>	<u>(77,322)</u>
Balance, end of year	<u>\$ 26,418</u>	<u>\$ 35,836</u>	<u>\$ -</u>	<u>\$ 62,254</u>	<u>\$ 36,676</u>

8. COMMITMENTS

The Foundation is committed to payments under an operating lease for office space which expires November 30, 2027. The minimum aggregate rent payable to the expiry date is as follows:

2024	\$ 70,928
2025	72,406
2026	75,361
2027	75,361
2028	50,241

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified, where applicable, to confirm to the presentation adopted for the current year.