



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

Fiscal year 2022 to 2023



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List of acronyms

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

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) 2022 to 2023. 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 4 key compliance attributes:

- Internal audit training and team
- Conformance with international standards
- Implementation of the Risk-based audit plan
- Credibility and value 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)]	41%
1(b) % of staff with an internal audit or accounting designation (CIA, CPA) in progress	35%
1(c) % of staff holding other designations (CGAP, CISA, etc.)	41%

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 28, 2022
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 2022 to 2023 and status of engagements with outstanding management action plans as of December 31, 2022

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 at ECCC	Published – MAP not fully implemented	March 26, 2019	June 26, 2019	September 30, 2021	100%
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	100%
Audit of the administration of grants and contributions for the Low Carbon Economy Fund	Published – MAP not fully implemented	March 24, 2021	July 5, 2021	July 30, 2021	100%

Internal Audit Title	Audit Status	Report Approved Date	Report Published Date	Original Planned MAP Completion Date	MAP implementation status
Review of the ECCC's research scientists (RES) career progression committee structure	Approved – Unpublished internal engagement	June 28, 2021	N/A	September 30, 2022	100%
Audit of the administration of the Canada Nature Fund contribution program	Published – MAP not fully implemented	September 16, 2021	April 27, 2022	March 31, 2022	87%
Audit of the classification function at ECCC	Published – MAP not fully implemented	May 2, 2022	October 31, 2022	March 3, 2024	50%
Review of Comparative Approaches to Inform ECCC's Data and Analytics Strategy Implementation	Unpublished internal engagement – no MAP required	July 20, 2022	N/A	N/A	N/A
Audit of the ECCC Application and Implementation of the Policy on COVID-19 Vaccination for the Core Public Administration Including the Royal Canadian Mounted Police – Leave Without Pay	Published – no MAP required	August 22, 2022	December 14, 2022	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 ECCC application and implementation of the Policy on COVID-19 Vaccination for the Core Public Administration Including the Royal Canadian Mounted Police – administration of accommodation requests	Published – no MAP required	December 19, 2022	May 8, 2023	N/A	N/A
Review of the ECCC Respect Bureau (Joint audit and evaluation)	Publication pending – MAP not fully implemented	January 20, 2023	In progress	June 30, 2024	Tracking not yet started
Audit of the administration of public inquiries	Publication pending – MAP not fully implemented	April 14, 2023	In progress	November 30, 2024	Tracking not yet started
Management review of Public Affairs and Communications Branch	Publication pending – MAP not fully implemented	May 8, 2023	In progress	March 31, 2024	Tracking not yet started

Table 2: List of internal audit engagements in progress or planned for tabling in fiscal year 2023 to 2024

Engagements planned for tabling in Year 1 of the 2023 to 2028 Audit and Evaluation Plan
<ul style="list-style-type: none"> • Audit of ECCC risk management practices (In progress) • Audit of the administration of grants and contributions programs at ECCC (In progress) • Comparative Analysis of ECCC Indigenous Community Engagement Processes (In progress) • Internal audit of the system of internal controls over financial reporting (In progress)

2.4 Credibility and value of internal audit

Question that stakeholders may have about oversight of public resources	
• 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 the OCG's scale, the overall usefulness rating from senior management for surveys received during FY 2022 to 2023 was "Good". • Audit clients considered that the internal audit function's assurance and advisory support is adding value to their decision-making processes.