

Comprehensive Auditing

12.27 The findings of our review have been communicated to departmental management. No department satisfied all the criteria we used. The chapters in Part 2 of this Report dealing with specific departments identify the current internal auditing situation in departments selected for comprehensive reporting to Parliament. In this Chapter we present the criteria or standards used in conducting this year's study, and against which we will evaluate departments in future when conducting comprehensive audits for Parliament. Departments selected for comprehensive reporting are identified where they have taken positive steps to meet what this Office regards as acceptable standards.

12.28 Present and desirable audit practices are described under the main needs:

- broadly defined responsibilities;
- well planned audits;
- proper organizational status;
- competent audit resources;
- professionally performed audit work;
- clearly reported audit findings; and
- effective audit committees.

We first state, in italics, the criteria or standards we would expect and then discuss the remedies needed, with some illustration of what we found.

12.29 *Scope of responsibilities. Internal audit should provide senior management with a continual, independent appraisal of all aspects of a department's activities.*

12.30 Our study leads us to conclude that the internal audit group should examine and evaluate all aspects of a department's activities including systems for ensuring:

- the integrity of financial and other information;
- controls over public property, revenues and expenditures;
- compliance with objectives, policies, plans, procedures, laws and regulations; and
- management with due regard for economy, efficiency and effectiveness.

In summary, the scope of internal audits should be unrestricted.