COMMON GOOD NEWS · METHODOLOGY

WHO AUDITS WHOM IN CANADA

The public-sector audit landscape, level by level — who checks the books, under what law, and against what standards · November 19, 2026

LEVEL	WHO AUDITS	UNDER WHAT LAW	AGAINST WHAT STANDARDS	PERFORMANCE AUDIT TOO?
FEDERAL — Departments & agencies	Auditor General of Canada (OAG) — an officer of Parliament, independent of the government it audits. Also legislative auditor for the 3 territories.	Auditor General Act; Financial Administration Act	Financial audits: Canadian Auditing Standards. Performance audits: CSAE 3001 (CPA Canada)	**YES** Performance audits, with follow-up on recommendations.
FEDERAL — Crown corporations	The OAG is auditor or joint auditor of each Crown corporation by law, unless it waives the appointment; in practice it audits most of them (~100 financial audits a year across the federal family).	Financial Administration Act, Part X (s. 134)	Canadian Auditing Standards; special examinations test economy, efficiency and effectiveness	**YES** A "special examination" of every parent Crown corporation at least once every 10 years.
PROVINCIAL — Governments & their agencies	A provincial auditor general (legislative auditor) in each province, reporting to the legislature. Some bodies — universities, some provincial corporations — are audited by private firms under their own statutes; the mix varies by province.	Each province's own Auditor General Act	The same CPA Canada standards (CAS; CSAE 3001); methodology harmonized through the Canadian Council of Legislative Auditors (CCOLA)	**YES** Value-for-money / performance audits are a core mandate.
MUNICIPAL — Ontario	An auditor appointed by council — must be licensed under the Public Accounting Act; in practice, a private accounting firm. No provincial auditor general audits municipalities.	Municipal Act, 2001, s. 296	Statements prepared under PSAB public sector accounting standards (PSAS); audited under Canadian Auditing Standards	**GENERALLY NO** Financial statements only; no value-for-money mandate. Exception: a few big cities (Toronto, Ottawa) have their own auditors general who do performance audits.

THE COMMON FRAME — A SPINE, NOT A STATUTE

No single law binds all four levels — each auditor's mandate comes from its own legislature. What ties them together is professional, not statutory: (1) CPA Canada's standards — the same CAS for financial audits and CSAE 3001 for performance audits, whoever signs the report; (2) PSAB's public sector accounting standards — every government in Canada keeps its books in the same accounting language; (3) the ISSAI family from INTOSAI, the global standards for public-sector audit, which Canada's legislative auditors draw on and align with — coordinated at home through the CCOLA (the federal AG plus the 10 provincial AGs), including peer quality reviews of each other's offices. The real differences are two: who appoints the auditor — Parliament's own officer, or a firm hired by council — and who holds a performance-audit mandate. At the top of the system, someone must ask whether the money was well spent. At the municipal level, generally, no one does.

THE BOTTOM LINE — RUSSELL TOWNSHIP

Russell's financial statements are audited by MNP LLP (Hawkesbury office), a private firm appointed by council under s. 296 — statements prepared under PSAS, audited under CAS, financial statements only. The Financial Information Return the Township sends the province each year is prepared by the treasurer from those audited statements; the return itself is not audited. And no auditor in this chain has a mandate to grade whether council's directions were carried out or worked. That empty chair — follow-up at the municipal level — is precisely the one the Docket was built to sit in.

Sources: Auditor General Act; Financial Administration Act, Part X; OAG Departmental Plan 2025–26 (oag-bvg.gc.ca); Ontario Municipal Act, 2001, s. 296; CPA Canada Handbook (CAS, CSAE 3001); PSAB Public Sector Accounting Standards; CCOLA (ccola.ca). Researched November 19, 2026.