

MESSAGE FROM THE CHAIR

Brian Bost, CPA, CA, CIA, CGAP, CRMA

MESSAGE FROM THE MANAGEMENT TEAM



This year represents a significant milestone for CCAF on a number of fronts. 2015 marks the 35th year of continuous operations for CCAF. I have had the honour of serving on the Board for the past four years. In that time, my appreciation for the role and accomplishments of this organization since its founding in 1980 has grown immensely. From the beginning, CCAF's objectives of strengthening performance auditing (termed comprehensive auditing at the time), public accounts committees and other oversight bodies, and making contributions overall to public sector accountability, have played a crucial role for its members, partners, and stakeholders. CCAF has achieved these objectives through research and education, but the key to its success has always been its ability to bridge communities and bring all key stakeholders together to further enhance the depth, breadth, and consistency of performance audit practice.

This year also represents another important milestone for CCAF – a new strategic plan to take the organization to 2020. Approved by the Board on March 3, 2015, the plan sets out a new vision and mission for the organization to deliver value to its members over the next five years:

Our new Vision:

To be recognized as a global knowledge leader in performance auditing.

Our new Mission:

To promote and strengthen public sector performance audit, oversight and accountability in Canada and abroad through research, education and knowledge sharing.

Throughout 2014-15, we consulted with our members, partners and stakeholders to assess their current and future priorities to determine how CCAF can best deliver value to them. I had the opportunity to participate in some of these consultations, and they have only further confirmed my belief that CCAF can and will continue to play an important role going forward.

In my role as Chair of the CCAF Board of Directors, I have the privilege to work with an excellent group of committed Board members. These individuals are of the highest caliber and bring a strong and diverse set of backgrounds and experience. I am confident that, as a Board, we will continue to serve CCAF well in our role of leading and providing oversight. In addition to periodic meetings of the Board throughout the year, a number of Board committees meet regularly to provide oversight and strategic direction and advice to management.

As part of our role, we worked with management over the past year to draft and finalize Articles of Continuance and new By-laws as part of CCAF's transition under the new Canada Not-for-profit Corporations Act. CCAF's members, at a Special Members Meeting held in Ottawa on July 8, 2014, approved these charter documents. The Act required all federally incorporated not-for-profits to complete their transition by October 17, 2014, and I am pleased to report that CCAF received its Certificate of Continuance, effective September 9.

All in all, 2014-15 was a very exciting and important year for the organization. I would like to acknowledge the important contributions made by the two vice-chairs, **Bonnie Lysyk** and **James Sylph**, the rest of my Board colleagues, and all of CCAF's management and staff in making CCAF's year a success.

BRIAN BOST, CPA, CA, CIA, CGAP, CRMA

Chair, Board of Directors and
Partner, Risk Consulting, KPMG, LLP



Our Vision ...

*To be recognized as a
global knowledge leader
in performance auditing.*

Our Mission ...

*To promote and
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We are pleased to present CCAF's Annual Report to Members for 2014-15. As the Chair has noted in his message, CCAF has marked its 35th anniversary with a new strategic plan that will take the organization to 2020. CCAF is very much a collective enterprise, a pooling of knowledge and resources by those who have an interest in strengthening public sector performance audit, oversight and accountability. We greatly appreciate the significant contributions provided by CCAF's members, partners and stakeholders, and believe the new strategic plan will serve their needs well.

Research has always been a mainstay of CCAF's activities – it flows through everything CCAF does – from providing new knowledge and insights for education and training, to informing larger discussions and knowledge sharing initiatives. The new strategic plan calls on CCAF to undertake new and exciting research activities that will advance knowledge and innovation in performance auditing, oversight and accountability.

CCAF's members play a crucial role in its success. From providing funding, to partnering on key projects, the value of their contributions is essential. You can access a full list of CCAF institutional members and funding partners [here](#).

CCAF will continue to play an important role in providing **education and professional development** opportunities to performance auditors and members of the oversight bodies they report to. Our courses and workshops, which we renew and refresh to meet the changing needs of our members, continue to be well received and we will continue to expand our offerings to optimize both in-person and online learning.

Knowledge sharing and networking opportunities have always served a crucial role in CCAF's mission. In recent years we have continued to play a role in supporting and organizing a number of events to serve this purpose. This past year, we convened municipal auditors from across Canada for the first Municipal Auditors Forum, which saw members from this community discuss a number of issues and challenges they face. Going forward, we will continue to play this important role – fostering networks and information exchange opportunities among our members, partners and stakeholders.

Woven throughout all of these important areas of activity is CCAF's **international program**. 2014-15 saw us wrap up the 3rd year of the International Legislative Oversight Program (ILOP). Funded by the Department of Foreign Affairs, Trade and Development (DFATD), the ILOP plays an essential role in bringing Canadian knowledge, expertise, and capacity building support to selected developing countries and regions. CCAF has always delivered an international program in partnership and with significant support from the Canadian legislative audit community. Since 1980, the Program has seen over 250 auditors from 53 countries come to Canada for professional development placements, and numerous training and mentoring initiatives delivered in developing countries.

Also of strategic importance, we are pleased to report that in 2014-15, CCAF and the Auditors General of Canada and of all the provinces, through the Canadian Council of Legislative Auditors (COLA), began the process of developing a memorandum of understanding (MOU), which will more formally acknowledge the principles and expectations that will further strengthen the strong and unique relationship between CCAF and Canada's federal and provincial legislative audit community. Our new strategic plan also includes the expansion of our programs and services to bring value to an important and growing Canadian municipal audit community.

Finally, CCAF continues to manage its operations and governance in a way that is **sustainable and accountable** to its members. We are able to attract staff and associates of the highest quality and caliber, and we have no doubt the organization will continue to be well served by their talents and hard work.

This Annual Report takes stock of our considerable accomplishments over the past year. As the organization forges ahead with the new strategic plan, we are certain it will provide excellent value to its members, partners and stakeholders to 2020 and beyond.

CCAF SENIOR MANAGEMENT TEAM



From left to right:
John Reed, VP, Performance Audit & Oversight; Paul Lohnes, President & CEO;
Nicole Wieczorek, VP, Operations & CFO; Yves Gauthier, VP, International Programs

PERFORMANCE AUDIT

A Centre of Expertise to Support Performance Audit Practice

KEY PERFORMANCE CHECKLIST – 2014-15

Targets 2014-15

- Update *Audit News* monthly and issue four *Audit News Bulletins*.
- Publish two issues of *Audit News Analytics*.
- Develop and publish *Practice Guide to Auditing Oversight*.
- Develop and issue two editions of *Audit News Focus-On*.
- Develop discussion papers as opportunity arises.
- Develop training materials for *Practice Guide to Auditing Efficiency*.
- Deliver performance audit courses and workshops to meet CCOLA demand.
 - Market, adapt and deliver offerings to other members and non-members based on demand.
- Align offerings with the Audit Learning Network (ALN) as it becomes available and launched.
- Support planning and delivery of 2014 and 2015 CCOLA PA Symposium.
- Support planning and delivery of first forum of Canadian Municipal AGs in Fall 2014.
- Prepare and co-deliver with Ontario Internal Audit Division, a presentation on Auditing P3 and AFP arrangements to IIA National Conference in Oct. 2014.

Results 2014-15

- Audit News Database* updating process streamlined and carried out on bi-monthly basis. Four Bulletins issued. New and improved info-graphic format combining Bulletin and Analytics (see below) launched August 2014.
 - 1034 page views from April 2014 to March 2015.
- Audit News Analytics* information integrated into new *Bulletin* info-graphic format.
- Practice Guide to Auditing Oversight* released in March 2015.
- Focus On Large-scale Procurement Projects* – released in October 2014.
 - 101 downloads since release.
- Focus On Human Resource Management* developed in 2014-2015 (released May 2015).
- Published two discussion papers:
 - How to Increase the Impact of Environmental Performance Audits* – Apr. 2014 (36 downloads since release).
 - Better Integrating Root Cause Analysis into Legislative Performance Auditing* – Dec. 2014 (281 downloads since release).
- Based on needs assessments of stakeholders, priorities re-established for course development and refocused on renewal of Evidence Collection and Analysis training course.
- Delivered six offerings to CCOLA offices:
 - Fundamentals – 3
 - Advanced – 2
 - Evidence – 1
- 120 total participants.
- Overall positive course assessment: 99%
- CCAF course offerings aligned with draft ALN content. CCAF supported the development of guidance materials for performance auditors for inclusion on the CCOLA ALN, and will continue to support development of content that can be contributed to the ALN.
- CCAF played prominent role in 2014 Symposium.
 - 93.6% combined positive participant ratings for CCAF organized/led sessions.
- CCAF led planning and delivery of first Pan-Canadian Municipal Auditors Forum, held in Ottawa – Nov. 2014.
 - 92% positive participant ratings overall.
- CCAF joint presentation well received at IIA National Conference.

Key Results 2011-15

Audit News Database

4956

views since its launch in June 2011

Audit News Bulletins

16

released since its launch in June 2011

Performance audit courses

31

delivered to

571

audit professionals since 2011

Guides, Discussion Papers, & Focus On Series

6

developed with

1697

pageviews*

* views are up to June 2015

35 Years of Performance Audit Training

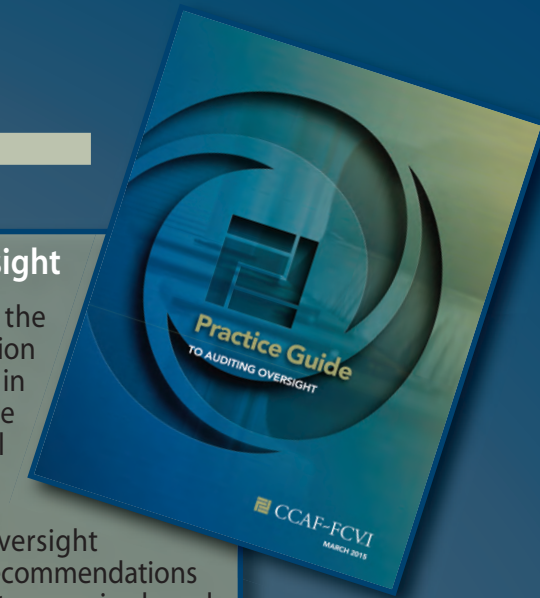
For over 35 years, CCAF has provided networking and learning opportunities to over 8,000 public sector auditors, managers and elected officials through our courses and events in Canada. We currently offer four performance audit courses:

- *Fundamentals of Performance Auditing*
- *Advanced Performance Audit Training*
- *Evidence Collection and Analysis Techniques*
- *Report Writing*



Practice Guide to Auditing Oversight

Strong oversight is important to the success of every public sector organization in delivering services effectively and in promoting greater accountability. The *Practice Guide to Auditing Oversight* will help auditors identify the causes of breakdowns in oversight, highlight weaknesses and inefficiencies in oversight regimes, point to best practices, make recommendations for improvements; and help departments, agencies, boards and authorities to improve their oversight performance. As a web-based tool, it allows the user to quickly access any section of interest allowing them to jump rapidly from one section to any other. Auditors are thus free to consult only the section that best meet their needs.



CCAF and Canadian Municipal Auditors partner to plan and hold inaugural pan-Canadian Municipal Audit Forum

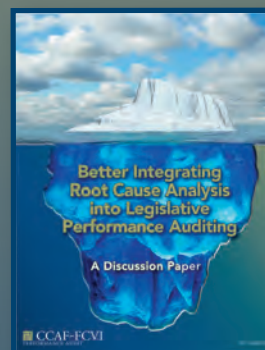
CCAF is pleased to have collaborated with Canada's municipal audit community to plan and deliver a national forum held on November 3-4, 2014. The Forum brought together Auditors General and heads of audit from 16 municipalities across Canada, in addition to the Auditor General for Local Government (AGLG), representing over 200 municipalities in BC.



(Delegates at the Forum held at Ottawa City Hall.)

Hosted by the Auditor General of the City of Ottawa, Ken Hughes, the Forum brought together participants, speakers and other guests to foster dialogue, share good practices and explore emerging challenges in auditing at the municipal level.

CCAF Discussion Papers

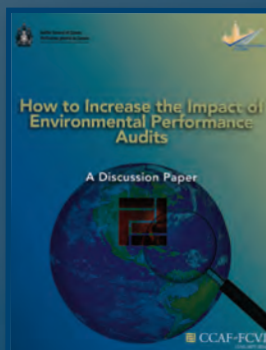


Better Integrating Root Cause Analysis into Legislative Performance Audits

This *Discussion Paper* provides tailored, simple tools and methodology to help auditors and audit offices that wish to undertake root cause analysis. It addresses when and how root cause analysis can be carried out.

How to Increase the Impact of Environmental Performance Audits

The paper contains a number of ideas on how to increase the impact of environmental performance audits, from the planning through reporting phases of the performance audit process.



The discussion paper is based on a keynote presentation by John Reed (Vice-President, Performance Audit, CCAF) and Jean Cinq-Mars given to the 15th Meeting of the INTOSAI Working Group on Environmental Auditing held in Tallinn, Estonia in June 2013. The presentation also inspired the creation of a new INTOSAI WGEA Research Project on *How To Increase the Impact of Environmental Audits* being co-led by the Supreme Audit Institutions of Lesotho and Cameroon.

SG #1 - TOTAL EXPENSES	YEAR ENDING MARCH 31, 2015	YEAR ENDING MARCH 31, 2014
PERFORMANCE AUDIT PROGRAMS & SERVICES	\$569,773	\$615,611
PERFORMANCE AUDIT EDUCATION	\$58,778	\$90,989

OVERSIGHT

Supporting Public Accounts Committees and Other Oversight Bodies

KEY PERFORMANCE CHECKLIST – 2014-15

Targets 2014-15

- Assess the capacity development needs of Canada's PACs based on the results of the August 2013 PAC survey, advice from the CCAF Oversight Advisory Group, and interviews with legislative auditors, PAC staff and members.
- Update the publication *Attributes of an Effective Public Accounts Committee* based on the 2013 survey results.
- Subject to demand/needs, deliver up to 6 orientation and/or topic specific workshops in Canadian jurisdictions, and conduct follow-up to assess impact.
- Support planning, and deliver and facilitate sessions at, the CCPAC-CCOLA annual conference in St. John's, Newfoundland & Labrador in August 2014.
- Offer support to host jurisdiction (Manitoba) for August 2015 CCPAC-CCOLA annual conference.

Results 2014-15

- Deferred to 2015-16 – to be integrated into larger training needs assessment and PAC workshop review.
- In process – Attributes revised in 2014-15 and will be published in 2015-16.
- 1 workshop delivered:
 - Québec – Orientation (Sept. 2014).
- Conference successfully planned and delivered, including CCAF facilitation of four sessions, including:
 - Jurisdictional Updates
 - Issuing PAC Recommendations
 - Demystifying the Public Accounts
 - Interactive Voting Session on PAC Effectiveness & PAC/Legislative Auditor Collaboration
- Provided recommendations and support to host jurisdiction in development of agenda and planning for CCPAC event.

Key Results 2011-15

PAC Workshops delivered

11

since 2011

% of jurisdictions receiving

64%

PAC workshops since 2011

Resources for PAC Members

The Attributes of an Effective Public Accounts Committee

In 2010, CCAF published *The Attributes of an Effective Public Accounts Committee*, which identifies twelve attributes for PACs to focus on to enhance their effectiveness. This publication has been included in CCAF's 'boxed-set' of resources for PAC members, which also includes:

- A Guide to Strengthening Public Accounts Committees*
- Statement of Mandate and Powers & Operating Principles and Practices*
- Preparation for Hearings and Frequently Asked Questions*
- Guide for Witnesses*
- Guidance on Reporting and Follow-up*



Sharing International Practices – A Profile of Legislative Oversight Committees In the United Kingdom and Scotland

This publication looks at legislative oversight practices in these two jurisdictions and profiles them against CCAF's *Attributes of an Effective Public Accounts Committee*. The practices cited in this profile were identified through extensive interviews conducted with elected and non-elected officials in the UK and Scotland, as well as through additional research conducted by CCAF.

These publications, available on the CCAF Website, form the basis of our orientations and workshops for members of PAC.



SG #2 - TOTAL EXPENSES OVERSIGHT PROGRAMS & SERVICES

YEAR ENDING MARCH 31, 2015

\$165,123

YEAR ENDING MARCH 31, 2014

\$172,949

CCAF Supports Planning and Delivery of 2014 CCPAC Conference and CCPAC-CCOLA Joint Conference

Every year the Canadian Council of Public Accounts Committees (CCPAC) holds its annual conference, coinciding with a Joint Conference of CCPAC and the Canadian Council of Legislative Auditors (CCOLA). The 2014 conference, held in St. John's Newfoundland & Labrador from August 10-12, was an opportunity for elected officials, legislative auditors, and committee staff to share experiences and discuss issues of mutual interest.

CCAF plays a key facilitation role for this event, supporting the development of the agenda, as well as leading a number of sessions.



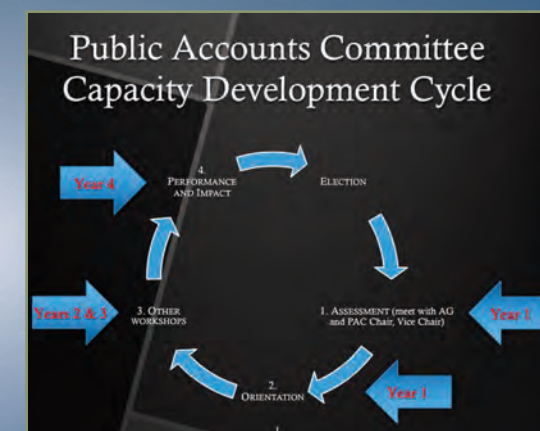
CCPAC-CCOLA Delegates – August 10, 2014

CCAF Workshops – Building Capacity of Public Accounts Committees in Canada

CCAF offers a tailored approach to help public accounts committees (PACs) build their capacity and enhance their effectiveness. Our workshops are designed to meet the individual needs of each PAC and are delivered in coordination with each jurisdiction's legislative auditor, as well as legislative support staff. We currently have five workshops available:

- General Orientation to PAC
- Effective Questioning of Committee Witnesses
- Performance & Impact
- Taking Corrective Action: Recommendations and Follow-up
- Stakeholder Relations

Public Accounts Committee Capacity Development Cycle



INTERNATIONAL

Strengthening the capacity of SAls and related parliamentary oversight in developing countries

KEY PERFORMANCE CHECKLIST – 2014-15

Targets 2014-15	Results 2014-15	Key Results 2011-15
<div><div>✦ Continue delivery of <u>Fellowships</u>, in partnership with the Canadian host offices.</div><div>✦ Deliver up to 4 ILOP senior manager internships of four-to-six weeks, which include meetings with Canadian OAGs and other institutions and mentoring by CCAF.</div><div>✦ Deliver courses and mentoring responding to ILOP SAls' needs.</div><div>✦ Participate in AFROSAI-E follow-up quality assurance reviews in Ghana and Tanzania.</div><div>✦ Develop a new training component on course facilitation to have Fellows recognized as AFROSAI-E "Champions / Facilitators".</div><div>✦ Coordinate development of shared training resources with CCAF's domestic programs and distribute them to partner countries, finalize the draft <i>Practice Guide to Performance Auditing and Gender Equality</i>, and develop an environmental audit course based on existing materials.</div><div>✦ Support capacity building for oversight committees:<ul style="list-style-type: none">• Support a joint study tour to Canada for the Vietnam SAI and National Assembly.• Work with oversight committees in Ghana and Tanzania, based on recommendations from our 2013-14 activities.• Develop a strategy adapted to the Presidential system of Cameroon and other French African countries, with CREFI AF and the World Bank office in Cameroon.</div><div>✦ Continue to support host offices in the delivery of Fellowships, coordinate activities for Fellows and interns, and engage additional OAGs to contribute to the ILOP, particularly in our training and mentoring delivered abroad.</div><div>✦ Further strengthen relationships with IDI and the INTOSAI regional associations by continuing to participate in key meetings and collaborate on training events.</div><div>✦ Exchange information with development partners such as IDI and GIZ as well as DFATD staff in Canada and abroad, and invite DFATD staff to attend when CCAF delivers activities in our partner countries.</div></div>	<div><div>✦ Fellowships delivered as planned:<ul style="list-style-type: none">• Completed 6 performance audit Fellowships at the OAGs of Canada, Alberta and Quebec (Aug. 2013 – May 2014).• Began 4 performance audit Fellowships at the OAG of Canada (Aug. 2014 – May 2015).• Completed 1 special Fellowship focused on financial and regulatory audit for Ghana at the OAG of Canada (Mar-Aug. 2014).</div><div>✦ 4 internship programs completed, for 11 individuals:<ul style="list-style-type: none">• Ghana – strategic planning (1 manager).• Cameroon and Tanzania – stakeholder relations and communications (4 managers).• Ghana – environmental audit capacity building (1 manager).• Vietnam – audit supervision and review (5 managers).</div><div>✦ Delivered or co-facilitated training and mentoring for all four ILOP SAls. Trained 146 participants from ILOP SAls on various topics. The following capacity development activities were delivered:<ul style="list-style-type: none">• Development and pilot delivery of a Vietnamese version of Performance Audit Fundamentals course;• Contribute to deliveries of the AFROSAI-E 3-module performance audit training and other regional activities;• Individual SAI mentoring and courses on various performance audit and leadership topics;• Support training on the INTOSAI performance measurement framework;• Stakeholder Relations and Communications course in Tanzania; and• Enrolled 3 students from Cameroon in the Algonquin College distance education program, Forensic Auditing and Fraud Investigation and continued to support 3 students from Ghana.</div><div>✦ CCAF participated in the reviews in Ghana and Tanzania, leading the performance audit portions.</div><div>✦ Activity cancelled. CCAF is including facilitation and leadership training during other components of the program, such as internships and in-country courses.</div><div>✦ Continued to contribute to the development of resources with CCAF's domestic programs and developed a new environmental audit course with the input of the OAGs of BC and Quebec and other experts.</div><div>✦ Draft <i>Practice Guide to Performance Auditing and Gender Equality</i> was reviewed by an advisory group and revised; the guide will be published in 2015-16.</div><div>✦ Study tour completed for 2 members of the National Assembly and 3 members of the SAI.</div><div>✦ No work undertaken with oversight committees in Ghana and Tanzania this year.</div><div>✦ Supported the development of the Cameroon SAI's communication strategy to stakeholders. This will be continued in the context of the current government reform that will impact the reporting to Parliament.</div><div>✦ Supported and coordinated Fellowship and internship activities at the OAGs of Canada, Alberta Quebec, and Nova Scotia, the City of Ottawa, City of Toronto and other municipal audit offices, and other institutions and government departments.</div><div>✦ Engaged the OAGs of Alberta, British Columbia, New Brunswick and Quebec in the delivery of ILOP activities abroad. Secured committment support from OAG of British Columbia to host two Fellowships in 2015-2016.</div><div>✦ Participated in 2 AFROSAI-E meetings & 1 CREFI AF meeting.</div><div>✦ Collaborated with AFROSAI-E on 5 capacity building activities and co-facilitated IDI training on the INTOSAI PMF.</div><div>✦ Attended the INTOSAI WGEA meeting in the Philippines and supported ILOP SAls' participation in regional WGEA meetings.</div><div>✦ Met with DFATD staff in Ghana, Tanzania and Vietnam.</div><div>✦ Communicated with IDI, GIZ, SECO, USAID and other development partners throughout the year.</div></div>	<div><div>Fellows</div><div>25</div><div>Graduated</div></div> <div><div>Participants in CCAF</div><div>900</div><div>Training and Mentoring Abroad</div></div> <div><div>Performance Audit Plans</div><div>40</div><div>Developed with CCAF Support</div></div> <div><div>Canadian</div><div>15</div><div>Audit Offices Contributed</div></div>

35 Years of International Capacity Building

Since 1980, CCAF, with significant support from Canada's legislative audit community and others, has delivered an international program to provide capacity building support to the SAls and legislative oversight committees of participating developing countries. Our current program, the International Legislative Oversight Program (ILOP), runs from 2012-2017 and is funded by the Department of Foreign Affairs, Trade and Development. It focuses on four countries: Cameroon, Ghana, Tanzania and Vietnam.

ILOP activities are delivered in partnership with many Canadian audit offices, at the federal, provincial and municipal levels. They contribute by hosting Fellowship placements, welcoming Fellows and interns for meetings, and co-facilitating training and mentoring activities abroad.



The 13-14 graduating Fellows with Michael Ferguson, François Legault of DFATD, and Paul Lohnes

CCAF co-facilitates AFROSAI-E regional performance audit training

The 3-module AFROSAI-E regional performance audit training program includes a mix of classroom training and mentoring and requires participants to plan, conduct and report on a performance audit. This year CCAF concluded deliveries of this program in South Africa and Mauritius, which included participants from 3 of 4 ILOP countries and began a new delivery in Tanzania, holding Module 1 there in February 2015. The Tanzania program has a special focus on auditing extractive industries. Kim MacPherson, Auditor General of New Brunswick, co-facilitated and 31 auditors participated, including 19 from Tanzania, Cameroon and Ghana.



Kim MacPherson leads training in Tanzania

CCAF and Canadian partners give new environmental audit workshop in Ghana

Yves Gauthier (Vice-President, International Programs, CCAF), John Reed (Vice-President, Performance Audit, CCAF), Jean Cinq-Mars (Sustainable Development Commissioner, OAG of Quebec) and Morris Sydor (Assistant Auditor General, OAG of British Columbia) led a very successful environmental auditing workshop for the Ghana SAI. This facilitation team collaborated with



The Canadian facilitators, the Auditor General of Ghana, and the workshop participants

CCAF graduate Fellow Lawrence Ayagiba (Assistant Auditor General, Ghana), other environmental audit experts, and a learning and development specialist to design this new workshop and tailor it to the Ghana SAI's needs. Participants learned about water, forestry, mining and waste management and how they can conduct high impact audits of environmental issues and programs.

Management internships in Canada address SAls' strategic needs

CCAF held four internship programs, for eleven SAI managers, each designed to address a strategic need identified by the SAI. For example, managers from Cameroon and Tanzania studied stakeholder relations and drafted communications strategies for their SAls. They met with the OAGs of Canada, Quebec and Nova Scotia, as well as the municipal audit offices of Halifax and Quebec City, observed the tabling of the Auditor General of Canada's Fall 2014 Report, attended a meeting of the Federal PAC and worked with CCAF mentors. Management internships strengthen the long term sustainability of the SAI capacity by ensuring senior managers are engaged and supportive of the graduate Fellows as agents of change upon their return from their Fellowship year.



The Cameroon managers and Yves Gauthier at the VGQ with Michel Samson & Lucie Roy

Sustainable practices being developed at the Vietnam SAI

CCAF and the OAG of Alberta helped the newly formed Performance Audit Division to develop its own Performance Audit Fundamentals course in Vietnamese and to hold a pilot delivery of the course for senior management in January. Through direct mentoring, the Division completed its first two stand-alone performance audits this year. CCAF supported a team to attend training on the INTOSAI PMF and present it to management, resulting in the development of an implementation plan for 2015. A team of five from the SAI participated in an internship on management skills and a delegation of five completed a study tour in Canada on government oversight.



Mentors from CCAF and the OAG of Alberta work with the team in Vietnam

SG #3 - TOTAL EXPENSES	YEARENDING MARCH 31, 2015	YEARENDING MARCH 31,2014
INTERNATIONAL PROGRAM	\$1,794,983	\$1,840,037

INTERNATIONAL PARTNERS: INTOSAI,IDI AND REGIONAL SAI ASSOCIATIONS

INTOSAI	International Organization of SAls
IDI	INTOSAI Development Initiative
WGEA	INTOSAI Working Group on Environmental Auditing
GIZ	German Aid
SECO	Switzerland Aid

AFROSAI-E	English-speaking African SAls
CREFI AF	French-speaking Sub-Saharan SAls
ASOSAI	Asian SAls
ASEANSAI	Southeast Asian SAls

CORPORATE MANAGEMENT

Effectively Managing and Building our Capacity

KEY PERFORMANCE CHECKLIST – 2014-15

Targets 2014-15	Results 2014-15
<ul style="list-style-type: none">Finalize process to transition to new Canada NFP Corporations Act.	<ul style="list-style-type: none">New Articles and By-laws approved by members in July 2014. Certificate of Continuance received – Sept. 2014.
<ul style="list-style-type: none">Continue and complete the strategic planning process.	<ul style="list-style-type: none">New Strategic Plan 2015-2020 approved by Board of Directors – Mar. 2015.
<ul style="list-style-type: none">Continue to monitor and manage risks, with a particular focus on the newly developed strategy and funding plan.	<ul style="list-style-type: none">Risk analysis of new strategic plan conducted and provided to Board. Management continued to monitor domestic and international risks identified in risk register. Net asset reserve policy developed, including implementation of contingency funding to address potential financial risks.
<ul style="list-style-type: none">Continue improvement of website to enhance user experience and navigation, including refreshed design and layout, new look for corporate communications including annual report and other CCAF products.	<ul style="list-style-type: none">Performance Audit and Corporate 'About Us' sections revised and updated. Developed new design for 2013-14 annual report (see additional comments below), and new infographic design for <i>CCAF Audit News Bulletin</i>.New design implemented for 2013-14 annual report. Online-based annual report with entirely new look and feel implemented for 2014-15 annual report.
<ul style="list-style-type: none">Complete the development of a revised Directors' Handbook.	<ul style="list-style-type: none">73% of Handbook sections revised and approved by Board. Remaining sections to be finalized in Q1 2015-16.
<ul style="list-style-type: none">Plan and deliver 3 board meetings and Board committee meetings as required.	<ul style="list-style-type: none">4 Board meetings and 17 Board committee meetings held.
<ul style="list-style-type: none">Improve performance management processes for management and staff.	<ul style="list-style-type: none">Launched to management and staff – May 2014.
<ul style="list-style-type: none">Develop/monitor development & professional development needs and succession planning for staff.	<ul style="list-style-type: none">Ongoing
<ul style="list-style-type: none">Implement funding strategy aligned with new strategic plan.	<ul style="list-style-type: none">Funding strategy developed – implementation ongoing.
<ul style="list-style-type: none">Refine value propositions & develop MOU approach to define relationship with, and expectations of, key stakeholder communities.	<ul style="list-style-type: none">Value propositions for key stakeholder communities developed. MOU developed (currently being finalized) with key stakeholder group.
<ul style="list-style-type: none">Review, and revise, as necessary, Employee Manual – complete employee sign-off.	<ul style="list-style-type: none">Employee sign off of Code of Ethics and Conflict of Interest Declaration completed – Dec. 2014.
<ul style="list-style-type: none">Successfully complete 2013-14 annual audit process.	<ul style="list-style-type: none">2013-14 annual audit process completed. CCAF received an unqualified audit opinion.

Key Results 2011-15

Email communications to members

59

released since April 2011.

Visitors to CCAF's website

38,227

since 2011

Carleton Students, Brianna Paterson-Sonnenburg (2015) and Joel Crawford (2014) Receive Ronald C. Thompson Memorial Scholarship Award

[Click here](#) to learn more ...

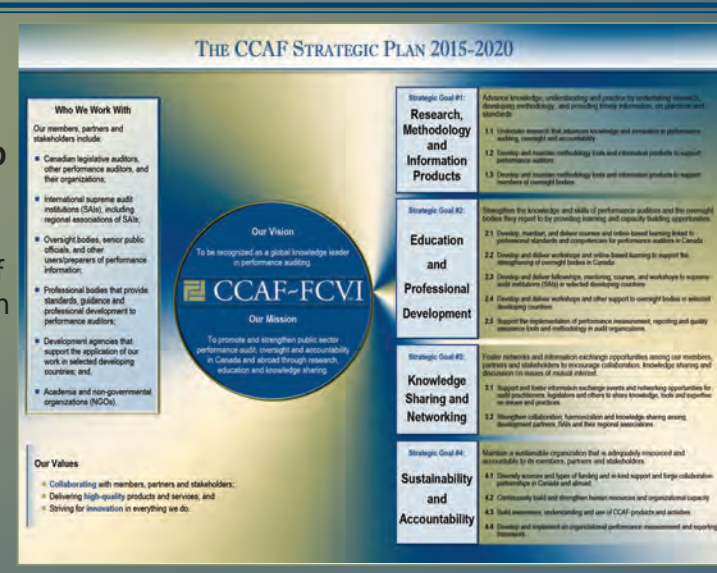


From left to right – Nicole Wiczorek, Vice-President, Operations & CFO, John Reed, Vice-President, Performance Audit & Oversight (2015), Award recipient Brianna Paterson-Sonnenburg, and Paul Lohnes, President & CEO

Ronald C. Thompson
Former Chair CCAF's Board of Governors

CCAF Launches New Strategic Plan and Celebrates 35 Years of Knowledge Leadership

CCAF celebrated a significant milestone in February 2015 – 35 years of operations! The organization is beginning the next five years with a new strategic plan to take it to 2020. You can read more about the strategic plan and some of CCAF's past history and successes [here](#).



CCAF Members Approve New Articles and By-laws

CCAF's members approved new Articles and By-laws at a special members' meeting held on July 8, 2014.

Led by a working group of management and board members, we worked to review our existing charter documents and develop new ones as part of CCAF's transition under the new *Canada Not-for-profit Corporations Act*. The Act required all federally incorporated not-for-profits to complete the transition by October 17, 2014, and CCAF received its Certificate of Continuance effective September 9, 2014.

[The new Articles and By-laws can be accessed on CCAF's website.](#)



The CCAF Team

Back Row:

Caroline Jorgensen, James Oulton, Barbara Dumont, Pierre Fréchette, Julien Raynaud

Middle Row:

John Reed, Paul Lohnes, Nicole Wiczorek, Enza Santalucia, Yves Gauthier

Front Row:

Lynne Casiple, Eveline Callupe, Carine Turay, Kate Gertz



[Meet our Associates](#)

SG #4 - TOTAL EXPENSES	YEAR ENDING MARCH 31, 2015	YEAR ENDING MARCH 31, 2014
CORPORATE MANAGEMENT	\$334,908	\$331,211

STRATEGIC GOAL #1:
Research, Methodology and Information Products

Advance knowledge, understanding and practice by undertaking research, developing methodology, and providing timely information, on practices and standards.

TARGET DELIVERABLES FOR 2015-16

1.1Undertake research that advances knowledge and innovation in performance auditing, oversight and accountability.	1.2Develop and maintain methodology tools and information products to support performance auditors.	1.3Develop and maintain methodology tools and information products to support members of oversight bodies.
<ul style="list-style-type: none">✦ Undertake consultation with CCAF members, academia and other stakeholders to determine potential research topics for multi-year research program.✦ Release two discussion papers:<ul style="list-style-type: none">• Auditing P3s;• Topic TBD.	<ul style="list-style-type: none">✦ Release Practice Guides #3 & 4:<ul style="list-style-type: none">• #3 - Performance Auditing and Gender Equality• #4 – Topic TBD.✦ Release Focus On Editions #4 & 5 – Topics TBD.✦ Update CCAF Audit News bi-monthly.✦ Issue four Audit News Bulletins.✦ Expand Audit News to additional PA communities that are CCAF members.	<ul style="list-style-type: none">✦ Develop and enhance website for public accounts committee (PAC) information products.✦ Publish revised Attributes of an Effective Public Accounts Committee.✦ Re-evaluate existing suite of PAC information products.

STRATEGIC GOAL #2:
Education and Professional Development

Strengthen the knowledge and skills of performance auditors and the oversight bodies they report to by providing learning and capacity building opportunities.

TARGET DELIVERABLES FOR 2015-16

2.1Develop, maintain, and deliver courses and online-based learning linked to professional standards and competencies for performance auditors in Canada.	2.2Develop and deliver workshops and online-based learning to support the strengthening of oversight bodies in Canada.	2.3Develop and deliver fellowships, mentoring, courses, and workshops to supreme audit institutions (SAIs) in selected developing countries.	2.4Develop and deliver workshops and other support to oversight bodies in selected developing countries.	2.5Support the implementation of performance measurement, reporting and quality assurance tools and methodology in audit organizations.
<ul style="list-style-type: none">✦ Renew CCAF Report Writing course.✦ Deliver performance audit courses, based on demand (target 8 offerings).✦ Develop one new training module based on needs assessment.✦ Develop and roll-out e-learning on a performance audit topic TBD.	<ul style="list-style-type: none">✦ Conduct an education and training needs assessment for Canadian PACs.✦ Formalize existing PAC workshops into comprehensive curriculum of online and in-person learning.✦ Review and renew existing PAC workshops.✦ Deliver PAC workshops based on demand from PACs and CCOLA offices (target 4 offerings).✦ Assess need and demand for CCAF to provide education for oversight bodies in the municipal audit community and public sector audit committees.	<ul style="list-style-type: none">✦ Complete delivery of 2014-15 Fellowships to four auditors – to be completed May 2015.✦ Commence 2015-16 Fellowships for eight auditors.<ul style="list-style-type: none">• Cameroon (2)• Ghana (2)• Tanzania (2)• Vietnam (2)✦ Follow up on environmental auditing training course delivered in Ghana in March 2015 through determination and support of audit projects, with involvement of participants from Ghana, Tanzania and Cameroon.✦ Deliver module 2 and 3 of performance audit workshop in Tanzania, with focus on extractive industries with participants from Tanzania, Cameroon and Ghana.✦ Follow up on pilot performance audit course delivered in Vietnam in 2014 . Develop course sessions at an intermediate level.	<ul style="list-style-type: none">✦ Deliver orientation workshop for newly elected PAC members in Tanzania and follow up with Ghana on previous training.✦ Follow up on study tour plan and deliver training for members of the National Assembly of Vietnam Budget and Finance Committee.✦ Continue support in the development of stakeholder relations and communications strategy in Cameroon. Ghana and Tanzania.	<ul style="list-style-type: none">✦ Support training and implementation of the INTOSAI PMF in SAIs in Cameroon, Ghana, Tanzania and Vietnam and the integration of performance measurement in SAIs’ annual reports.✦ Follow up on the quality reviews conducted in 2014 in Ghana and Tanzania.✦ Provide training to Fellows on the INTOSAI PMF in support of expanding knowledge about the tool at their SAI.

STRATEGIC GOAL #3:
Knowledge Sharing and Networking

Foster networks and information exchange opportunities among our members, partners and stakeholders to encourage collaboration, knowledge sharing and discussion on issues of mutual interest.

TARGET DELIVERABLES FOR 2015-16

3.1Support and foster information exchange events and networking opportunities for audit practitioners, legislators and others to share knowledge, tools and expertise on issues and practices.	3.2Strengthen collaboration, harmonization and knowledge sharing among development partners, SAIs and their regional associations.
<ul style="list-style-type: none">✦ Support planning and delivery of annual CCOLA Performance Audit Symposium.✦ Support planning and delivery of CCPAC-CCOLA Annual Conferences.✦ Plan and convene 2nd National Municipal Auditors Forum.✦ Plan events / initiatives to recognize CCAF’s 35th anniversary.✦ Continue Ronald C. Thompson Memorial Scholarship Award.	<ul style="list-style-type: none">✦ Participate in the annual planning meetings of regional SAI association (AFROSAI-E, CREFIAF, ASEANSAI) and follow up on identified joint opportunities.✦ Improve knowledge and skills in strategic domains such as Performance Measurement Framework and Quality Control through collaboration with INTOSAI & IDI, and AFROSAI-E.✦ Pursue joint initiatives with the OAGs of Norway, Sweden and the Netherlands in domains such as audit of extractive industries and communications strategy with stakeholders.✦ Support partner SAIs’ participation in regional and international activities.

STRATEGIC GOAL #4:
Sustainability and Accountability

Maintain a sustainable organization that is adequately resourced and accountable to its members, partners and stakeholders.

TARGET DELIVERABLES FOR 2015-16

4.1Diversify sources and types of funding and in-kind support and forge collaborative partnerships in Canada and abroad.	4.2Continuously build and strengthen human resources and organizational capacity.	4.3Build awareness, understanding and use of CCAF products and activities.	4.4Develop and implement an organizational performance measurement and reporting framework.
<ul style="list-style-type: none">✦ Establish membership and funding agreements and/or MOUs with key stakeholder groups and monitor agreements in place.✦ Seek and foster partnership opportunities with academic and other institutions to support multi-year research program.✦ Seek opportunities to develop new multi-year international program.	<ul style="list-style-type: none">✦ Implement HR plan as per new strategic plan, including staff training, assessment, advancement and succession planning.✦ Undertake recruitment drive for new CCAF Associates.✦ Identify and secure in-kind resources as required to carry out CCAF programs.	<ul style="list-style-type: none">✦ Implement corporate-wide communications and marketing strategy.✦ Redesign CCAF website to align with new strategic plan and communications and marketing strategy.✦ Build stakeholder relations strategy to promote CCAF products and activities.	<ul style="list-style-type: none">✦ Implement new performance measurement framework aligned with new strategic plan.✦ Redesign and deliver annual report to members and align with new PMF.✦ Prepare and deliver 3 Board meetings and Board committee meetings, as required.

MANAGEMENT REPORT ON FINANCIAL STATEMENTS 2015



Our Vision ...

To be recognized as a global knowledge leader in performance auditing.

Our Mission ...

To promote and strengthen public sector performance audit, oversight and accountability in Canada and abroad through research, education and knowledge sharing.

CCAF-FCVI's financial statements for the year ended March 31, 2015, together with the independent auditor's report thereon, are presented in this annual report.

The purpose of this Management Report is to comment 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.

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

The external auditor, Collins Barrow Ottawa LLP, has reported to the AFC that there were no internal control matters to be brought to its attention, and has provided an unqualified audit opinion on CCAF'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) and audited by Collins Barrow in accordance with Canadian generally accepted auditing standards.

FUNDING AND REVENUE

As a member-based organization, our focus continues to be on increasing value for money to the members who provide the majority of our annual funding, while continuously looking for ways to leverage our work out to other communities, that also provide funding to CCAF. As a non-profit organization that relies primarily on membership funding, in addition to grants and contributions, we are fortunate to have had, over the past 35 years, a stable and consistent funding base provided by our institutional members and partners, in particular from Canada's federal and provincial legislative audit community, as well as from the Department of Foreign Affairs, Trade and Development (DFATD).

In addition to the above-noted sources of funding, we also benefit significantly from substantial in-kind support provided by the legislative audit community and others, particularly in supporting the international program.

Over the past two years, CCAF has been able to increase its programming due to additional contributions of human resources donated by the Office of the Auditor General of Canada, provided on an in kind basis.

CCAF Revenue sources remained relatively stable over the year, with a slight decrease of 3.4% overall over the previous year, including a decrease in performance audit education revenue, for which demand is cyclical.

CCAF's current international program provides \$8.8 million in contributions from DFATD over the period 2012-2017. This was the 35th year in which CCAF, with its Canadian legislative audit and other partners, delivered a DFTAD-funded program. The current program focuses on four countries, Ghana, Tanzania, Cameroon and Vietnam, and their regions. Now into the third year of the program, management is beginning to look forward towards the development of a new program agreement so that we can continue to build on the successes of the programming delivered thus far. Revenue from international program funds, which includes a contribution to General expenses, saw a slight decrease of 2.0%.

EXPENSES

Managing the CCAF's resources in a prudent way, while still delivering on programs and services of value to members is important to CCAF management. As a result of the slight revenue decreases, management reviewed its expenditures during the course of the year and achieved a 4.0% decrease to reflect the reductions in revenue for the year. We did this by a combination of expenditure efficiency as well as a deferral of a small number of activities. Members still received the excellent products and services as described in this annual report, including the release of our second methodology guide on Auditing Oversight.

NET ASSETS POSITION

Every organization faces risks and challenges that could impact its financial position over time. Prudent fiscal management of CCAF resources is an important part of ensuring that CCAF has adequate resources in place to protect against unanticipated fiscal challenges that may arise in the future.

CCAF Net assets position increased to \$734,015 as at March 31, 2015. Over the past year, the Board of Directors and Management have undertaken a review of CCAF's Net Assets Reserve Policy to ensure that CCAF has adequate coverage for potential financial risks, but also importantly address the question of future investment in the organizations growth and sustainability. This review is particularly timely given the Board's approval of the new CCAF strategic plan in February 2015, and towards establishing appropriate budgetary oversight in order to manage these important future investments into new programs and services that will bring value to CCAF members.

LOOKING FORWARD

We continue to operate with prudence, recognizing the current economic and fiscal environment where public sector organizations are being asked to do more with less and we look forward to working with our Board, our members and other stakeholders as we embark on the next five years with a renewed strategic plan, mission and vision for the future.

NICOLE WIECZOREK
Vice-President, Operations &
Chief Financial Officer



Financial Statements

For the year ended March 31, 2015

CCAF-FCVI Inc.
Financial Statements
For the year ended March 31, 2015

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Independent Auditor's Report

To the Members of CCAF-FCVI Inc.

We have audited the accompanying financial statements of CCAF-FCVI Inc., which comprise the statement of financial position as at March 31, 2015, the statement of operations and changes in net assets, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to an entity's preparation 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.

Collins Barrow Ottawa LLP
Chartered Professional Accountants
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K2H 9C4 Canada

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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, 2015, 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.

Restated Corresponding Information

We also audited the change in accounting policy described in Note 7 to the financial statements that was applied to restate the corresponding information for the year ended March 31, 2014. In our opinion, the adjustment has been properly applied.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
July 7, 2015
Ottawa, Ontario

CCAF-FCVI Inc.
Statement of Financial Position

March 31 2015 2014

Assets

Current

Cash (Note 1)	\$ 912,483	\$ 1,220,285
Accounts receivable	36,096	55,271
Government remittances receivable	39,377	42,289
Accrued international program funds (Note 4)	5,497	-
Prepaid expenses	33,469	33,805

	1,026,922	1,351,650
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Tangible capital assets (Note 2)	-	11,199
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	\$ 1,026,922	\$ 1,362,849
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 292,907	\$ 439,136
Deferred revenue (Note 3)	-	35,396
Unexpended international program funds (Note 4)	-	185,609

	292,907	660,141
--	---------	---------

Net assets

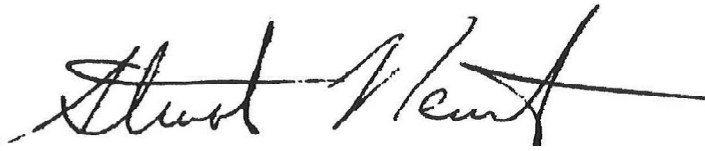
Unrestricted	734,015	702,708
--------------	---------	---------

	\$ 1,026,922	\$ 1,362,849
--	--------------	--------------

On Behalf of the Board of Directors:



Director



Director

CCAF-FCVI Inc.

Statement of Operations and Changes in Net Assets

For the year ended March 31	2015	2014
Revenue		
Membership fees and contributions (Note 7)	\$ 1,226,297	\$ 1,283,958
International program funds (Note 4)	1,934,945	1,975,366
Performance audit education	93,038	106,038
Interest	8,554	12,237
	<u>3,262,834</u>	<u>3,377,599</u>
Total revenue	3,262,834	3,377,599
Direct program expenses (Note 5)		
Performance audit programs and services (Note 7)	569,773	615,611
Performance audit education	58,778	90,989
Oversight programs and services	165,123	172,949
International program	1,794,983	1,840,037
	<u>2,588,657</u>	<u>2,719,586</u>
General expenses (Note 5)		
Corporate management	334,908	331,211
Operations and other support	296,763	304,483
Amortization of tangible capital assets	11,199	11,198
	<u>642,870</u>	<u>646,892</u>
Total expenses	3,231,527	3,366,478
Excess of revenue over expenses for the year	31,307	11,121
Net assets , beginning of year	<u>702,708</u>	<u>691,587</u>
Net assets , end of year	\$ 734,015	\$ 702,708

CCAF-FCVI Inc.
Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from (used in) operating activities		
Excess of revenue over expenses for the year	\$ 31,307	\$ 11,121
Item not affecting cash:		
Amortization of tangible capital assets	<u>11,199</u>	11,198
	42,506	22,319
Changes in non-cash working capital balances:		
Accounts receivable	19,175	(26,451)
Government remittances receivable	2,912	(6,127)
Accrued international program funds	(5,497)	-
International program funds receivable	-	381,602
Prepaid expenses	336	(17,508)
Accounts payable and accrued liabilities	(146,229)	159,326
Deferred revenue	(35,396)	(7,888)
Unexpended international program funds	<u>(185,609)</u>	63,176
Increase (decrease) in cash during the year	(307,802)	568,449
Cash, beginning of year	<u>1,220,285</u>	651,836
Cash, end of year	\$ 912,483	\$ 1,220,285

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2015

**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 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 the Department of Foreign Affairs, Trade and Development Canada ("DFATD"), formerly the Canadian International Development Agency ("CIDA"), as set out in Note 4 to these financial statements. In addition, the Foundation derives approximately 52% 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 date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the 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

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2015

Use of Estimates
(continued)

accrued liabilities; estimating the salaries and benefits allocated to various operational areas; estimating the amount of contributions earned, receivable, accrued and deferred under the Foundation's contribution and other funding agreements; and estimating contributions in kind recognized in the financial statements.

Financial Instruments

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

Measurement of financial instruments

The Foundation initially measures its financial assets and financial 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 accrued international program funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and unexpended international program funds. The Foundation has no financial assets or financial liabilities 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, 2015

Revenue Recognition

The Foundation follows 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 assured.

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

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

Performance audit education revenue is recognized in the year in which the goods and services are rendered or sold.

Contributions In Kind

In accordance with Canadian Accounting Standards for Not-for-Profit Organizations, an organization may choose to recognize in kind contributions of services but should do so only when the fair value can be reasonably estimated, and when the services are used in the normal course of the organization's operations and would otherwise have been purchased. 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 in certain instances their fair value and completeness are not reasonably determinable. Certain of these contributed services are volunteer services which would not otherwise be purchased by the Foundation so they are not recognized in the financial statements. Other in kind contributions of services would however be otherwise purchased by the Foundation if they had not been contributed, and their fair value and completeness are reasonably determinable such that they are recognized in the financial statements. The benefit of the contribution is included in revenue and there is an offsetting expense with no resulting impact on the Foundation's net results of operations.

Capital Assets

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 at the time of acquisition.

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.

CCAF-FCVI Inc.

Summary of Significant Accounting Policies

March 31, 2015

Capital Assets
(continued)

Intangible assets, being computer software, are expensed in the year of acquisition.

Development Costs

The Foundation develops educational products and research publications for the purposes outlined in 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.

Allocation of Expenses

The Foundation's expenses are presented in the statement of operations and changes in net assets on a functional basis. Expenses attributed to a particular function are directly related to the output of that functional category and are therefore not considered indirect allocated expenses. The Foundation does not allocate its general expenses, consisting of corporate management, and operations and other expenses, to other functional expense categories.

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2015

1. Cash

The Foundation's cash is held in two accounts at one Canadian chartered bank, the majority of which is held in a corporate investment account that earns a variable rate of interest based on a tiered arrangement. As at March 31, 2015, the corporate investment account had a balance of \$777,558 (2014 - \$1,019,167) and was earning an approximate average rate of interest of 1% (2014 - approximate average rate of interest of 1%). The other bank account is a business cash account that earns interest at a nominal variable rate, if any, at the lesser of 0.35% and the bank's prime rate less 3% (2014 - lesser of 0.35% and the bank's prime rate less 3%). Cash earning nominal interest, if any, as at March 31, 2015 totals \$134,925 (2014 - \$201,118).

2. Tangible Capital Assets

	2015			2014		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture, office equipment and leasehold improvements	\$ 33,358	\$ 33,358	\$ -	\$ 33,358	\$ 22,159	\$ 11,199

3. Deferred Revenue

Deferred revenue consists of membership fees and contributions related to subsequent years as summarized below.

	2015		2014	
Membership fees	\$ -	\$	15,667	
Contributions	-	\$	19,729	
	\$ -	\$	35,396	

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2015

4. 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 Department of Foreign Affairs, Trade and Development Canada ("DFATD"), formerly 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. DFATD pays direct costs associated with the program and makes a contribution to the Foundation's general expenses. The current agreement with DFATD was effective August 29, 2012, and provides program funding of \$8,800,000 over the period ending on December 31, 2017. The total funding under the agreement yet to be potentially recognized as revenue as at March 31, 2015 is \$4,082,522 (2014 - \$6,017,467).

The flow of the program funds is as follows:

	<u>2015</u>	<u>2014</u>
Unexpended program funds, beginning of year	\$ 185,609	\$ 122,433
Advances from DFATD	<u>1,743,839</u>	<u>2,038,542</u>
	1,929,448	2,160,975
Revenue recognized representing expenses for the year including contributions to general expenses	<u>1,934,945</u>	1,975,366
Unexpended (accrued) program funds, end of year	<u>\$ (5,497)</u>	<u>\$ 185,609</u>

CCAF-FCVI Inc.
Notes to Financial Statements

March 31, 2015

5. Salaries and Benefits

The total amount of salaries and benefits for the 2015 fiscal year is \$1,384,394 (2014 - \$1,288,720). Salaries and benefits are allocated to various operational areas based on management's estimate of resource utilization as outlined in the following table.

	2015	2014
Performance audit programs and services	\$ 314,096	\$ 294,823
Performance audit education	3,082	2,580
Oversight programs and services	120,069	103,436
International program	572,352	547,096
Corporate management	248,108	210,493
Operations and other support	126,687	130,292
	\$ 1,384,394	\$ 1,288,720

For the 2015 fiscal year the Foundation revised the allocation basis used. Therefore, in certain instances the 2014 corresponding amounts have been reclassified to use the revised allocation basis.

6. Commitments

The Foundation's lease agreement for its office premises expires on February 28, 2016 and the 2016 fiscal year commitment is \$83,662.

The Foundation also has residential leases as part of its international program. Multiple leases are on a month-to-month basis and one lease expires on May 31, 2015 after which it will also continue on a month-to-month basis. Subsequent to March 31, 2015, five leases have been negotiated that will start in September 2015 and will expire on May 31, 2016. The commitment for the 2016 fiscal year is \$58,100 and for the 2017 fiscal year it is \$16,600 for these residential leases.

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7. Contributions In Kind

Commencing in the 2015 fiscal year, the Foundation changed its accounting policy with respect to the recognition of certain in kind contributions of services received. As permitted under Canadian Accounting Standards for Not-for-Profit Organizations as an accounting policy choice, these in kind contributions relate to services that, in the normal course of operations, would otherwise be purchased and for which the fair value and completeness is reasonably determinable. The Foundation has adopted this new accounting policy to better reflect the breadth of its results of operations, and to increase transparency. The change in accounting policy has been applied on a retroactive basis and the 2014 corresponding amounts presented in these financial statements have been restated.

In kind contributions of services recognized in the financial statements total \$170,466 (2014 - \$170,466) and are included in membership fees and contributions revenue, and performance audit programs and services expense, resulting in no net impact in the Foundation's net results of operations.

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, 2015.

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.

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, and accrued international program funds set out in Note 4 to these financial statements. Although not considered a significant risk, credit risk also exists in relation to the Foundation's cash balances. The cash balances are set out in Note 1 to these financial statements.

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.

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8. Financial Instruments Risks and Concentrations (continued)

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 would be 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 floating-rate financial instruments being its cash balances, as set out in Note 1 to these financial statements, which would subject the Foundation to a cash flow risk.

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.

Changes in risks

There have been no significant changes in the Foundation's risk exposures from its 2014 fiscal year.
