Government. Co-ordination of these audit activities both within the Government and with the Audit Office can achieve important economies and more effective results by eliminating duplicate and overlapping efforts. Co-ordinated audit efforts would also cause fewer disruptions in the organizations being audited.

11.29 We can place reliance on the work of internal auditors where we conclude that the scope and quality of their examinations are sufficient and appropriate. Unfortunately, the findings of our current review of internal audit preclude us from doing so in many departments at this time. This Report includes recommendations which, if implemented, will assist in establishing internal audit groups capable of carrying out effective, independent, integrated, comprehensive audits. We shall continue to monitor and report on the activities of such groups as part of our own audits and, in due course, we hope to be able to rely on their work to a greater extent.

11.30 **Other auditors.** Our relationship with auditors, other than internal auditors, is not as significant an issue but it does warrant further consideration. First, other auditors have been appointed to audit certain Crown corporations. The Auditor General Act provides that we may rely on these auditors and that we may have access to information in these corporations should it be necessary to fulfil our responsibilities. Second, under the provisions of certain cost-sharing and transfer-payment programs, there are situations where we may find it desirable to rely on the audit work of provincial auditors general and they on the work of our Office. In developing the comprehensive audit methodology, we shall ensure that these relationships are appropriately and satisfactorily defined.

Crown Corporations

11.31 Our 1977 Report indicated that we intended to apply the same audit standards to the audits of Crown corporations and to discharge the same reporting mandate in terms of scope for all other government entities dependent in whole or in part on the public purse. This position has been endorsed by the Standing Committee on Public Accounts. In its Second Report to the House of Commons dated April 11, 1978, the Committee recommended that the standard of audit and accountability for public funds spent by corporations should not be less than that required of the Government itself. We plan to implement the comprehensive audit approach in all Crown corporations which we audit. For those we do not audit, we shall initiate discussions on the scope of audit examinations conducted by their external auditors, with particular reference to the Financial Controls and Management Controls (value-for-money) areas of comprehensive auditing.

Conclusion

11.32 **Advanced Studies in Comprehensive Auditing Methodology.** Significant progress has been made in developing audit methodology. As reported in previous years, the Office has prepared a uniform audit manual and provided extensive