

Office of the Auditor General of Canada

Practice Review Report
Special Examination Product Line
Round Four
February 2004



Strategic Planning and Professional Practices
Planification stratégique et méthodes professionnelles

Dan Rubenstein
Principal, Strategic Planning and Professional Practices (SPPP) and
Louis Lalonde
Principal, Audit Operations

Executive Summary

Introduction

In accordance with the Office's Long-term Practice Review Plan that was approved by the Audit Committee and the Auditor General, the Strategic Planning and Professional Practices group (SPPP) conducted three practice reviews of Round Four of Special Examinations.

Conclusion

We found that all three Special Examinations were in accordance with all Quality Management System Elements (QMS) under review (Conduct of the Examination, Consultation, and Resourcing).

Background

The Special Examinations Practice is an important component of the Office's Legislative Auditing Practice. The last formal practice reviews of the Special Examinations Practice were done at the end of the Round Two of the Special Examinations. A "Lessons Learned" exercise was carried out by the SPPP group for Special Examinations conducted during the latter portion of Round Three of Special Examinations.

Audit Objectives and Scope

The objective of the practice reviews was to provide the Auditor General with assurance that the Office's QMS for Special Examinations is suitably designed and operates effectively to meet legislative requirements, professional standards, and the Office's policies for Special Examinations. We practice reviewed three of Round Four of Special Examinations.

Opportunities for Improvement

During the course of conducting the three practice reviews we identified two emerging practice-wide issues that we felt merited attention. First, there is a need to consider the advantages of a standard approach to documentation. Secondly, there is a need for written guidance on the structure of the long-form report.

Response from the Product Leader for Special Examinations

We would like to thank SPPP for their collaborative work in carrying out these practice reviews.

We agree that there is a need for an enhanced documentation tool for special examinations. Although the Integrated Special Examination System (ISES) served us well in the past, it does not meet the Office's needs anymore. Now that the TeamMate software has been successfully implemented for annual attest audits, it is time to move forward and adapt it for use in special examinations. The Office will then have one fully integrated tool for all work conducted in Crown corporations. We intend to complete all necessary modifications and training of staff by the fall of 2004.

*We agree that there is a need to provide additional guidance on the structure and content of the long-form report. We are completing the review of Chapter 9 **Reporting the Special Examination** of the Special Examination Manual. It will provide better direction as to what is expected in terms of format and content. The revised Chapter will be issued by the end of June 2004.*