12.23 A side benefit of auditing can be obtained if the internal audit function is an integral part of departmental operations and is used to expose bright, young staff to the department's operations and to broaden the horizons of middle managers who, through specialization, may have gained only a narrow perspective of management's problems. Use of the Audit Services Bureau limits opportunities for this type of training. Both external and internal auditors in the private sector have found that a fairly high turnover of staff is essential to maintain an effective audit organization by providing room for fresh ideas. Good people are attracted to auditing for the opportunity it gives to obtain an insight into a wide variety of operations, and to develop skills in fact finding, analysis and reporting.

12.24 **Effectiveness of these audits.** All these audit activities subject a line manager to review by many groups who may often be poorly co-ordinated. Each may have a narrow perspective of the nature of management's problems and those to whom they report may have too limited authority to act on the problems identified. Assigning responsibility for all audit activities to a single senior official reporting directly to the deputy head would: attract leaders with appropriate management training; provide a proper balance between specialist and audit skills; and permit management's problems to be addressed in the broadest possible fashion.

12.25 **Other evaluative activities.** Line management of departments carry out monitoring and control activities, such as a review of field operations or of projects under a program to determine needs and subsequently assess adherence to laid down policies and procedures. Central agencies also subject departments to many types of similar reviews. Such activities, which may resemble audit, are not independent and are part of the normal management process. However, a clear distinction is often not made and those being audited feel they are over-audited. This has two unfortunate effects: on the one hand the primary responsibility of line managers to appraise systematically the performance of their programs and subordinates may be obscured; and on the other hand truly independent audit investigations may appear to be unnecessary. More effective and better co-ordinated internal audit would relieve the need for some of the reviews line management now conduct and at the same time provide the benefit of audit objectivity.

Present and Desirable Audit Practices

12.26 In conducting our review, we established certain audit criteria to assess our findings. We developed what we consider are reasonable and feasible standards that internal audit groups should meet, taking into account the "Standards for the Professional Practice of Internal Auditing" recently issued by the Institute of Internal Auditors. The Institute is an international association dedicated to the continuing professional development of internal audit.