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Leveraging Internal Audit Information

By Marc Belanger

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Management in the Government of Canada is continuously searching for new and innovative ideas to better implement and manage their initiatives. For this reason, much has been written recently on “deliverology” - the science of delivering on goals and promises¹ - as the key to meeting government commitments.

Internal audit reports are a very good source of best practices and innovative ideas towards improving government processes. Annually, the Government produces over 100 audit reports combined, complete with background information, best practices and lessons learned on a variety of different topics. Therefore, internal audit reports are a treasure trove of information that can benefit all government leaders on a multitude of topics of interest to managers today.

Background:

Audit reports, on the surface, may appear to examine distinct programs or services, reflecting only a particular organization’s reality. However, audit reports are also excellent instruments for learning. Auditors approach each project with a learning mindset, asking whether there are good practices that can be shared, which can ultimately contribute to improving management overall. Lessons learned can transfer to other organizations, departments, programs, and even disciplines, if mined correctly and implemented properly.² If this information is harnessed, significant information can be revealed towards better running the Government of Canada.

In a recent research report entitled “Unlocking the Power of Internal Audit in the Public Sector”, internal audit fulfills three important roles – protector (providing senior leaders and audit committees with comfort that their management systems and practices are designed appropriately and working effectively); educator (equipping public sector leaders with knowledge and expertise in public sector governance, risk management and control); and business advisor (providing honest, reliable and relevant advice on difficult questions or public administration).³ Therefore, audit reports will contain organizational information, best practices and lessons learned that can be beneficial to all organizations.

¹ Curran, Rachel, ‘Will “deliverology” work for the federal government?’, Policy Options, April 27, 2016.

² Juillet, Luc, Catherine Liston-Heyes, “The internal auditor as an agent of organizational learning: Enhancing the value of internal auditing in the public sector”, University of Ottawa, July 4, 2016 (DRAFT), section 3.5, page 36.

³ Abela, Carmen, James R. Mitchell, “Unlocking the Power of Internal Audit in the Public Sector”, The Institute of Internal Auditors, 2014.

In fact, a recent study from the University of Ottawa noted that “The wider dissemination of lessons learned and best practices identified through audit engagements is ... an important area where the internal audit function could improve and contribute to enterprise-wide learning, enhancing its value to the organization.”⁴

Benefits of Leveraging

By leveraging lessons learned identified in audit reports, the government can capitalize on its knowledge base, realizing many benefits. The Prime Minister’s mandate letters to Cabinet ministers focussed on collaboration and support; by leveraging across organizations, we will increase collaboration, building on the knowledge of predecessors and even developing innovative methods to improve auditing in general. By understanding the lessons learned from previous audits, audit teams can avoid pitfalls encountered by their predecessors. Also, by learning from each other, exchanging knowledge, and even resources temporarily, knowledge and skills are developed and strengthened.

Issues to Keep in Mind

Although much information can be transferred from one department to another, a number of issues must be considered. Departmental management and all leadership must be open to a sharing environment, or it will not occur. Lessons learned should not be transferred from one organization to another simply because the circumstances are not the same; there are many factors that differentiate one organization from another. Many will have difficulty understanding that ideas from other organizations are transferable. Some departments, due to their security classification may have difficulty sharing information with other departments. Relative organizational size may hinder the transferring of lessons learned; this does not mean that this cannot occur, but rather, information should be tailored to meet the smaller organization’s needs.

Getting Started:

To begin unearthing available audit information, the Treasury Board of Canada Secretariat has developed a website (<http://www.tbs-sct.gc.ca/aedb-bdve/home-accueil-eng.aspx>) where past audits can be found. You can search by organization, latest reports, keywords and archives. For example, there are over 20 audit reports on “procurement” that you can access. You can also access individual departments and their audits.

⁴ Juillet, Luc, Catherine Liston-Heyes, “The internal auditor as an agent of organizational learning: Enhancing the value of internal auditing in the public sector”, University of Ottawa, July 4, 2016 (DRAFT), section 3.5, page 36.