

Office of the Auditor General

***Practice Review Report***

for

**Value-for-Money Audits Reported in 2000**

**EXECUTIVE SUMMARY**



Professional Practices Group  
Direction des méthodes professionnelles

Prepared by: Martin Ruben (author), Dan Rubenstein  
**Quality Assurance and Practice Improvement Team**  
**Professional Practices Group**  
May 2002

PROTECTED / PROTÉGÉ A

# Practice Review Report for Value-for-Money Audits Reported in 2000

## Executive Summary

### INTRODUCTION

In accordance with the Office's Audit and Practice Review Policy, the Professional Practices Group (PPG) has completed its review of the value-for-money audit practice. The review provides the Auditor General with assurance that the Office's Quality Management System (QMS) for its value-for-money audit practice is suitably designed and effectively applied to meet legislative requirements, professional standards and Office policies.

### CONCLUSION

We concluded that:

- all the audit engagements reviewed for this cycle were carried out, in all significant aspects, in accordance with professional standards, legislative requirements and Office policies, and
- we did not identify any situations where we believe the QMS is not suitably designed; however, we did identify instances of non-compliance with the QMS.

### BACKGROUND

The Office of the Auditor General (OAG) produced three periodic reports in 2000 containing a total of 35 chapters. In addition, the Commissioner for the Environment and Sustainable Development issued one report with 9 chapters. The audits, studies and follow-ups are conducted in accordance with the Office's *Value-for-Money Audit Manual* which embraces generally accepted auditing standards (GAAS) of the Canadian Institute of Chartered Accountants. The effective operation of the Office's QMS ensures that the audits follow these requirements. As well, the audit work conducted by the Office must meet legislative audit requirements provided for in the *Auditor General Act* and any other legislation pertaining to individual audit assignments.

## **PRACTICE REVIEW SCOPE**

This report summarizes the results of the 2000 cycle of the Value-for-Money Audit Practice Review Program. The review cycle included six audits reported during the year 2000. The audits we reviewed accounted for roughly 21 percent of the cost of all VFM audits in 2000.

## **OPPORTUNITIES FOR IMPROVEMENT**

In the reviews, we identified important opportunities for improvement relating to:

- documentation in the audit files including completion of checklists, cross-referencing of files and strengthening the substantiation of findings and conclusions;
- more even consultation with functional experts and second Assistant Auditors General by enhancing clarity around roles;
- ensuring appropriate resources are available during the course of audit; and
- further guidance and training need to be available on the degree of testing and the nature of reporting required for proper association with secondary source data.

These opportunities for improvement provided individual teams with areas they need to address and were not considered significant or practice-wide in nature.

The review teams discussed all areas of improvements with the responsible audit Principals and Assistant Auditor Generals (AAGs), who agreed to them. We understand that improvements will be made in a timely fashion by each of the teams.

We recommended that an improvement action plan be developed immediately, during the clearance of this report, to address practice concerns noted. This plan should spell out responsibilities, level of effort needed, and time frames for action. Subsequent to this review, the Executive Committee approved an action plan to ensure corrective action is taken.