

# Special Examination

Report of the Auditor General of Canada to the Board of  
Directors of the Canadian Air Transport Security Authority



## Independent Auditor's Report | 2025



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## **Special examination reports**

Special examinations are a form of performance audit that is conducted within Crown corporations. The Office of the Auditor General of Canada audits most, but not all, Crown corporations.

The scope of special examinations is set out in the *Financial Administration Act*. A special examination considers whether a Crown corporation's systems and practices provide reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

More details about the audit objective, scope, approach, and sources of criteria are in About the Audit at the end of this report.

*Cette publication est également offerte en français.*

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# Audit Summary

We examined how the Canadian Air Transport Security Authority implemented its corporate management practices and managed its operations during the period covered by the audit. We found no significant deficiencies in the corporate management practices or in the management of operations of the corporation. Although the corporation met the criteria in the systems and practices we examined under corporate management, we found that improvements were needed in board appointments and independence, in performance measurement, and in risk mitigation. The corporation also met the criteria in the systems and practices under management of operations; however, we found that improvements were needed in operational planning, program integrity, and training and certification. Improvements were also needed in relations with industry partners, the responsible department, and other interested parties. Additionally, improvements were needed in screening equipment testing.

Despite the weaknesses, the corporation maintained its systems and practices in a manner that provided reasonable assurance that its assets were safeguarded and controlled, its resources were managed economically and efficiently, and its operations were carried out effectively.

## Introduction

## Background

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### Role and mandate




1. The Canadian Air Transport Security Authority is mandated to take actions, either directly or through a screening contractor, for the effective, efficient, and consistent security screening of persons who access aircraft or restricted areas through **screening checkpoints**.<sup>1</sup> Security screening is performed

- of the property in their possession or control
- of the belongings or baggage that they give to an air carrier for transport ([Exhibit 1](#))

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<sup>1</sup> **Screening checkpoint**—The area where passengers, airport personnel, and contractors are screened under certain security parameters before getting accepted to board an aircraft or entering a secured or restricted area of an airport. The screening checkpoint inspection prevents prohibited items from entering secured or restricted areas of the airport to ensure the safety of passengers.

Exhibit 1—The corporation uses 4 screening services for passengers and non-passengers

Screening services	
 <p>Photo: Canadian Air Transport Security Authority</p>	<p><b>Pre-board screening:</b> the screening of all passengers and their carry-on baggage and belongings prior to their entry to the secure area of an air terminal building</p>
 <p>Photo: Canadian Air Transport Security Authority</p>	<p><b>Hold baggage screening:</b> the screening of all passengers' checked ("hold") baggage for prohibited items prior to being loaded onto an aircraft</p>
 <p>Photo: Canadian Air Transport Security Authority</p>	<p><b>Non-passenger screening:</b> the screening of non-passengers, such as flight personnel, ground crew, and service providers, and their belongings (including vehicles and their contents), entering restricted areas at the highest-risk airports</p>
 <p>Photo: Canadian Air Transport Security Authority</p>	<p><b>Restricted area identity card system:</b> the management of the system that uses iris and fingerprint biometric identifiers to allow authorized non-passengers access to the restricted areas of airports</p>

**Exhibit 1—The corporation uses 4 screening services for passengers and non passengers—  
Text description**

The image shows the photos and descriptions of the 4 screening services performed at airports by the Canadian Air Transport Security Authority:

- The first photo from the Canadian Air Transport Security Authority is of pre-board screening: the screening of all passengers and their carry-on baggage and belongings prior to their entry to the secure area of an air terminal building. The photo shows a wide view of an empty security screening line. A conveyor belt holds 4 containers for passengers to put the items that they are bringing onto an aircraft. These containers travel down the conveyor belt to the screening equipment. The photo also shows the screening devices that passengers walk through. At the end of the conveyor belt is an enclosed area that passengers enter if they pass the screening.
- The second photo from the Canadian Air Transport Security Authority is of hold baggage screening: the screening of all passengers' checked baggage for prohibited items prior to being loaded into the hold of an aircraft. The photo shows the hold baggage screening area at an airport. In this area are 2 large screening machines and conveyor belts leading to the machines. One of the conveyor belts carries a suitcase that is on its way through a screening machine.
- The third photo from the Canadian Air Transport Security Authority is of non passenger screening: the screening of non-passengers, such as flight personnel, ground crew, and service providers, and their belongings (including vehicles and their contents), entering restricted areas at the highest-risk airports. The photo shows a parked white vehicle. The person screening the vehicle holds a mirror on a pole for inspecting under the vehicle.
- The fourth photo from the Canadian Air Transport Security Authority is of the restricted area identity card system: the management of the system that uses iris and fingerprint biometric identifiers to allow authorized non-passengers access to the restricted areas of airports. The photo shows 2 devices mounted on a wall. A person has their finger placed on the device for fingerprint scanning.

2. The Canadian Air Transport Security Authority was established under the [Canadian Air Transport Security Authority Act](#) on 1 April 2002. It is a Crown corporation that reports to Parliament through the Minister of Transport.

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**Nature of business and  
operating environment**

3. Although more than 500 airports in Canada are regulated by Transport Canada, only 89 of these are designated and classified under the [Canadian Aviation Security Regulations, 2012](#). The corporation is the federal authority responsible for civil aviation security screening at designated airports across Canada.

4. The corporation delivers its mandate by outsourcing security screening and screening equipment maintenance services, which are core elements of its operations. It administers contracts with private sector companies for security screening services across the country, with each contract covering 1 of 4 administrative regions (Pacific, Prairies, Central, and East). Additionally, the corporation has screening equipment maintenance service contracts in place for the management

of screening equipment and related systems. The corporation has regional employees in place at airports with high volumes of passenger traffic to manage daily operations and oversee the operations outsourced to service providers. Regional employees will also travel to airports with lower volumes of passenger traffic for the same purpose. The corporation's regional employees are also responsible for training and certification of screening officers and for representing the corporation's interests with key industry partners at the airports.

5. The corporation's workforce includes approximately 500 employees throughout the country. It oversees nearly 9,000 outsourced screening officers. The corporation reported that it screened 66.6 million passengers in 2023–24, a 15% increase from 2022–23 and 2% below pre-pandemic passenger volume.

6. The corporation is primarily funded by parliamentary appropriations. For the 2023–24 fiscal year, the corporation's total revenue and government funding was \$980.2 million and its expenses were \$980.2 million. Approximately 78% of the corporation's expenses are related to outsourced security screening and screening equipment maintenance services, and approximately 54% of its total assets of \$607 million are in screening equipment used to carry out its mandate.

7. The corporation operates in a regulated and integrated environment. As the department responsible for the corporation, Transport Canada regulates aviation security in Canada. The department develops, implements, and oversees Canada's civil Aviation Security Program. Through the program, Transport Canada manages risks to the aviation system using a set of policies, regulations, and security measures to protect air travel. Although the corporation is the designated national civil aviation security screening authority, civil aviation security in Canada is shared among several federal government departments and agencies, air carriers, and airport operators.

## Focus of the audit

8. Our objective for this audit was to determine whether the systems and practices we selected for examination at the Canadian Air Transport Security Authority were providing the corporation with reasonable assurance that its assets were safeguarded and controlled, its resources were managed economically and efficiently, and its operations were carried out effectively, as required by subsection 138(1) of the [Financial Administration Act](#).

9. Also, section 139 of the *Financial Administration Act* requires that we state an opinion, with respect to the criteria established pursuant to subsection 138(3), on whether there was reasonable assurance that there were no significant deficiencies in the systems and practices

we examined. We report significant deficiencies when, in our opinion, the corporation could be prevented from having reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

10. On the basis of our risk assessment, we selected systems and practices in the following areas:

- Corporate management practices
- Management of operations

The selected systems and practices, and the criteria used to assess them, are listed in the exhibits throughout the report.

11. More details about the audit objective, scope, approach, and sources of criteria are in [About the Audit](#) at the end of this report.

## Findings, Recommendations, and Responses

### Corporate management practices

The corporation had good corporate management practices, but improvements were needed in some areas

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#### Context

12. The corporation is governed by its Board of Directors, consisting of 11 members including the Chair, who are appointed by the **Governor in Council**<sup>2</sup> on the recommendation of the Minister of Transport. Board members hold office for a term not exceeding 5 years, and when their terms expire, all are eligible for reappointment for one additional term. A board member whose term has expired may continue to serve until a successor is appointed or their term is renewed. The board is supported by 2 committees: the Audit Committee and the Governance, Human Resources and Pension Committee.

13. In March 2023, the corporation's Chair of the Board of Directors and its Chief Executive Officer were newly appointed, creating a change in leadership for the corporation and its board of directors. In addition, as opposed to recent years when the corporation's funding was established for a 1-year period, the corporation was approved funding for 3 years

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<sup>2</sup> **Governor in Council**—The Governor General, who acts on the advice of Cabinet and, as the formal executive body, gives legal effect to those decisions of Cabinet that are to have the force of law.



starting in the 2023–24 fiscal year. Although the funding levels remain stable compared with prior years, the 3-year funding approval allows the corporation to approach its corporate planning process with a more strategic longer-term outlook.

14. The corporation’s strategic objectives for the 2023–24 planning period were created under 3 themes:



- Service excellence and continued innovation—prioritizing security effectiveness, operational efficiency, an optimal passenger experience among Canada’s diverse population, and sound asset management.
- A diverse and engaged workforce—ensuring the corporation is well positioned to recruit and retain talent in a competitive labour market, promoting an inclusive and diverse environment, fostering employee engagement and support, as well as transformative leadership.
- Effective and proactive partnerships—engaging in proactive industry, stakeholder, and government collaboration, consultation, and community relations.



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#### Corporate governance




15. **Findings.** We found that the corporation had good systems and practices for corporate governance, but improvements were needed in board appointments and board independence.

Exhibit 2—Corporate governance—Key findings and assessment

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Board appointments and competencies	The board collectively had the capacity and competencies to fulfill its responsibilities.	<p>The corporation established a board profile and identified the competencies required for the board to fulfill its responsibilities. The corporation provided the board’s competency matrix, including diversity needs, to the responsible department.</p> <p>The corporation communicated regularly with the responsible department about renewals and appointments for board members.</p> <p>Board members were provided with orientation sessions and ongoing training.</p> <p><b>Weakness</b></p> <p>On the board, 1 director position was vacant and the terms of 5 directors had expired.</p>	
Board independence	The board functioned independently.	<p>The Board of Directors made decisions independently of management and regularly held private meetings without management in attendance.</p> <p>The corporation had a code of conduct and ethical behaviour for directors, supported by an annual process for directors to declare conflicts of interest and their compliance with the code.</p> <p><b>Weakness</b></p> <p>The corporation did not document the rationale for not taking any measures for board members who declared potential conflicts of interest as part of the annual process.</p>	

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Providing strategic direction	The board provided strategic direction.	<p>The board participated in setting the corporation's strategic direction.</p> <p>The board participated in setting annual performance objectives for the Chief Executive Officer, which were aligned with the corporation's strategic objectives.</p> <p>The board assessed the performance of the Chief Executive Officer against set objectives.</p>	
Board oversight	The board carried out its oversight role over the corporation.	<p>The roles and responsibilities of the board and its committees were clearly defined.</p> <p>The board and its committees received information according to their work plans, which included</p> <ul style="list-style-type: none"> <li>• financial, ethical, and operational performance, and corporate risks</li> <li>• the corporation's compliance with applicable laws and regulations</li> <li>• progress on major projects and initiatives, including those related to the procurement of airport security screening agreements and the transition to a new maintenance service provider</li> </ul> <p>Internal audits were conducted regularly. Audit results, including progress against management action plans, were presented to the board's Audit Committee.</p>	

**Legend—Assessment against the criteria**

-  Met the criteria
-  Met the criteria, with improvement needed
-  Did not meet the criteria

16. **Weakness—Board appointments.** At the end of April 2024, directors' terms had expired for 5 of the 11 positions on the board and 1 position was vacant. As permitted by the [Financial Administration Act](#), directors with expired terms continued to serve on the board until their reappointment or replacement. The corporation had identified expiration dates of Board members' terms and communicated this information to its responsible department. However, the corporation's actions did not result in timely appointments to the Board. Because the Governor in Council makes these appointments, filling the positions was

beyond the corporation's control. This weakness matters because if many directors were to be replaced within a short time frame or chose to resign prior to being reappointed or replaced, corporate memory would be affected and could have an impact on the board's ability to exercise effective oversight.

17. **Recommendation.** The corporation should continue to proactively engage with the Minister of Transport on the need for sufficient, timely, and staggered appointments to its board.

***The corporation's response.** Agreed. The corporation has and will continue to engage proactively with the Minister of Transport on the need for sufficient, timely, and staggered appointments to its Board of Directors.*

18. **Weakness—Board independence.** Board members were required to declare any real, apparent, or potential conflicts of interest at the beginning of each meeting and annually in accordance with the code of conduct and ethical behaviour for board directors. We found that the corporation did not document the rationale for not taking any actions for potential conflicts of interest declared by some board members as part of the annual process. This weakness matters because documenting actions taken regarding declared potential conflicts of interest is important for protecting the corporation's credibility and fostering sound governance and accountability.

19. **Recommendation.** The corporation should document all decisions and actions taken in relation to real, apparent, or potential conflicts of interest declared by board members.



***The corporation's response.** Agreed. The potential conflicts of interest declared were reviewed and it was concluded that there were no real conflicts of interest. As of May 2024, the corporation reinstated its existing process of documenting all decisions taken with respect to declared conflicts of interest. This includes documenting decisions taken in response to a declared potential conflict of interest where, upon review, no potential conflict of interest is deemed to exist. This is complete.*

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## Strategic planning

20. **Findings.** We found that the corporation had good systems and practices for strategic planning, but improvements were needed in performance measurement.

**Exhibit 3—Strategic planning—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Strategic planning	The corporation established a strategic plan and strategic objectives that were aligned with its mandate.	<p>The corporation’s strategic planning process included consultations and took into consideration the internal and external environments in the analysis of strengths, weaknesses, opportunities, and threats.</p> <p>The corporation’s corporate plan included strategic objectives that were aligned with its mandate.</p>	
Performance measurement, monitoring, and reporting	The corporation established performance indicators in support of achieving its strategic objectives and monitored and reported on its progress against those indicators.	<p>The corporation monitored progress against set performance indicators and targets.</p> <p>The corporation reported progress on key performance results on a quarterly basis to senior management and the Board of Directors.</p> <p><b>Weakness</b></p> <p>Some of the established outcomes in support of the corporation’s strategic objectives did not have measurable performance indicators and targets.</p>	

**Legend—Assessment against the criteria**

-  Met the criteria
-  Met the criteria, with improvement needed
-  Did not meet the criteria

21. **Weakness—Performance measurement.** The corporation established strategic objectives and described key outcomes along with performance indicators and targets to measure progress and achievement. However, we found that for some of the outcomes, the corporation did not clearly define performance indicators and targets as they were not measurable.

22. For example, the corporation has an outcome related to industry and government collaboration. To achieve this outcome, the corporation seeks to establish and maintain relationships with industry partners, the responsible department, and other interested parties. One of the performance indicators for this outcome is to have well-established processes for collaboration with industry and the corporation’s target is to have a proactive approach to partnerships and productive relations. Although the corporation defined a performance indicator and target for the outcome, they are not measurable.



23. **Recommendation.** The corporation should establish measurable performance indicators and targets in support of its outcomes.


**The corporation's response.** *Agreed. The corporation has conducted a review of its performance measures and targets in July and August of 2024. Changes to performance measures and targets will be reflected in the next Corporate Plan by January 2025.*

Corporate risk management




24. **Findings.** We found that the corporation had good systems and practices for identifying and assessing risks and for risk monitoring and reporting. However, improvements were needed in risk mitigation.

Exhibit 4—Corporate risk management—Key findings and assessment

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Risk identification and assessment	The corporation identified and assessed the risks to achieving its strategic objectives.	<p>The corporation's risk management process was supported by a framework and policy, which collectively defined roles and responsibilities and risk management activities.</p> <p>The corporation identified its strategic and operational risks, which it assessed according to their likelihood and potential impact.</p>	
Risk mitigation	The corporation defined and implemented risk mitigation measures.	<p>The corporation assigned risk owners and established risk mitigation plans aligned with its defined risk appetite and tolerance levels.</p> <p>The corporation implemented risk mitigation measures, including those articulated in its employment equity plan, which established its effort with respect to equity, diversity, and inclusion.</p> <p><b>Weaknesses</b></p> <p>Some risk mitigation measures included in the corporation's risk mitigation plans lacked specific timelines for implementation.</p> <p>The corporation's business continuity and contingency plans were not updated annually, and annual testing plans were not prepared.</p>	

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Risk monitoring and reporting	The corporation monitored and reported on the implementation of risk mitigation measures.	Senior management discussed risks and mitigation measures with the Board of Directors and its committees on a quarterly basis.  The corporation periodically updated its risk register for changes to risk assessments and mitigation measures.	

**Legend—Assessment against the criteria**

-  Met the criteria
-  Met the criteria, with improvement needed
-  Did not meet the criteria

25. **Weakness—Risk mitigation.** We found that some of the risk mitigation measures included in the corporation’s risk mitigation plans lacked specific timelines for implementation. For example, the use of “ongoing” was used as the target completion date for some risk mitigating measures. Without clear timelines, it is difficult for senior management and the board to determine whether risk mitigating measures will be implemented in a timely manner to mitigate stated risks.

26. We also found that although the corporation had business continuity and contingency plans, it did not update the plans annually and did not prepare annual testing plans in accordance with internal requirements. This weakness matters because the corporation could not proactively identify vulnerabilities in its plans and prepare its employees to effectively respond in a timely manner to emergencies or crises.

27. **Recommendation.** The corporation should clearly define timelines for its risk mitigation measures.

***The corporation’s response.** Agreed. As part of the quarterly refresh of risk mitigation plans in August 2024, the corporation ensured that all risk mitigation activities have clearly defined timelines. This is complete.*

28. **Recommendation.** The corporation should annually update its business continuity and contingency plans and prepare annual testing plans in accordance with internal requirements.

***The corporation’s response.** Agreed. In July 2024, the corporation completed the update of its business continuity and contingency plans, including its annual testing plans. This is complete.*

## Management of operations

**The corporation had good practices for managing its operations, but improvements were needed in some areas**

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### Context

29. The corporation's mandate to prevent prohibited items from entering the civil air transportation system is achieved through the systematic application of 4 complementary screening services: pre-board screening, hold-baggage screening, non-passenger screening, and the restricted area identity card system.

30. The corporation's standard operating procedures dictate the roles and responsibilities of screening officers at security screening checkpoints, which include

- inspecting boarding passes
- operating X-ray screening equipment
- searching carry-on and hold baggage
- operating explosive detection trace equipment
- managing the use of walk-through metal detectors and full-body scanners
- using hand-held metal detectors

31. The corporation oversees its outsourced screening service operations through various activities, such as observing the screening that is performed to ensure compliance with standard operating procedures and performing random testing to determine whether screening officers can detect potential threats. The oversight evaluates screening service activities and performance in accordance with legislative, regulatory, and contractual requirements. The oversight enables the corporation to monitor its outsourced screening service operations and to make improvements in their delivery.

32. The corporation has the responsibility to train and certify all screening officers performing mandated activities. Its training and certification development group develops training and certification material for screening officers to effectively screen passengers, non-passengers, and baggage. Screening officers must be certified under the National Training and Certification Program, as designed by the corporation, which requires a combination of examinations, on-the-job coaching, and recurring learning. The effectiveness of screening across the corporation's checkpoints is dependent on its processes for monitoring training and certification compliance and developing and delivering quality training content.



33. The aviation industry operates in an integrated and evolving environment that assigns security responsibilities to various industry partners. The screening of passengers and their belongings through the security screening process requires coordination and engagement between the corporation and its industry partners. In this operating context, industry partner relationships and collaboration are important to the effectiveness of a secure civil aviation industry.

34. The corporation's ability to deliver on its mandate depends on effectively managing the life cycle of a complex infrastructure of screening equipment and related systems. The corporation uses specialized screening equipment to ensure screening is both effective and efficient for all 4 complementary security services.

35. Screening equipment acquired and used for mandated activities is regulated and is subject to stringent testing requirements prior to its deployment. Deployments are complex multi-year projects that often affect all designated airports across the country, requiring coordination and close collaboration with the responsible department and airport authorities. For example, the corporation is currently deploying full-body scanners across several airports and is in the process of initiating a full replacement of all computed tomography X-ray platforms in some airports. Both deployments will take place over multiple years.



36. The corporation relies on third parties to perform preventative and corrective maintenance and operational testing of its screening equipment.

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Operational planning,  
performance  
measurement,  
monitoring, and  
reporting

37. **Findings.** We found that the corporation had good systems and practices for operational performance measurement, monitoring, and reporting, but improvements were needed in operational planning.

**Exhibit 5—Operational planning, performance measurement, monitoring, and reporting—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Operational planning	The operational planning of screening services and screening equipment was aligned with strategic objectives.	<p>The corporation developed operational branch plans that were aligned with its strategic objectives.</p> <p>Performance objectives for senior management were linked to operational priorities included in the operational branch plans.</p> <p>The operational branch plans included initiatives and assessment of budget requirements and considered the needs of internal and external users.</p> <p><b>Weakness</b></p> <p>The operational branch plans did not clearly define completion dates for some initiatives.</p>	
Operational performance measurement, monitoring, and reporting	The corporation established indicators to measure the performance of its screening operations and screening equipment, and it monitored and reported on progress.	<p>The corporation had various indicators to measure performance such as wait time service levels, a customer satisfaction index, screening effectiveness scores, screening equipment availability, and screening equipment contingency activation targets.</p> <p>The corporation monitored performance on a quarterly basis and reported on progress to senior management and the Board of Directors through its corporate performance measurement dashboard and various project status reports.</p>	

**Legend—Assessment against the criteria**

-  Met the criteria
-  Met the criteria, with improvement needed
-  Did not meet the criteria

38. **Weakness—Operational planning.** We found that some initiatives in the operational branch plans did not have clearly defined completion dates as they were noted as “ongoing” instead of indicating clear timelines or milestones. Without clear timelines or milestones, it is difficult for senior management to determine whether initiatives will be implemented in a timely manner to meet the corporate objectives that they support. Further, clearly defined timelines contribute to improved processes for accountability and monitoring progress.

39. **Recommendation.** The corporation should clearly define planned milestones and completion dates for all initiatives included in its operational branch plans.


**The corporation’s response.** *Agreed. As part of the summer 2024 annual refresh of branch plans for 2025–26, the corporation updated its internal process to ensure that all branch plan initiatives have clearly defined timelines. This is complete.*



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**Management of  
screening services**

40. **Findings.** We found that the corporation had good systems and practices for the delivery of screening services, but improvements were needed in program integrity, training and certification, and relations with industry partners, the responsible department, and other interested parties.




**Exhibit 6—Management of screening services—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Delivery of screening services	The corporation effectively planned and oversaw the delivery of screening services.	<p>The corporation established clear requirements regarding the nature, extent, and level of screening services to be delivered by contractors.</p> <p>The corporation had processes in place to plan, communicate, and monitor contractors’ hours.</p> <p>The corporation had programs to oversee contractors’ performance and compliance with contractual commitments.</p> <p>The corporation had a contractor oversight framework to monitor the delivery of screening operations and enable continuous improvement.</p>	

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Program integrity	The corporation established and implemented standard operating procedures and evaluated regulatory compliance and the effectiveness and consistency of its screening services.	<p>The corporation had a process to ensure that its standard operating procedures for screening services were aligned with regulatory requirements. The corporation also communicated procedural changes to screening officers.</p> <p>The corporation had oversight activities in place to evaluate regulatory compliance and the consistency and effectiveness of its screening services.</p> <p>The corporation had processes in place to identify, analyze, and mitigate new and emerging threats and risks in security screening.</p> <p><b>Weakness</b></p> <p>The corporation's oversight activities were not based on a comprehensive and documented risk-based strategy.</p>	
Training and certification	The corporation ensured that screening officers have the knowledge, skills, and competencies needed to carry out their duties.	<p>The corporation had a training and certification program in place to ensure that screening officers had the qualifications, skills, and competencies needed to carry out their duties.</p> <p>The corporation had monitoring controls in place to ensure that screening officers are completing required training and certification.</p> <p><b>Weakness</b></p> <p>The corporation did not have a formal way to obtain feedback from screening officers on its training and certification program.</p>	

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Relations with industry partners, the responsible department, and other interested parties	The corporation effectively communicated, consulted, and exchanged information with industry partners, the responsible department, and other interested parties.	<p>The corporation communicated, consulted, and exchanged information regularly with industry partners on matters related to current services, screening equipment deployments, and operational projects.</p> <p>The corporation consulted and exchanged information with the responsible department, particularly on matters related to screening equipment and regulatory procedures.</p> <p>The corporation surveyed passengers on a regular basis and had mechanisms in place to follow up on complaints.</p> <p><b>Weakness</b></p> <p>The corporation did not establish a comprehensive stakeholder engagement approach.</p>	

**Legend—Assessment against the criteria**

-  Met the criteria
-  Met the criteria, with improvement needed
-  Did not meet the criteria

41. **Weakness—Program integrity.** The corporation oversaw the delivery of screening through various oversight activities and programs. The level of oversight carried out was based on considerations such as airport classification, airport passenger volumes, and availability of resources. However, the corporation’s oversight activities were not based on a comprehensive and documented risk-based strategy. A risk-based strategy would include an assessment of whether the corporation’s oversight activities are aligned with risk levels and the risk tolerances of respective airports and checkpoints.

42. This weakness matters because without a comprehensive risk-based oversight strategy, the corporation cannot assess and monitor whether the current level of oversight of its screening is sufficient at respective airports and screening checkpoints. This can result in inefficient oversight practices or more importantly, increased risk of non-compliance with standard operating screening procedures and non-detection of potential threats.

43. **Recommendation.** The corporation should develop a comprehensive risk-based strategy for screening delivery that would establish the level of oversight, including risk tolerances, by airport and type of screening checkpoint. The corporation should also implement

processes to measure and monitor its performance against the strategy and reassess if any changes are required to its oversight strategy and risk tolerances.

**The corporation's response.** *Agreed. The corporation will prepare and document a comprehensive risk-based strategy that will be used to govern oversight activities and align areas of focus with identified risks. This will be completed by December 2024.*

44. **Weakness—Training and certification.** The corporation did not have a formal way to obtain feedback from screening officers on its training and certification program. We found that although approximately 9,000 screening officers were subject to the training and certification program, the corporation only received 2 instances of voluntary written feedback. Without a formal way for the screening officers to provide feedback, the corporation missed the opportunity to continuously improve the effectiveness of both training and on-the-job coaching of the screening officers.

45. **Recommendation.** The corporation should implement a formal and timely feedback mechanism on its training and certification program for its screening officers.

**The corporation's response.** *Agreed. In August 2024, the corporation launched a review of its overall training evaluation strategy. Results of this review will inform the development of a new training evaluation program, which will incorporate an approach to collecting and evaluating feedback from screening personnel on training activities. The review and redesign will be completed by March 2025. Mechanisms/tools to collect and evaluate feedback will be implemented by April 2025.*

46. **Weakness—Relations with industry partners, the responsible department, and other interested parties.** The corporation reported to senior management and the Board on a quarterly basis on its engagement activities with industry partners, the responsible department, and other interested parties. However, the corporation did not establish a comprehensive stakeholder engagement approach to manage its relationships with industry partners, the responsible department, and other interested parties. Without a comprehensive stakeholder engagement approach, the corporation may not be able to proactively identify and prioritize needs, risks, and opportunities and to measure and monitor the effectiveness of engagement activities and relationships.


47. **Recommendation.** The corporation should establish a comprehensive stakeholder engagement approach to maintain effective and proactive relationships.


**The corporation's response.** *Agreed. The corporation will document a comprehensive approach to maintain effective and proactive relationships, in a Stakeholder Engagement Strategy by March 2025.*

**Management of screening equipment**




48. **Findings.** We found that the corporation had good systems and practices for screening equipment acquisition, deployment, disposal, and maintenance, but improvements were needed in screening equipment testing.

**Exhibit 7—Management of screening equipment—Key findings and assessment**

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Screening equipment acquisition, testing, deployment, and disposal	The corporation effectively acquired, tested, deployed, and disposed of its screening equipment in a responsible and effective manner.	<p>The corporation established, and the Board of Directors approved, a 5-year capital budget that was aligned with its annual screening equipment life-cycle management plan.</p> <p>The corporation's screening equipment acquisition activities were aligned with the requirements of the life-cycle management plan.</p> <p>The corporation carried out testing on new screening equipment.</p> <p>The corporation prepared deployment plans, which included budgets, timelines, and consideration of internal and external resources.</p> <p>The corporation established clear responsibilities regarding screening equipment disposal and obtained certificates from third parties to confirm disposal of screening equipment in an environmentally safe manner.</p> <p><b>Weakness</b></p> <p>The corporation did not have guidelines for testing new screening equipment.</p>	

Systems and practices	Criteria used	Key findings	Assessment against the criteria
Screening equipment maintenance	The corporation effectively planned, coordinated, and performed oversight of the maintenance of screening equipment to support longevity and performance.	<p>The corporation planned and coordinated the maintenance of its screening equipment with its maintenance service providers by defining and communicating maintenance requirements, schedules, and procedures.</p> <p>The corporation performed oversight of the preventative and corrective maintenance of its screening equipment by meeting regularly with its service providers and reviewing the status of the maintenance performed.</p>	

**Legend—Assessment against the criteria**

-  Met the criteria
-  Met the criteria, with improvement needed
-  Did not meet the criteria

49. **Weakness—New screening equipment testing.** The life-cycle management of the corporation’s screening equipment involves the process of introducing new screening equipment and testing it to ensure that screening equipment meets regulated standards and security and safety requirements. The corporation ensures that its screening equipment meets these regulated standards and requirements through its testing in simulated environments and operational trials at airports. While the corporation performed tests and operational trials, we found that there were no guidelines stating roles and responsibilities, procedures, and documentation and approval requirements for the various stages of the testing. As a result, we found that the documentation supporting the testing was inconsistent.

50. This weakness matters because established guidelines would contribute to ensuring that new screening equipment testing activities are conducted in accordance with the corporation’s stated requirements and relevant security regulations and would also ensure that the documentation is available to support decisions made by the corporation.

51. **Recommendation.** The corporation should establish guidelines relating to testing and evaluating its new screening equipment.

**The corporation’s response.** *Agreed. By December 2024, the corporation will establish guidelines for new screening equipment activities, including testing and evaluation, as well as a process to ensure that guidelines are refreshed on a regular schedule going forward.*



## Conclusion

52. In our opinion, on the basis of the criteria established, there was reasonable assurance that there were no significant deficiencies in the corporation's systems and practices we examined. We concluded that the Canadian Air Transport Security Authority maintained its systems and practices during the period covered by the audit in a manner that provided the reasonable assurance required under subsection 138(1) of the [Financial Administration Act](#).

## About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on the Canadian Air Transport Security Authority. Our responsibility was to express

- an opinion on whether there was reasonable assurance that during the period covered by the audit, there were no significant deficiencies in the corporation's systems and practices we selected for examination
- a conclusion on whether the corporation complied in all significant respects with the applicable criteria

Under section 131 of the [Financial Administration Act](#), the corporation is required to maintain financial and management control and information systems and management practices that provide reasonable assurance that

- its assets are safeguarded and controlled
- its financial, human, and physical resources are managed economically and efficiently
- its operations are carried out effectively

Also, subsection 138(2) of the act requires the corporation to have a special examination of these systems and practices carried out at least once every 10 years.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from the corporation:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

## Audit objective

The objective of this audit was to determine whether the systems and practices we selected for examination at the Canadian Air Transport Security Authority were providing the corporation with reasonable assurance that its assets were safeguarded and controlled, its resources were managed economically and efficiently, and its operations were carried out effectively, as required by subsection 138(1) of the *Financial Administration Act*.

## Scope and approach

Our audit work examined the Canadian Air Transport Security Authority. The scope of the special examination was based on our assessment of the risks the corporation faced that could affect its ability to meet the requirements set out by the *Financial Administration Act*.

The systems and practices selected for examination for each area of the audit are listed in the exhibits throughout the report.

In carrying out the special examination, we reviewed key documents related to the systems and practices selected for examination. We interviewed members of the board of directors, senior management, and employees of the corporation. We tested the systems and practices in place to obtain the required level of audit assurance. Our testing sometimes included detailed sampling to conclude on relevant examination criteria.

In carrying out the special examination, we did not rely on any internal audits.

## Sources of criteria

The criteria used to assess the systems and practices selected for examination are listed in the exhibits throughout the report. The sources of criteria used in our special examination are listed below:

### Corporate governance

*Financial Administration Act*

[Canadian Air Transport Security Authority Act](#)

Bylaws, Canadian Air Transport Security Authority

[Conflict of Interest Act](#)

Practice Guide: Assessing Organizational Governance in the Public Sector, The Institute of Internal Auditors, 2014

Internal Control–Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

Board of Directors skills matrix, Canadian Air Transport Security Authority

Terms of reference of board committees, Canadian Air Transport Security Authority

Code of Conduct and Ethical Behaviour, Board of Directors, Canadian Air Transport Security Authority

Code of Ethics, Conduct and Conflict of Interest, Canadian Air Transport Security Authority

### **Strategic planning**

*Financial Administration Act*

*Canadian Air Transport Security Authority Act*

[Crown Corporation Corporate Plan, Budget and Summaries Regulations](#)

Recommended Practice Guideline 3, Reporting Service Performance Information, International Public Sector Accounting Standards Board, 2015

Guidance for Crown Corporations on Preparing Corporate Plans and Budgets, Treasury Board of Canada Secretariat, 2019

Corporate Planning and Reporting Policy, Canadian Air Transport Security Authority

### **Corporate risk management**

Enterprise Risk Management–Integrating with Strategy and Performance: Executive Summary, Committee of Sponsoring Organizations of the Treadway Commission, 2017

Internal Control–Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

ISO 31000–Risk Management–Guidelines, International Organization for Standardization, 2018

Enterprise Risk Management Policy, Canadian Air Transport Security Authority

### **Management of screening operations**

*Canadian Air Transport Security Authority Act*

Internal Control–Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

COBIT 5 Framework–APO05 (Manage Portfolio), BAI01 (Manage Programmes and Projects), EDM02 (Ensure Benefits Delivery), ISACA

Aviation Security Screening Safety Measures, Transport Canada, 2022

[Canadian Aviation Security Regulations, 2012](#)

Corporate Planning and Reporting Policy, Canadian Air Transport Security Authority

Standard Operating Procedures (Version 4.0), Canadian Air Transport Security Authority, 2023

Screening Contractor Manual (Version 2.0), Canadian Air Transport Security Authority, 2023

Screening Contractor Oversight Framework, Canadian Air Transport Security Authority

Public Enquiries and Complaints Policy, Canadian Air Transport Security Authority

Airport screening services agreements, Canadian Air Transport Security Authority

Procurement and Contracting Policy, Canadian Air Transport Security Authority

### **Management of screening equipment**

Internal Control–Integrated Framework, Committee of Sponsoring Organizations of the Treadway Commission, 2013

COBIT 5 Framework–APO05 (Manage Portfolio), BAI01 (Manage Programmes and Projects), EDM02 (Ensure Benefits Delivery), ISACA

Contract for Maintenance Services for Airport Screening Equipment, Canadian Air Transport Security Authority

Disposal of Surplus Material Policy, Canadian Air Transport Security Authority

Project Management Policy–Capital Projects, Canadian Air Transport Security Authority

Life Cycle Management Policy, Canadian Air Transport Security Authority

Procurement and Contracting Policy, Canadian Air Transport Security Authority

### **Period covered by the audit**

The special examination covered the period from 1 May 2023 to 30 April 2024. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the significant systems and practices, we also examined certain matters that preceded the start date of this period.

### **Date of the report**

We obtained sufficient and appropriate audit evidence on which to base our conclusion on 5 November 2024, in Ottawa, Canada.

### **Date of the presentation of the report to the Board of Directors**

The report was presented to the Canadian Air Transport Security Authority on 27 January 2025.

### **Audit team**

This special examination was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Etienne Matte, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

## Recommendations and the Corporation's Responses

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Corporation's response
<p>17. The corporation should continue to proactively engage with the Minister of Transport on the need for sufficient, timely, and staggered appointments to its board.</p>	<p><b>The corporation's response.</b> Agreed. The corporation has and will continue to engage proactively with the Minister of Transport on the need for sufficient, timely, and staggered appointments to its Board of Directors.</p>
<p>19. The corporation should document all decisions and actions taken in relation to real, apparent, or potential conflicts of interest declared by board members.</p>	<p><b>The corporation's response.</b> Agreed. The potential conflicts of interest declared were reviewed and it was concluded that there were no real conflicts of interest. As of May 2024, the corporation reinstated its existing process of documenting all decisions taken with respect to declared conflicts of interest. This includes documenting decisions taken in response to a declared potential conflict of interest where, upon review, no potential conflict of interest is deemed to exist. This is complete.</p>
<p>23. The corporation should establish measurable performance indicators and targets in support of its outcomes.</p>	<p><b>The corporation's response.</b> Agreed. The corporation has conducted a review of its performance measures and targets in July and August of 2024. Changes to performance measures and targets will be reflected in the next Corporate Plan by January 2025.</p>
<p>27. The corporation should clearly define timelines for its risk mitigation measures.</p>	<p><b>The corporation's response.</b> Agreed. As part of the quarterly refresh of risk mitigation plans in August 2024, the corporation ensured that all risk mitigation activities have clearly defined timelines. This is complete.</p>
<p>28. The corporation should annually update its business continuity and contingency plans and prepare annual testing plans in accordance with internal requirements.</p>	<p><b>The corporation's response.</b> Agreed. In July 2024, the corporation completed the update of its business continuity and contingency plans, including its annual testing plans. This is complete.</p>
<p>39. The corporation should clearly define planned milestones and completion dates for all initiatives included in its operational branch plans.</p>	<p><b>The corporation's response.</b> Agreed. As part of the summer 2024 annual refresh of branch plans for 2025–26, the corporation updated its internal process to ensure that all branch plan initiatives have clearly defined timelines. This is complete.</p>

Recommendation	Corporation's response
<p><b>43.</b> The corporation should develop a comprehensive risk-based strategy for screening delivery that would establish the level of oversight, including risk tolerances, by airport and type of screening checkpoint. The corporation should also implement processes to measure and monitor its performance against the strategy and reassess if any changes are required to its oversight strategy and risk tolerances.</p>	<p><b>The corporation's response.</b> Agreed. The corporation will prepare and document a comprehensive risk-based strategy that will be used to govern oversight activities and align areas of focus with identified risks. This will be completed by December 2024.</p>
<p><b>45.</b> The corporation should implement a formal and timely feedback mechanism on its training and certification program for its screening officers.</p>	<p><b>The corporation's response.</b> Agreed. In August 2024, the corporation launched a review of its overall training evaluation strategy. Results of this review will inform the development of a new training evaluation program, which will incorporate an approach to collecting and evaluating feedback from screening personnel on training activities. The review and redesign will be completed by March 2025. Mechanisms/tools to collect and evaluate feedback will be implemented by April 2025.</p>
<p><b>47.</b> The corporation should establish a comprehensive stakeholder engagement approach to maintain effective and proactive relationships.</p>	<p><b>The corporation's response.</b> Agreed. The corporation will document a comprehensive approach to maintain effective and proactive relationships, in a Stakeholder Engagement Strategy by March 2025.</p>
<p><b>51.</b> The corporation should establish guidelines relating to testing and evaluating its new screening equipment.</p>	<p><b>The corporation's response.</b> Agreed. By December 2024, the corporation will establish guidelines for new screening equipment activities, including testing and evaluation, as well as a process to ensure that guidelines are refreshed on a regular schedule going forward.</p>

