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2015-2016 Departmental Audit Committee Annual Report

August 2016



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August 10, 2016

Graham Flack
Deputy Minister
Canadian Heritage

Dear Deputy Minister,

As Chair of the Departmental Audit Committee, I am pleased to submit to you our Annual Report for the 2015-2016 fiscal year.

All current members of the Departmental Audit Committee participated in its preparation.

The Report provides the Departmental Audit Committee's assessments of the Department's performance in our core areas of focus, including governance, risk management and internal controls. These are based on our activities (summarized as required) over the past year. For ease of reference, the "Highlights and Key Conclusions from 2015-2016" are set out right at the beginning of our Report.

I would also draw your attention to the section "Looking Ahead" at the end of the Report. It sets out a number of themes and subjects of interest that the Committee intends to pursue in the 2016-2017 fiscal year.

As you know, 2015-2016 was a year of transition in two respects.

First, we were pleased to welcome a new Chief Audit Executive in the person of Natalie Lalonde who has already impressed us with her professionalism and fresh approach. We look forward to working with her.

Second, concerning the Departmental Audit Committee itself, Robert Martin's second term came to an end, and two new members were added: Morina Rennie and Norman Turnbull. I would like to acknowledge Mr. Martin's valuable contributions in the 8 years he was on the Departmental Audit Committee. Morina and Norman both bring superior insight and contrasting backgrounds, one academic and one business that will serve you well. They also continue the excellent practice of having two of three members from outside Ottawa, in this case one from Quebec and one from Western Canada (Saskatchewan).

Despite the predictable short-term impacts such changes can have, Committee members believe we were able to meet our responsibilities as mandated and support you and the Department effectively.

Throughout the year we have appreciated the professionalism, commitment and competence that Canadian Heritage staff have displayed at all levels in their interactions with us.

The Committee looks forward to working with you as Deputy Minister in the year ahead, providing you with independent and objective advice and responding to any specific request you may have. We are particularly open to exploring innovative and fresh approaches to the audit function, to the tolerance and management of risk, and to any other management matters on which you might seek our advice.

Sincerely,

Original signed by:

Leonard Edwards, Departmental Audit Committee Chair

Cc: Associate Deputy Minister
Chief Financial Officer
Chief Audit Executive
Audit Committee Members

Original signed by:

I acknowledge receipt: _____

Graham Flack

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1.0 Introduction

This document is the eighth annual Departmental Audit Committee Report to the Deputy Minister of Canadian Heritage.

It conforms to the requirements set out by Treasury Board in its 2012 *Directive on Internal Auditing in the Government of Canada*, and the most recent version of the *Guidebook for a Departmental Audit Committee* issued by the Office of the Comptroller General of Canada in November 2015.

2.0 Highlights and key conclusions from 2015-16

For ease of reference, the main highlights and developments during the 2015-16 reporting period, followed by the Departmental Audit Committee's key conclusions in its core areas of responsibility, are set out below.

2.1 Highlights of the year:

- The approval of the 2015-2018 *Departmental Risk Profile*;
- A significant review of the policy and approaches applying to recipient audits;
- Regular briefings on the Canada 150 program, the Department's highest profile deliverable through to the end of 2017;
- Briefings and discussions around the promotion of an innovative and transformative work culture in Canadian Heritage;
- Introduction to the new "Deliverology" (Delivery and Results Framework) approach being taken by the new federal government
- Continuing progress with the Canadian Heritage Grants and Contributions Modernization Project, a leading-edge innovation in government;
- Consideration of 6 audit engagements plus one consulting engagement, and the approval of the 2016-2017 to 2018-2019 Risk Based Audit Plan;
- The appointment and arrival of a new Chief Audit Executive;
- Changeovers in Departmental Audit Committee membership affecting 2 of the 3 positions, and
- Substantive sessions with officers from the Office of the Auditor General, PSC and the Commissioner of the Environment (but regrettably no session with the Office of the Comptroller General).

2.2 Key departmental audit committee conclusions

- Canadian Heritage is well grounded in a strong ethics and values-driven working environment;
- The Department continues to improve its understanding, tracking, and management of risk; the 2015-2018 *Departmental Risk Profile* gives ministers and senior management a more assured platform for engaging in innovative policy and program development;
- The monitoring and assessment work being carried out in the area of *Internal Control* over Financial Reporting is rigorous and identified problems are quickly corrected;
- While we have not identified any specific problems, the Departmental Audit Committee does not have a full picture of the range and effectiveness of non-financial internal controls across programs needed to provide appropriate assurances to the Deputy Minister;

- Based on the review of the recipient audit strategy undertaken over the past year, the Department is commendably moving towards establishing a more rigorous, independent, risk-based and annually funded approach.
- As regards to internal audit, under the leadership of the newly appointed Chief Audit Executive there has already been an improvement in the quality of audits and reports and a readiness to look innovatively at how the audit process can be adapted to meet modern management objectives around risk tolerance and innovative outcomes.
- Canadian Heritage continues to have strength in the area of *governance*—beginning with effective systems and benefiting from a forward leaning leadership and tone at the top.
- Accountability reporting in Canadian Heritage, such as through the *Report on Plans and Priorities* and Departmental Performance Report exercises, continues to be challenged by the frequent difficulty of finding meaningful and measurable Performance Indicators; the implementation of the new “Deliverology” Framework should be helpful in this regard.

3.0 Committee operations

3.1 Departmental audit committee meetings

During the 2015-2016 fiscal year, the committee held three two-day on-site meetings, down from four two-day meetings in the previous year:

- June 11-12, 2015;
- November 26-27, 2015;
- March 10-11, 2016.

There were, in addition, four teleconference meetings:

- August 19, 2015: To review, discuss and comment on the Canadian Heritage Financial Statements;
- September 4, 2015: To review, discuss and comment on the draft Departmental Performance Report;
- January 14, 2016: To review, discuss and comment on the draft Report on Plans and Priorities;
- January 20, 2016: To review, discuss and comment on the key activities to develop the 2016-2019 Risk-Based Audit Plan and review and recommend for approval the Real Property and Accommodations and the Procurement and Contracting Operations Audits.

Ahead of each Departmental Audit Committee on-site meeting, short teleconference meetings were held to provide contextual background to the main audit reports to be considered and to review the agenda and other items.

The committee also met on June 10, 2015 to prepare the 2014-2015 *Departmental Audit Committee Annual Report*.

3.2 Changes in departmental audit committee membership

This fiscal year saw the first significant changeover in the Departmental Audit Committee membership since 2008. Morina Rennie was a member for the full fiscal year while Norman Turnbull joined the Departmental Audit Committee in November 2015, with some overlap with his predecessor, Robert Martin whose term ended in January 2016.

As part of their orientation program, Dr. Rennie and Mr. Turnbull received background materials and, on March 9, 2016, participated in a day of briefings. This included meetings with the department's Assistant Deputy Ministers and their key team members to discuss and better understand their responsibilities and operations.

3.3 Annual work plan

The Committee successfully completed all elements of the 2015-2016 work plan covering all core areas of responsibility.

Although the November 2015 Departmental Audit Committee Guidebook gives Departmental Audit Committees the option of covering these key areas over a two year period, the Departmental Audit Committee continued with its original work plan in fiscal 2015-2016. The Departmental Audit Committee proposed the same approach in its 2016-2017 work plan at the March 2016 Departmental Audit Committee meeting. This will give the two new members of the Departmental Audit Committee another year of in-depth exposure to all core areas of responsibility.

3.4 Departmental audit committee core areas of responsibility

The Treasury Board *Directive on Internal Auditing in the Government of Canada* outlines eight areas of responsibility for the Departmental Audit Committee and we report on each of these areas in the next section:

- Values and ethics;
- Risk management;
- Management control framework;
- Internal audit function;
- External assurance providers;
- Follow-up on management action plans;
- Financial statements and Public Accounts reporting; and
- Accountability reporting.

4.0 Committee assessments and opinions

4.1 Values and ethics

Based on our observation and experience, we believe that, on the whole, Canadian Heritage is well grounded in a strong ethical and values-driven working environment, which provides management with confidence that employees can be empowered to manage more risk, thereby allowing more room for innovation in policies, programs, and practices.

In November 2015, we met with the new Canadian Heritage Ombudsman, Janet Campbell, who presented her Annual Report for 2014-2015 entitled *Organizational Well Being: A Shared Responsibility*.

The report provides much useful content for senior management. The report indicates that “87% of Canadian Heritage employees know where to go when facing an ethical dilemma or conflict between values in the workplace¹.” We see this as a departmental strength.

On the challenging side, the Departmental Audit Committee notes that the implementation of the Performance management system continues to cause stress and concerns among both employees and managers in Canadian Heritage. This situation will require ongoing attention by the executive group as the system moves into year 3.

Finally, we would agree with the Ombudsman that “Change and Workload” are stressors for many, and welcome the creation of the Chief Transformation Officer position. Since the Ombudsman’s report was written, a new federal government has brought further change that, while exciting and energizing, can add to stress if not innovatively and proactively managed.

While the annual sessions with the Ombudsman are very helpful and informative, we believe that the Departmental Audit Committee would be able to better perform its responsibilities in the area of values and ethics if we were also provided with information to help us evaluate compliance with laws, regulations, policies, and standards of ethical conduct.

4.2 Risk management

The Departmental Audit Committee believes that the Department continues to improve its understanding, tracking, and management of risk.

Building on the progress noted in our 2014-2015 Departmental Audit Committee Annual Report, the major development this year was the completion by the Department of the 2015-2018 Departmental Risk Profile. The Departmental Risk Profile was discussed at the June 2015 Departmental Audit Committee meeting.

¹ Canadian Heritage report – Organizational Well-Being : A shared Responsibility, Annual Report 2014-2015, Page 6

The Departmental Audit Committee commends the Department for this more in-depth and sensitive assessment of risk, highlighted by its matrix approach to identifying and measuring key risks, considering both impact and likelihood of occurrence.

The Departmental Risk Profile gives the government and senior management a more assured platform for engaging in innovative policy and program development. We note that the “risk that current Canadian Heritage policies and program design will not support the innovation and transformation challenges that will be faced by stakeholders...²” is seen as the most important risk to the Department.

At the November 2015 Departmental Audit Committee meeting, the Committee was pleased to see how: (1) information and training sessions were being used to raise awareness and engagement of departmental staff with respect to risk management; and (2) the Integrated Business Planning process was reinforcing best practices and improving the monitoring and mitigation of risks.

4.3 Management control framework

The Committee continues to be satisfied with the monitoring work being carried out in the area of Internal Control over Financial Reporting and that this work provides senior management with good assurances as to the quality of internal controls. The assessments are rigorous and identified problems are quickly corrected.

In June 2015, the Committee was presented with the 2015-2016 Internal Control Annual Plan and the March 2015 Internal Control over Financial Reporting Framework, as well as the Internal Control over Financial Reporting Monitoring Assessment Report: Athlete Assistance Program. In March 2016, the Departmental Audit Committee reviewed KPMG’s Assessment of IT Application Controls in Support of Financial Statements. We note that the changing landscape around financial systems and related support structures makes it difficult to carry out the annual assessment plans as initially articulated. We note, very favorably, that the 2015-2016 Treasury Board Secretariat *Management Accountability Framework* Assessment results included as a notable practice, the work conducted by Canadian Heritage as it relates to Internal Control over Financial Reporting.

However, as we noted in the previous two years, given our mandate, we would like increased assurances that internal controls that go beyond financial reporting are well documented and effectively implemented. Conclusions from internal audits completed in 2015-2016 provide some assurances that progress has been made, but also indicate several opportunities for improvement (see 2015-2016 *Chief Audit Executive Annual Report*). We remain concerned that we do not have a full and accurate picture of the range and effectiveness of non-financial internal controls across programs in such a manner as to provide appropriate assurance to the Deputy Minister.

² Canadian Heritage Departmental Risk Profile 2015-2016, page 5

Recipient audits

The Departmental Audit Committee welcomes the review that has been undertaken over the past year by the Chief Financial Officer (who has oversight of this activity) towards a more rigorous recipient audit strategy. The new strategy includes a more risk-based, independent selection process for audits.

The Departmental Audit Committee is pleased to note that in line with its observations in last year's Report, the Department is moving to scheduling recipient audits throughout the year rather than in the last two quarters. We observe that lessons learned from these audits have led to recommendations applying to recipients and to the Department.

4.4 Internal audit function

The 2015-2016 fiscal year has brought a number of changes to the Internal Audit function, led by the appointment of a new Chief Audit Executive, Natalie M. Lalonde in September 2015. Reporting directly to the Deputy Minister, Ms. Lalonde is bringing important new direction and leadership to the function, with an emphasis on quality and innovation.

Internal audit charter

At the November 2015 Departmental Audit Committee meeting, an updated Internal Audit Charter was recommended for approval. The Deputy Minister approved the new charter in January 2016.

Implementation of annual risk based audit plan

The Departmental Audit Committee approved minor adjustments to the Annual Plan at the November 2015 Departmental Audit Committee meeting.

The reports from six audit engagements were presented to the Committee during 2015-2016 and recommended for Deputy Minister approval:

- Integrated Business Planning Audit (June 2015);
- Grants and Contributions Modernization Audit: Post-Implementation Review of the Grants and Contributions Business Process Modernization Audit (June 2015);
- Real Property and Accommodations Audit (January 2016);
- Procurement and Contracting Operations Audit (January 2016);
- Capital Experience Assets Audit (March 2016); and
- Grants and Contributions Modernization Audit (March 2016).

One advisory/consulting engagement requested by the Deputy Minister was presented to the Committee during 2015-2016 and was discussed—Advisory/Consulting Engagement on Control Framework Federal Secretariat Canada 150 (November 2015).

The number of engagements completed has been relatively stable in the past few years.

The Committee has observed an improvement in the quality of reports over the 2015-2016 year. In addition to being clear and concise, reports correctly addressed audit objectives and were issued on a timely basis. Recommendations were relevant and practical, and management responses and action plans appear to have effectively attended to the problems and issues outlined in the reports.

At its March 2016 meeting, the Departmental Audit Committee was briefed on a Horizontal Audit of the Governance of Information Management, completed by the Office of the Comptroller General of Canada with the support of the Office of the Chief Audit Executive. This engagement was not included in the 2015-2016 Risk Based Audit Plan.

The 2016-2019 Risk Based Audit Plan was presented in March 2016. The Committee had requested detailed information on the methodology used for the development of the Risk Based Audit Plan which, upon review, was considered to be sound. The Committee recommended the Plan for approval by the Deputy Minister.

Capacity and performance

At each Departmental Audit Committee meeting, the Chief Audit Executive provides a brief overview of the status of the Office of the Chief Audit Executive's work plans and speaks to any risks affecting completion of projects.

The Chief Audit Executive also presented regular updates on human resources staffing and development. The Departmental Audit Committee had asked for a more comprehensive reporting mechanism on Internal Audit resources and is pleased with the current format of the report and greater transparency on this important issue.

Although recruitment and retention remain a challenge for the Government of Canada, the new Chief Audit Executive has made considerable progress in staffing permanent positions.

However, as we have noted in previous years, the Committee considers that the current proportion of auditors with professional designations is not sufficient. We note that the Chief Audit Executive is working to address this situation. In addition, she has, very commendably, introduced retreats and team-building exercises into the Office of the Chief Audit Executive schedule. The clarity of priorities and structures has improved.

The new Chief Audit Executive continued to make progress on the follow up to the recommendations from the five year *External Assessment (Practice Inspection) for the Internal Audit Function* (delivered in April 2014). The Departmental Audit Committee is pleased to hear that this work is expected to be completed in the fall of 2016.

4.5 External assurance providers

Throughout 2015-2016, the Committee was regularly briefed on the status of various external assurance providers' audit activity in the department. This year, there was activity from the Office of the Auditor General, the Commissioner of the Environment and Sustainable Development, the Public Service Commission, and the Office of the Comptroller General.

The Committee was provided with the opportunity to meet with representatives from the Office of the Auditor General who provided updates on the following topics:

- the change to the Office of the Auditor General management structure of the Canadian Heritage Portfolio along with past and future potential audits; and
- the development of the new Canadian Heritage strategic audit plan that is expected in early 2017.

In March 2016, the Office of the Auditor General representatives came to the Departmental Audit Committee meeting to formally present the results of an audit completed by the Commissioner of the Environment and Sustainable Development concerning Canadian Heritage's progress in implementing sustainable development strategies.

Also in March 2016, representatives from the Public Service Commission presented the results of the departmental audit on appointment activities and provided an overview of the PSC's new direction in staffing.

The Departmental Audit Committee was briefed at its March 2016 meeting on the draft results of the horizontal audit of Electronic Recordkeeping in Large and Small Departments, as it pertained to Canadian Heritage (conducted by the Office of the Comptroller General in collaboration with the Canadian Heritage Office of the Chief Audit Executive). We look forward to seeing the overall results when they are released by the Office of the Comptroller General.

Due to unforeseen scheduling complications on the part of the Office of the Comptroller General, we were not able to hold any sessions with representatives that Office. We believe that at least one meeting with the Office of the Comptroller General per year is essential and we look forward to an opportunity early in the upcoming fiscal year.

4.6 Follow-up on management action plans

The Committee was provided with an overview of the status of implementation of the audit management action plans at the November 2015 meeting. It is noted that as of March 31, 2016, 14 recommendations remain outstanding, as compared to 13 recommendations outstanding at March 31, 2015.

4.7 Financial statements and Public accounts reporting

On August 19, 2015 the Departmental Audit Committee discussed and recommended for Deputy Minister approval, the Canadian Heritage annual Financial Statements for fiscal 2014-2015. In addition the Departmental Audit Committee reviewed the Quarterly Financial Reports for Q1, Q2 and Q3 and recommended them for Deputy Minister approval.

4.8 Accountability reporting

On September 4, 2015, a teleconference was held to review the draft 2014-2015 *Departmental Performance Report*. Members provided several suggestions for improvement and expressed appreciation for the opportunity to review and provide input prior to the Deputy Minister's approval.

On January 14, 2016, a teleconference was held to review the draft 2016-2017 *Report on Plans and Priorities*. The Committee members commended the departmental officials on improvements to the quality of Section I: Organizational Expenditure Overview. However, Departmental Audit Committee members expressed strong concerns that some of the performance measures were of questionable value and/or lacked sufficient ambition.

At the March 2016 meeting, the Departmental Audit Committee was briefed on the new government-wide 'deliverology' initiative and Canadian Heritage's proposed approach. The Committee believes that this initiative is promising and could lead to improved approaches to performance measurement and accountability reporting.

Also, on March 2016, the Committee was provided with an update on the Management Accountability Framework Assessment process for 2015-2016 and an initial overview of the results. The Committee looks forward to receiving the final results early in the new fiscal year.

4.9 Governance

The Committee notes the continued strong performance of Canadian Heritage in the area of governance—the quality of management at multiple levels, the ongoing positive and forward looking leadership, and the tone at the top being key drivers.

During the course of reviewing internal audits, we observed that most of the audit reports' comments in this area were positive in nature. It is recognized that where areas for improvement were noted in an audit report, management responded with a corrective management action plan.

5.0 Departmental audit committee self-assessment

The Committee completed its annual self-assessment. In general, the results continue to be very positive. Members expressed interest in the following:

- Improved records of decision;
- Continue efforts to integrate the new Departmental Audit Committee members with additional background information; and
- Being of greater service to the Deputy Minister by way of providing advice outside the regular mandate.

6.0 Looking ahead

We look forward to continuing our work with the new Chief Audit Executive, Natalie M. Lalonde, as she further settles into this important assignment, builds her team, and brings her expertise and management approaches into play. We value the support and assistance we get from her and her staff in the execution of our responsibilities on the Departmental Audit Committee.

We look forward to being of ongoing assistance to the Deputy Minister and the Associate Deputy Minister in giving them the assurances and advice they might need as to the effective and proper functioning of the department's operations that fall into our areas of responsibility.

We note, with appreciation, their faithful attendance at our Departmental Audit Committee meetings.

We understand that the role of Departmental Audit Committees will continue to evolve around the core responsibilities in terms of the assistance they provide to Deputies and the Office of the Comptroller General. We look forward to responding to these changes and the demands they put on us.

In particular, we are ready to be of assistance in the Deputy Minister's efforts to develop further the innovation mindset and practice in Canadian Heritage, freeing employees to try new ideas and approaches to policy and administration.

More specifically as regards the innovation theme, we look forward to the following:

- Continued monitoring of the implementation of the Grants & Contributions Modernization Initiative;
- Being regularly updated on Innovation Fund projects;
- Discussing ways to make the audit process more efficient, while effectively managing risk;
- Following the "Going Digital" IM strategy and projects;
- Further understanding the new Delivery and Results Framework ("Deliverology") currently being incorporated into the departmental programming and policy work, including the performance measurement challenges;
- Sessions with the Department's Chief Transformation Officer; and
- Following the joint work to be carried out between the Evaluation and Audit functions on two engagements in 2016-2017.

In addition, we look forward to continuing the practice of background briefings on Departmental programs and activities as a regular feature of our Departmental Audit Committee meetings, particularly around:

- The Canada 150 Initiative, the Department's most important deliverable over the next 18 months; and
- Human resources planning and strategy.

APPENDIX A: Membership and operations of the committee

Background

The Committee is an essential part of the governance and audit requirements established by the Treasury Board of Canada's *Policy on Internal Audit*. The Committee's purpose is to provide objective advice and recommendations to the Deputy Minister regarding the sufficiency, quality and results of assurance on the adequacy and functioning of the Department's risk management, control and governance frameworks and processes. Using a risk-based approach, the committee reviews all core areas of departmental management, control and accountability processes, including reporting.

Management is responsible for establishing and maintaining internal controls over financial and material assets of the Department and for ensuring, through good governance and strategic direction, the achievement of the Department's mandate and objectives.

Committee membership

The Committee consists of three external members who were selected according to their competence, knowledge and experience. The Chair of the Committee is Leonard Edwards, and the current members are Morina Rennie (mandate start June 2015) and Norman Turnbull (mandate start November 2015). This year was a unique year in which the Committee consisted of four members for a brief transition period as the term of Robert Martin drew to a close (end of mandate January 2016).

At each meeting, Departmental Audit Committee members were invited to declare if they had any real or perceived conflict of interest. There were no conflicts of interest.

The Deputy Minister, the Associate Deputy Minister, the Chief Financial Officer and Chief Audit Executive attend all Departmental Audit Committee meetings. The Chair may request the attendance of other Departmental officials as required. The Committee regularly holds in-camera meetings with the Deputy Minister and Associate Deputy Minister, the Chief Financial Officer, the Chief Audit Executive, the Ombudsman, as well as the Office of the Comptroller General and the Office of the Auditor General representatives when they are in attendance.

Departmental audit committee terms of reference

The Canadian Heritage Departmental Audit Committee Terms of Reference provides guidance on the Committee's membership, operations, responsibilities and reporting requirements. The Departmental Audit Committee Terms of Reference were reviewed and updated during 2015-2016 with the final version tabled at the November 2015 meeting and approved by the Deputy Minister in January 2016.

Other committee business

The Committee reviews its work plan at every meeting. All Committee members participate in the writing of the Departmental Audit Committee annual report and the Committee tabled its annual report for 2014-2015 in November 2015.

The Committee Chair and the two current members attended the annual Departmental Audit Committee Symposium in November 2015. The Committee Chair also attended the Office of the Comptroller General's annual fall meeting of the Departmental Audit Committee chairs.

Office of the chief audit executive briefing sessions

At each meeting, the Chief Audit Executive provides the Departmental Audit Committee members with an overview of the Office of the Chief Audit Executive operations including, but not limited to:

- Risk-Based Audit Plan update;
- ATIP requests for internal audit;
- The Office of the Chief Audit Executive's resources, staffing and development information and update;
- Quality Assessment and Improvement Program; and
- Post-Audit Survey Results.

CFO information sessions

The Departmental Audit Committee receives an annual update on Recipient Compliance Audit Activities with all problematic files highlighted.

The Departmental Audit Committee receives regular updates on CFO summary issues at every meeting.

Other information sessions

In addition to the Chief Audit Executive and Chief Financial Officer information sessions, *ad hoc* presentations are offered by Senior Management or are requested by the Departmental Audit Committee members on a variety of topics. For example, in 2015-2016 briefings were received on the following:

- The Federal Secretariat Canada 150 (every meeting);
- Grants and Contributions Modernization Action Plan;
- Service Standards Strategy;
- Shared services Canada Update;
- Teammate Audit Management System;
- Innovation Fund;
- Going Digital—Information Management strategy and Projects;

- Assessment of Risks to the IT Security Program; and
- Human Resources and Workplace Management.

Evaluation Activities Status Reports were also provided at each in-person meeting. The Director of Evaluation provided an overview of the status of evaluation projects including potential impacts, developments and challenges.

Time committed to meetings

During the fiscal year 2015-2016, Departmental Audit Committee meetings, as set out in section 3.1 of this report, took up approximately 64 hours. This compared to 66 hours in 2014-2015.

Financial information

In 2015-2016, the Departmental Audit Committee incurred expenses for honoraria of \$97,482 and operating expenses of \$18,031. This compares to honoraria of \$122,070 and operating expenses of \$16,606 in 2014-2015. The decrease in total costs occurred primarily because of a reduction in the number of on-site Departmental Audit Committee meetings in 2015-2016.