



Key Compliance Attributes of the Internal Audit Function at Environment and Climate Change Canada

Fiscal year 2019 to 2020

Audit and Evaluation Branch

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List of acronyms and abbreviations

ADM	Assistant Deputy Minister
CIA	Certified Internal Auditor
CISA	Certified Information Systems Auditor
CGAP	Certified Government Auditing Professional
CPA	Chartered Professional Accountant
ECCC	Environment and Climate Change Canada
IIA	Institute of Internal Auditors
MAP	Management action plan
OCG	Office of the Comptroller General of Canada
QAIP	Quality assurance and improvement program
RBAP	Risk-based audit plan

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1. Introduction

The Treasury Board Secretariat [Directive on Internal Audit](#) requires that departments with an internal audit function publish departmental internal audit performance results in the form of key compliance attributes. The objective of publishing these results is to provide pertinent information to stakeholders, such as Canadians and parliamentarians, on the professionalism, performance and impact of the internal audit function in departments. As well, it is important that the public be aware that heads of government organizations are receiving independent assurance on the effectiveness and soundness of departmental activities.

This report presents the state of compliance of the internal audit function at Environment and Climate Change Canada's (ECCC) on attributes determined by the Office of the Comptroller General of Canada (OCG). These attributes address questions that stakeholders may have related to the sound management and the oversight of public resources.

The attributes examined in this report relate to the internal audit function at ECCC for fiscal year 2019 to 2020. Compliance in relation to these attributes has allowed the internal audit function to play its assurance and advisory role to the Deputy Ministers and senior management. ECCC is the federal lead on environmental issues, including action on clean growth, carbon pricing and climate change.

2. Compliance attributes

The internal audit function at ECCC was assessed on the following four key compliance attributes:

- Internal audit training and team
- Conformance with international standards
- Implementation of the Risk-based audit plan (RBAP)
- Credibility and value-add of internal audit

2.1 Internal audit training and team

Questions that stakeholders may have about oversight of public resources: <ul style="list-style-type: none"> • Do internal auditors in departments have the training required to do the job effectively? • Are multidisciplinary teams in place to address diverse risks? 	
1(a) % of staff with an internal audit or accounting designation [Certified Internal Auditor (CIA), Chartered Professional Accountant (CPA)]	33%
1(b) % of staff with an internal audit or accounting designation (CIA, CPA) in progress	42%
1(c) % of staff holding other designations (CGAP, CISA, etc.)	50%

2.2 Conformance with international standards

Questions that stakeholders may have about oversight of public resources <ul style="list-style-type: none"> • Is internal audit work performed in conformance with the international standards for the profession of internal audit as required by Treasury Board policy? 	
2(a) Date of last comprehensive briefing to the Departmental Audit Committee on the internal processes, tools, and information considered necessary to evaluate conformance with the Institute of Internal Auditors (IIA) Code of Ethics and the Standards and the results of the quality assurance and improvement program (QAIP):	June 6, 2019
2(b) Date of last external assessment	March 31, 2019. The internal audit function received a rating of “generally conforms”.

2.3 Implementation of the Risk-based audit plan

Questions that stakeholders may have about oversight of public resources <ul style="list-style-type: none"> • Are the risk-based audit plans (RBAP) submitted to audit committees and approved by deputy heads implemented as planned with resulting reports published? • Is management acting on audit recommendations for improvements to departmental processes? 	
3. RBAPs and related information (a) name/status of audit for the current fiscal year of the RBAP (b) date the audit report was approved (c) date the audit report was published (d) original planned date for completion of all management action plan (MAP) items (e) status of MAP items	See Table 1 for details.

Table 1: status of audits planned for tabling from 2019 to 2021 and status of audits with outstanding management action plans

Note: Additions and adjustments were made to the timing of the internal audits included in the Risk-based audit plan 2019 to 2021, to address emerging risks and departmental priorities. In addition, as a consequence of the COVID-19 pandemic, the Risk-based audit plan 2020 to 2022 was delayed beyond March 31, 2020. Modifications to the plan will be included as part of the mid-year update to Table 1.

Internal Audit Title	Audit Status	Report Approved Date	Report Published Date	Original Planned MAP Completion Date	MAP implementation status (as of March 31, 2020)
Audit of business continuity planning	Published - MAP fully implemented	December 8, 2017	January 19, 2018	December 31, 2018	100%
Audit of expenditure management and controls	Published - MAP fully implemented	March 7, 2019	April 16, 2019	December 31, 2019	100%
Audit of enforcement management and operations	Published - MAP not fully implemented	December 7, 2018	March 5, 2019	March 31, 2020	100%
Audit of the management of grants and contributions	Published – MAP not fully implemented	March 26, 2019	June 26, 2019	September 30, 2021	88%
Assessment of pay-related controls	Approved – Not published	July 18, 2019	N/A	March 31, 2020	94%

Internal Audit Title	Audit Status	Report Approved Date	Report Published Date	Original Planned MAP Completion Date	MAP implementation status (as of March 31, 2020)
Audit of infrastructure renewal within the Meteorological Service of Canada	Published – MAP not fully implemented	October 17, 2019	January 14, 2020	January 31, 2021	45%
Audit of Occupational Health and Safety	Published – MAP not fully implemented	December 17, 2019	March 11, 2020	June 30, 2021	27%
<p>Projects in progress or planned for tabling in fiscal year 2020 to 2021:</p> <ul style="list-style-type: none"> • Joint audit/evaluation of the management of the Pan-Canadian Framework on Clean Growth and Climate Change (pending deputy head approval) • Audit of project management (in progress) • Audit of the administration of grants and contribution under the Low Carbon Economy Fund (in progress) • Audit of the administration of grants and contribution under of the Nature Legacy Initiative (in progress) • Audit of information technology governance (planned) • Audit of the management of consultations with Indigenous peoples (planned) 					

2.4 Credibility and value-add of internal audit

Question that stakeholders may have about oversight of public resources	
<ul style="list-style-type: none"> • Is internal audit credible and adding value in support of the mandate and strategic objectives of the organization? 	
4. Average overall usefulness rating from senior management (ADM-level or equivalent) of areas audited	<ul style="list-style-type: none"> • Using OCG's scale, ADMs responded Fair to Good • ADMs also considered broadly that the internal audit function's assurance and advisory support is adding value to their decision-making processes