

are effective, this audit approach enables the auditor to concentrate the audit effort in areas where controls to assist in the conduct of government operations do not exist or are not operating properly. At the conclusion of the examination the auditor is in a position to point out the consequences of the weaknesses and recommend possible means of instituting corrective action.

11.10 Special studies. To develop and implement this constructive approach, the Audit Office undertook special studies with teams consisting of staff from within the Office and professionals obtained from the private sector under Executive Interchange agreements or professional service contracts. The first major study was the Financial Management and Control Study (FMCS), conducted in 1975 and 1976. It gave Parliament an overview of government-wide financial management and control systems including the organization of the financial function, the qualifications of financial administrators, the quality and usefulness of information for managerial and financial control purposes, and the effectiveness of internal financial audit. The key recommendation of this study helped to bring about the appointment of the Comptroller General of Canada in early 1978. This study also focused attention on the financial control of and by Crown corporations.

11.11 The second major study, the Computer and Information Systems Evaluation (CAISE) Study, reported in 1977, penetrated more deeply into controls in the electronic data processing environment. In essence an extension of the FMCS, it represented the first in-depth evaluation of computer-based systems by this Office.

11.12 The most recent major government-wide study, the Study of Procedures in Cost Effectiveness (SPICE), included in this Report, represents an important first step in the area of value-for-money auditing. It points out where significant improvements are required in existing efforts to achieve economy, efficiency and effectiveness in government.

11.13 There have been other important special studies reported in this and previous Reports. Recommendations have been made to improve the quality of financial information for Parliament in the Estimates and in the Public Accounts. Recommendations to enhance the scope, quality and effectiveness of internal audit are included in the next Chapter.

11.14 Current objectives. The special studies have directed specific attention to the policies and procedures established by central agencies since these are fundamental to the effectiveness of systems throughout the Government. The Comptroller General is taking initiatives to provide leadership and assistance to departments so that they may improve in the areas of weak financial management previously reported. These studies have also served to increase the awareness and skills of staff within the Audit Office. As part of their terms of reference, teams carrying out special studies have been required to develop new methodology in their respective areas of interest and expertise.