

Office of the Auditor General of Canada

Practice Review Report
Value-for-Money Audit Product Line
Audits reported in 2003
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Strategic Planning and Professional Practices
Planification stratégique et méthodes professionnelles

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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 ten practice reviews of Value-for-Money audits, studies, and audit notes in 2003–04. This Summary Practice Review Report pulls together all our work for the year.

Conclusions

We found that seven audits and audit notes were in compliance with all the Value-for-Money Quality Management Framework (VFM QMF) elements under review. For one audit, we were unable to conclude whether the audit team complied with the QMF requirement for sufficient evidence to support using secondary-source data. For the two studies we reviewed, we found that they were in accordance with the Office's policies for studies. However, we identified a need for enhanced guidance for practitioners on the distinction between a study and an audit.

Background

Because the Value-for-Money (VFM) Audit Practice of the Office of the Auditor General had undergone significant changes during 2003–04, the SPPP group developed a new approach to conducting practice reviews. In addition to traditional practice reviews, we conducted two interim reviews while the audits and studies reviewed were in progress. This Summary Practice Review Report summarizes interim and final year-end work. The Report brings forward, in a summarized fashion, key practice-wide issues previously raised. The Report also includes additional work on the November chapters and audit notes that had not been previously reported.

Audit Objectives and Scope

The objective of the practice reviews conducted was to identify any problems with the implementation of the new VFM QMF, the new *Value-for-Money Audit Manual (VFM Audit Manual)* (December 2002), the new Value-for-Money Management Committee (VFM-MC), and the enhanced Quality Reviewer function. We practice reviewed ten audits, studies, and audit notes published in the 2003 calendar year.

Opportunities for Improvement

During the year we identified two practice-wide issues: the distinction between audit and review levels of assurance for secondary source data, and the difference between an audit and a study. We recommended that the SPPP group, the Practice Development Committee (PDC), and the Learning Committee address these issues. To date the SPPP group and the PDC have addressed the needs for enhanced guidance with regard to the assurance to be derived for secondary source data. The issue of the difference between an audit and a study has yet to be addressed.

Executive Committee Response

Both the issues raised are important. The matter of assurance for secondary data has already been referred to PDC for action and the Committee has reviewed an initial draft of proposed guidance on the matter. A revised draft reflecting the Committee's considerations will be considered at a future meeting.

The issue of how to better differentiate between audits and studies is also an important one, and one that we will address. The Office is currently going through a re-visioning exercise for the Value-for-Money Audit product line. This issue will be addressed as one of the many questions to be looked at as part of the re-visioning exercise. The resolution of the issue lies in first deciding on the proper role of studies in our Value-for-Money Audit product line. Once that is resolved the issue of properly distinguishing studies from audits will likely resolve itself. We expect to have this done by December 2005.