

Comprehensive Auditing

11.15 The objective now is to diminish the reliance on special studies, to capture the concepts and techniques which have already evolved, and to move towards providing Parliament with constructive, comprehensive evaluations of individual departments, agencies and Crown corporations and of the Government as a whole. To maximize the effectiveness of this audit approach, a concept of cyclical reporting, described later in this Chapter, is being implemented. To ensure economical, efficient and effective auditing within the Government, the activities of the Audit Office will be co-ordinated with those of internal auditors wherever the scope and quality of their audit work is appropriate and sufficient.

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11.16 The FRAME concept. We are using the acronym FRAME to describe, in very simple terms, the methodology being developed for comprehensive auditing. FRAME provides a useful basis for summarizing the legal responsibilities of the Auditor General, the objectives of the comprehensive audit and the nature of the specialized staff resources required to conduct it. The acronym FRAME results from combining the first letters of the following five separate but inter-related facets of the comprehensive audit:

- Financial Controls
- Reporting to Parliament
- Attest and Authority
- Management Controls
- EDP Controls

11.17 Financial controls. Audit examinations will continue, in the manner of the Financial Management and Control Study, to evaluate the controls over revenues, expenditures, assets and liabilities, including the organization of the financial function, and the financial reporting and accounting systems. Considerable progress has already been made in incorporating the related audit methodology into the Office's continuing audits.

11.18 Reporting to Parliament. This module of the comprehensive audit considers the reports prepared both by the Government and by the Audit Office. On the government side, attention will focus on the form and content of submissions and reports prepared for requesting funds and for accounting to Parliament for money received and spent - the Estimates and the Public Accounts respectively. Until recently, the primary interest of the Audit Office in this area has been directed to expressing an opinion on the summary financial statements of the Government included in the Public Accounts. We now intend to place more emphasis on examining the consistency and adequacy of information on departmental programs and activities in both the Estimates and the Public Accounts.