



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

Fiscal year 2020 to 2021



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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
FY	Fiscal year
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 (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 in place at ECCC for fiscal year (FY) 2020 to 2021. Compliance in relation to these attributes has allowed the internal audit function to play its assurance and advisory role to the Deputy Minister and senior management. ECCC is the federal lead on environmental issues, including action on clean growth and climate change, preventing and managing pollution, conserving nature and predicting weather and environmental conditions.

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 team and audit training

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)]	42%
1(b) % of staff with an internal audit or accounting designation (CIA, CPA) in progress	33%
1(c) % of staff holding other designations (CGAP, CISA, etc.)	42%

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 18, 2020
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 included in the RBAP for the current fiscal year; (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 internal audit engagements planned for tabling from 2020 to 2021 and status of engagements with outstanding management action plans as of March 31, 2021

Internal Audit Title	Audit Status	Report Approved Date	Report Published Date	Original Planned MAP Completion Date	MAP implementation status
Audit of the management of grants and contributions	Published – MAP not fully implemented	March 26, 2019	June 26, 2019	September 30, 2021	92%
Assessment of pay-related controls	Unpublished internal assessment – MAP fully implemented	July 18, 2019	N/A	March 31, 2020	100%
Audit of infrastructure renewal within the Meteorological Service of Canada	Published – MAP fully implemented	October 17, 2019	January 14, 2020	January 31, 2021	100%
Audit of Occupational Health and Safety	Published – MAP not fully implemented	December 17, 2019	March 11, 2020	June 30, 2021	67%
Joint audit and evaluation of the management of the Pan-Canadian Framework	Published – MAP not fully implemented	May 22, 2020	February 25, 2021	December 31, 2020	50%
Preliminary assessment of ECCC's Business Continuity Management Planning	Unpublished internal assessment – No MAP required	September 2, 2020	N/A	N/A	N/A

Internal Audit Title	Audit Status	Report Approved Date	Report Published Date	Original Planned MAP Completion Date	MAP implementation status
Audit of the administration of grants and contributions for the Low Carbon Economy Fund	Approved – Not yet published	March 24, 2021	Scheduled July 5, 2021	July 30, 2021	70%
Audit of project management	Approved – Not yet published	March 29, 2021	Scheduled July 16, 2021	September 30, 2021	60%
Review of the ECCC's research scientists (RES) career progression committee structure	Unpublished internal review DAC recommended for DM approval	Scheduled in FY 2021 to 2022	N/A	September 30, 2022	20%
Risk assessment of the TerraCanada Cluster of Laboratories Canada	NRC and NRCan co-led Unpublished internal assessment ECCC contribution to this project is completed – No MAP required	N/A	N/A	N/A	N/A
Risk assessment of the Atlantic Science Enterprise Centre Cluster of Laboratories Canada	DFO led Unpublished internal assessment ECCC contribution to this project is completed – No MAP required	N/A	N/A	N/A	N/A

Table 2: list of internal audit engagements in progress or planned for tabling in fiscal year 2021 to 2022

Engagements in progress from Risk-based Audit Plan, fiscal year 2020 to 2021
<ul style="list-style-type: none"> • Audit of the administration of grants and contributions for the Canada Nature Fund • Review of the management of sensitive information (cancelled)
Engagements planned for tabling in Year 1 of the Risk-based Audit Plan, fiscal year 2021 to 2022 to fiscal year 2022 to 2023
<ul style="list-style-type: none"> • Review of the progress in the implementation of the ECCC Data and Analytics Strategy • Advisory engagement on the design and implementation of the Enforcement Branch's risk-based approach • Audit of the classification function at ECCC

2.4 Credibility and value-added 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, the average overall usefulness rating from senior management was "Good" • ADMs considered broadly that the internal audit function's assurance and advisory support is adding value to their decision-making processes