

APPENDIX C

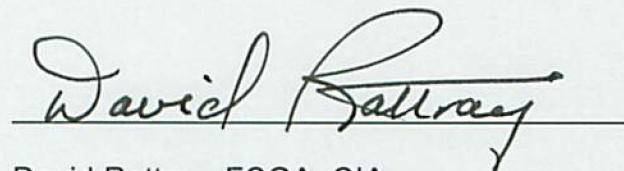
Independent Validation Statement

I, David Rattray, FCGA, CIA, an Associate Partner with the Centre for Public Management Inc., Ottawa, Ontario, was engaged to conduct an independent validation of Canada Revenue Agency's (CRA) Internal Audit Division's self-assessment process and report. The primary objective of the validation was to verify the assertions made in the attached self-assessment report, concerning adequate fulfillment of the Agency's basic expectations of the internal audit activity and its conformity to The Institute of Internal Auditor's (IIA) Standards for the Professional Practice of Internal Auditing (Standards). Other matters that might have been covered in the requirements for a full independent assessment, such as an in-depth analysis of best practices, governance, consulting services, and use of advanced technology, were excluded (as per IIA practice) from the scope of this independent validation by agreement with the Director General Audit and Evaluation (CAE).

In acting as validator, in a capacity independent of the organization, I have the necessary knowledge and skills to undertake this engagement. The validation, conducted during the period May and June, 2006 consisted primarily of a review and testing of the procedures and results of the internal audit self-assessment. In addition, I reviewed CRA supplied documentation, conducted audit working paper file reviews, carried out internal audit staff focus groups and conducted structured interviews with the Commissioner, the Chief Financial Officer and Assistant Commissioner of F&A, the Assistant Commissioner Atlantic, the Director General Audit and Evaluation (CAE) as well as the past and current Board of Management Audit Committee Chairs.

Any observations or recommendations which I have made as a result of this validation assignment have been discussed with the Chief Audit Executive and the CRA Self Assessment Team and have been incorporated into the attached Self-Assessment Report.

I concur fully with CRA Internal Audit's conclusions in the self-assessment report attached.



David Rattray, FCGA, CIA
Independent Validator
Centre for Public Management Inc.



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