

## Comprehensive Auditing

**12.60** At the departmental level. With a few notable exceptions, senior management has failed to appreciate the potential benefits of internal auditing and has paid little attention to the quality of existing auditing in their departments. There has been a corresponding lack of support for and direction to the audit activity. As a result departments have been confused about what auditing is, what auditors do and how the function should be organized to achieve the greatest possible benefits. Most departments have intentionally limited their audit activities to financially-based internal audits that are inadequate for today's needs especially having regard to the much greater emphasis that Parliament has placed on value-for-money auditing through the enactment of the Auditor General Act.

**12.61** All too frequently the prevailing attitude toward audit is one of resentment rather than appreciation of the contribution auditing can make in ensuring that government programs are carried out, not just with probity, but with due regard for economy, efficiency and effectiveness. These attitudes generate inevitable reactions among auditors themselves about their proper role and the importance of their work. If objective assessment and constructive criticism are resented, there can be little job satisfaction for the auditors. One result is that better auditors leave. A vicious circle results. Changing the views of management about the audit function will not be an easy task; it will require strong central direction from deputy heads as well as the Comptroller General of Canada.

**12.62** A few positive steps have been taken to institute changes for the better. A series of briefing sessions in May and June of this year informed deputy ministers of the progress on this year's audits by our Office. The positive reactions to recommendations to integrate and give greater importance to the internal audit function were encouraging.

**12.63** By the Treasury Board. To date, central agency support for internal audit has been spasmodic and often divisive. Early in 1978, I met the Secretary of the Treasury Board to discuss the need for co-ordinating audit and evaluation activities both within the Treasury Board and in departments. No immediate action was taken as it was felt that this issue could best be dealt with by the new Comptroller General. Shortly after his appointment and as part of the Treasury Board Secretariat reorganization, the Comptroller General was given responsibility for the existing Financial Administration Branch, including the evaluation of departmental adherence to the Treasury Board policy on financial administration. Also assigned to him was the former division of the Planning Branch responsible for evaluating departmental adherence to the Treasury Board policies on performance measurement and effectiveness evaluation. We also understand that the Comptroller General will be assuming functional responsibility, on behalf of the Secretary of the Treasury Board, for co-ordinating the evaluation activities of other branches of the Treasury Board Secretariat, including adherence to Treasury Board administrative and personnel policies. Completion of this reorganization and reassignment of responsibilities should establish a sound basis for central direction in carrying out fully integrated comprehensive audits.