

## Comprehensive Auditing

**12.41** The organizational status of the internal audit group in many departments is unsatisfactory. This results in a loss of independence, and as a consequence, a lack of objectivity. The group often has relatively low importance attached to it in the departmental hierarchy, as illustrated by the ease with which operational units establish audit activities on their own. Audit reports, frequently, do not reach the managers who can take corrective action. Frequently, internal audit groups, as a convenient staffing source, have been involved operationally in departmental functions they audit.

**12.42** In the Department of National Revenue - Customs and Excise, the Canada Employment and Immigration Commission, the Department of Communications and the Department of Transport the head of the internal audit group now reports directly to the deputy head and the internal audit group's mandate is well communicated to all senior management. This organizational status, which is relatively recent in these departments, should contribute significantly to improving the impact of the internal audit groups and give them the independence which is essential to the effective discharge of their responsibilities.

**12.43** *Professional resources. The internal audit group should be professionally competent and have enough resources to carry out its responsibilities.*

**12.44** To achieve this end:

- the internal audit group should be given strong leadership by a thoroughly competent professional and be staffed with auditors technically proficient in the variety of disciplines necessary to carry out comprehensive audits; and
- internal auditors should maintain their technical competence through continuing education.

To achieve and maintain consistently high standards of audit, the Comptroller General should monitor the training and development of departmental auditors and should participate in the appointment of auditors at the senior levels.

**12.45** Many audit groups now concentrate on audits of a routine financial nature because they are not staffed with auditors capable of performing value-for-money audits or of reviewing complex computer-based systems. Few departments have training plans to develop their staff, and even where there are such plans, insufficient time is devoted to them.

**12.46** *Performance of audit work. Appropriate standards of performance must be defined and followed in each audit assignment.*