

**THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED BY
CANADA**

ARTICLE 9

Management of Public Finances

CANADA (FOURTEENTH MEETING)

1. Please describe (cite and summarize) the measures/steps that your country has taken, if any, (or is planning to take, together with the related time frame) to implement the Convention and to promote the implementation of resolution 9/3.

In relation to article 9, paragraph 2 and measures/steps that have been taken, States parties may wish to consider including the following:

Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution;

Response:

The Office of the Auditor General of Canada (OAG) has a legislative basis in the Auditor General Act, the Financial Administration Act, and a number of other statutes. The Auditor General's powers and responsibilities are set forth in legislation passed by Parliament.

The Act can be found here: <https://laws-lois.justice.gc.ca/eng/acts/a-17/>

The Auditor General of Canada is an Officer of Parliament appointed for a non-renewable 10 year term upon resolution of the House of Commons and Senate.

Measures taken to implement policies for the effective operation of the supreme audit institutions in accordance with the principles and standards formulated by the International Organization of Supreme Audit Institutions,

- with regard to ensuring the proper management of public finances and public property, and in areas such as public procurement;

Response:

The Office of the Auditor General of Canada (OAG) has the mandate to serve Parliament by providing it with performance and financial audit reports. Parliamentarians use OAG reports to oversee government activities and hold the federal government to account for its handling of public funds.

The Office of the Auditor General has been given the mandate to audit:

- some 100 departments and agencies, ranging from small boards to large, complex organizations whose activities extend across Canada and overseas;
- some 40 Crown corporations

Under the Financial Administration Act, the OAG has the mandate to assess whether the transactions examined during financial audits comply with laws, regulations, bylaws, and the organizations' articles of incorporation.

Through its performance audit mandate, the OAG examines the government's management practices, controls, and reporting systems based on its own public administration policies and on best practices.

Performance audits are planned, performed, and reported in accordance with professional auditing standards and Office policies. They are conducted by qualified auditors who:

- establish audit objectives and criteria for the assessment of performance;
- gather the evidence necessary to assess performance against the criteria;
- report both positive and negative findings;
- conclude against the established audit objectives; and
- make recommendations for improvement when there are significant differences between criteria and assessed performance.

Through the Auditor General Act, the OAG is entitled to free access at all convenient times to information that relates to the fulfilment of its responsibilities and auditors are entitled to require and receive from members of the federal public administration any information, reports and explanations that they consider necessary for that purpose.

Measures taken to promote transparency and accountability in the management of public finances, including through a system of accounting and auditing standards and related oversight;

Response:

The OAG audit methodology is based on the Canadian Auditing Standards.

The Office of the Auditor General of Canada seeks to adhere to the highest standards, and is committed to continuous improvement in all areas of its operations. The Office ensures the quality of its audit work in a variety of ways.

Quality Assurance Reviews

We systematically seek assurance that our work meets professional standards through:

- compulsory audit methodology that is anchored in professional auditing standards;
- quality checks throughout the audit and post audit;
- periodic [reviews from external organizations](#); and
- input from external experts for our performance audits.

We also subject all of our audit products to regular [practice reviews](#), and conduct [internal audits](#) that focus on the Office's management and administration. These are carried out in accordance with the annual [Practice Review and Internal Audit Plan](#).

Every year, we [review our system of quality control](#) to ensure it is operating effectively. Results are communicated to the Office's management and to all staff.

Measures taken to promote examining, periodically or as necessary, the applicable financial and accounting frameworks and procedures, in order to determine their effectiveness in the fight against corruption;

Response: in 2017, the OAG has conducted an audit on Managing the Risk of Fraud. The audit examined whether the selected 5 organizations had mechanisms in place to appropriately manage the risk of fraud. Specifically, this audit focused on whether the organizations had

- governance processes to direct, evaluate, and monitor fraud risks;
- an assessment approach to identify fraud risks and mitigating actions;
- selected controls (policies, procedures, processes, and activities) to address specific fraud risks; and
- activities to investigate and manage allegations of fraud.

The audit also examined whether the Treasury Board of Canada Secretariat provided support to federal organizations to manage their risks, including fraud risks, and monitored the implementation of its relevant policies and directives.

The full report can be found here: https://www.oag-bvg.gc.ca/internet/English/parl_oag_201705_01_e_42223.html

Measures taken to ensure that the audited entities respond to the findings of the audit reports, implement the recommendations of the supreme audit institutions and take appropriate corrective action, including criminal prosecution, to ensure the proper management of public affairs and public property;

Response: The OAG only has the power to make recommendations but cannot compel an entity to act. However by publishing an audited entity's response to a recommendation in its report, it gives the government the opportunity to inform Parliament whether the entity agrees with the recommendation, and how and when the entity intends to act. If fraud or corruption is found, the OAG will transmit the information to the relevant law enforcement authorities.

Measures taken to involve the supreme audit institutions and the internal audit units in the country reviews under the second cycle of the Mechanism for the Review of

Implementation of the United Nations Convention against Corruption, in particular in relation to the review of the implementation of chapter II, on preventive measures, including in the country visits, where applicable;

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Measures taken to promote integrity and honesty through the application of codes of conduct in the supreme audit institutions and in particular measures for aligning these codes of conduct with the Code of Ethics promulgated by the International Organization of Supreme Audit Institutions;

Response: All OAG employees adhere to a Code of Values, Ethics and Professional Conduct that serves to encourage and maintain a professional work environment, and to maintain and enhance the confidence of the public and the government in the Office's integrity. The Code also clearly outlines employee responsibilities to Parliament, audit entities, the public, and the Office. Once a year, employees are required to certify that they comply with this code.

The Code can be found here: https://www.oag-bvg.gc.ca/internet/English/au_fs_e_370.html#values

Measures to increase trust in supreme audit institutions, anti-corruption bodies and governmental and public institutions as a whole;

Response: The OAG is an independent audit Office and its mandate is set out in the Auditor General Act. OAG reports are submitted to Parliament and are publicly available. The Auditor General is an Officer of Parliament which means she reports directly to Parliament and not to the government and is appointed for a non-renewable 10 year term upon resolution of the House of Commons and Senate.

Measures taken to build and strengthen relations between national legislatures and supreme audit institutions, and to encourage national legislatures to be aware of the findings of supreme audit institutions so that they may be taken into account when exercising parliamentary functions;

Response: All performance audit reports are presented to Parliament. After each tabling of reports, the OAG sends letters to relevant parliamentary committees offering to appear before the Committee to discuss our audit findings. One of the ways in which the OAG assesses the impact of its performance audit work is through the level of parliamentary engagement with the audit reports. Parliamentary committees reviewed 80% of the reports that we presented to Parliament in the 2021–22 fiscal year. The House of Commons Standing Committee on Public Accounts, the primary user of our work, reviewed 100% of the Auditor General's audit reports referred to it. The Standing Committee on Public Accounts requires all audited entities to submit to it, an action on how it plans to implement the recommendations the OAG made in its reports.

Measures taken to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption;

Response: N/A

Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other governmental bodies operating in the field of combating corruption, including for consultative purposes;

Response: N/A

Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions;

Response: All performance audit reports are presented to Parliament and as soon as they are presented, they are publicly available on our website.

Link to reports: https://www.oag-bvg.gc.ca/internet/English/parl_lp_e_925.html

Measures taken to enhance the capacity of supreme audit institutions and develop the skills of their members and staff in preventing and combating corruption, including through training, education and knowledge exchange;

Response: All OAG employees adhere to a Code of Values, Ethics and Professional Conduct that serves to encourage and maintain a professional work environment, and to maintain and enhance the confidence of the public and the government in the Office's integrity. The Code also clearly outlines employee responsibilities to Parliament, audit entities, the public, and the Office. Once a year, employees are required to certify that they comply with this code.

OAG employees are also given continuous training on audit methodology and standards.

Measures taken to enhance transparency, accountability and good governance in the management of supreme audit institutions, including with regard to their organization, functioning and decision-making processes;

Response: Every year, an external auditor appointed by the Treasury Board of Canada audits the OAG's financial statements. The auditor's report is submitted to the Treasury Board and is tabled in the House of Commons.

The OAG also voluntarily subjects its work to independent external reviews.

The Office prepares quarterly financial reports that present information on spending authorities and their use. Included in the report is also a narrative that describes highlights of the quarter and the year-to-date results, risks and significant changes in operations, personnel and programs. Quarterly financial reports are made public within 60 days following the end of a quarter and are prepared for the first three quarters of the year.

https://www.oag-bvg.gc.ca/internet/English/acc_lp_e_35627.html

Like other federal government departments and agencies, the OAG submits annual spending estimates to Parliament and appears before the Standing Committee on Public Accounts to explain its estimates, priorities, and management practices. The Departmental plan can be found here: https://www.oag-bvg.gc.ca/internet/English/acc_lp_e_9377.html and the Departmental results report can be found here: https://www.oag-bvg.gc.ca/internet/English/acc_lp_e_9378.html.

Transparency and accountability are key values of the OAG and as such many documents on the Office's governance and decision-making can be found on our website, including: External Reviews, Practice Review and Internal Audit Plans, Internal Audits, Monitoring Reports on the System of Quality Control, Code of Values, Ethics, and Professional Conduct. All of these reports and more can be found here: https://www.oag-bvg.gc.ca/internet/English/pd_fs_e_944.html

In addition, the OAG External Audit Committee reviews key aspects of values and ethics, risk management, internal controls, the external audit of the Office of the Auditor General of Canada's financial statements, quality management, and accountability reporting in the Office. It gives the Auditor General independent and objective advice and guidance on the adequacy of the Office's control and accountability processes.

Reports of the Audit Committee can be found here: https://www.oag-bvg.gc.ca/internet/English/acc_rpt_e_43868.html

Measures taken to enable supreme audit institutions to perform their roles in preventing and combating corruption when responding to or recovering from national crises and emergencies, especially with regard to their functions in upholding policies and procedures for the management of public finances and public procurement.

Response: Our audit methodology and standards remain the same in all audits that we conduct, be it in regular circumstances or in times of crises and emergencies. As an example we have conducted audits on emergency benefits provided to Canadians during the Covid-19 pandemic

as well as on the urgent purchase of Covid-19 vaccines. Reports can be found here:
https://www.oag-bvg.gc.ca/internet/English/parl_oag_202212_e_44174.html

2. Please provide examples of the implementation of those measures, including related court or other cases and available statistics.

In relation to article 9, paragraph 2 and examples of implementation of those measures,

States parties may wish to consider including the following:

Reports prepared by the supreme audit institutions, national legislatures of body or bodies that prevent corruption;

Response: All OAG reports can be found here: https://www.oag-bvg.gc.ca/internet/English/parl_lp_e_856.html

External reports on the operation of the supreme audit institutions.

Response: Reports on Accountability and OAG Office operations can be found here:
https://www.oag-bvg.gc.ca/internet/English/pd_fs_e_944.html