



2022-2023 Report on Key Compliance Attributes of the Internal Audit Function



Aussi disponible en français sous le titre : *Rapport sur les principales caractéristiques relatives à la conformité en matière de vérification interne 2022-2023*

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The Internal Audit and Evaluation Directorate (the Directorate) provides independent objective assurance. It also provides consulting and evaluation services to add value and improve the Public Service Commission of Canada's operations.

The Directorate conducts its audit work in accordance with:

- the Treasury Board of Canada Secretariat's *Policy on Internal Audit*
- the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*

The Directorate's mission is to enhance and protect organizational value by providing risk-based objective assurance, advice and insight. The internal audit function allows us to meet our goals, using a systematic, disciplined approach to evaluating and improving the adequacy and effectiveness of the Directorate's processes for risk management, control and governance.

This report provides information on the professionalism, performance and impact of the internal audit function.

The Treasury Board of Canada Secretariat's *Directive on Internal Audit* requires all departments and agencies to provide information on key compliance attributes to show that the internal audit function is in place and working as intended.

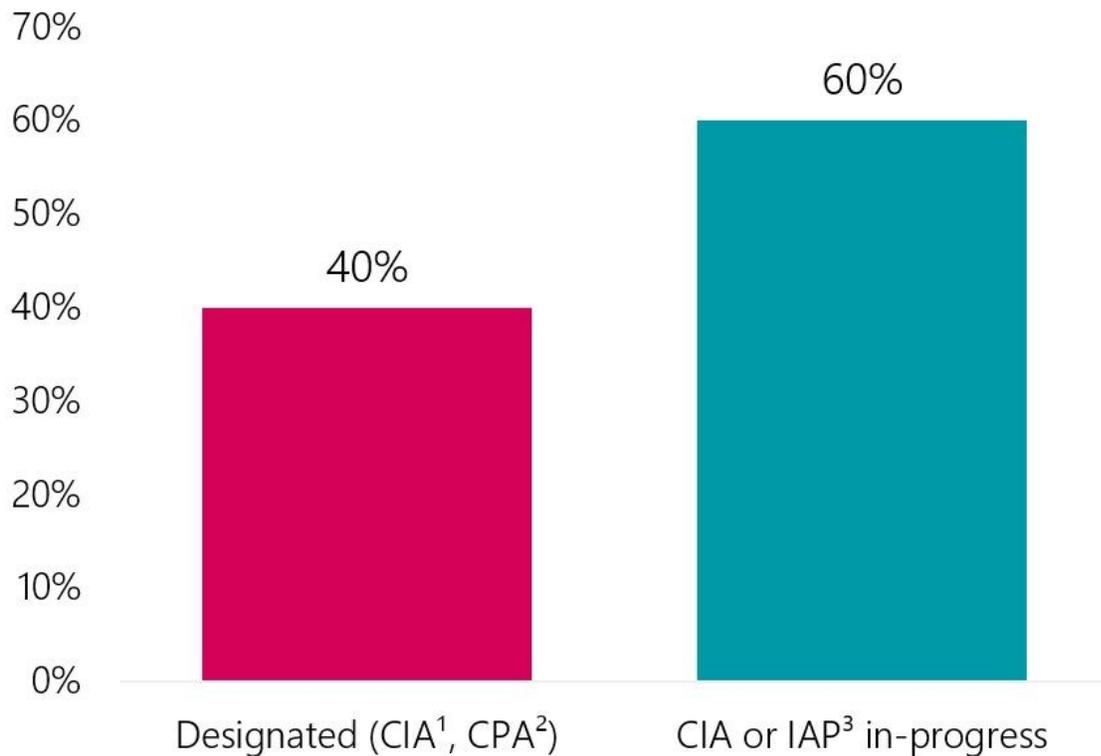
1. Do internal auditors have the training needed to do the job effectively, and are multidisciplinary teams in place to deal with diverse risks?

Yes. Collectively, the Directorate's staff have the knowledge, skills and abilities needed to do their work and fulfill their duties. The compliance attribute for measuring training is the percentage of staff who are:

- Certified Internal Auditors or Chartered Professional Accountants
 - as well as those working on getting either of these designations
- Certified with the following internal audit designations:
 - Certified Government Auditing Professional
 - Certification in Risk Management Assurance
 - Internal Audit Practitioner
 - Certified Information Systems Auditor
 - Certified Fraud Examiner

For this report, 5 Directorate staff members make up the internal audit function. This includes the Chief Audit Executive and 4 members of the internal audit team. Figure 1 illustrates the distribution of the audit team members within the Directorate.

Figure 1: Percentage of internal auditors with a designation as of June 16, 2022



Text version

Figure 1: Percentage of internal auditors with a designation as of May 21, 2019

Type of Internal Auditors	Percentage
Designated (CIA ¹ , CPA ²)	40%
CIA or IAP ³ in-progress	60%

As of June 16, 2022, 2 staff members have accreditations (1 with a Certified Internal Auditor and 1 with a Chartered Professional Accountant). Two staff members are currently working towards obtaining the Certified Internal Auditor designation and 1 towards the Internal Audit Practitioner designation.

¹ Certified Internal Auditor

² Chartered Professional Accountant

³ Internal Audit Practitioner

The internal audit staff is made up of people with diverse backgrounds, qualifications and education.

2. Does internal audit work meet international standards for the profession as required by Treasury Board of Canada Secretariat policy?

Yes. The Directorate's internal audit work meets international standards for the profession. The compliance attribute for measuring compliance is the date of the last briefing on the performance of the internal audit function to the Internal Audit Committee (including the results of internal assessments and any changes to audit methods, guidance and procedures) and the date of the Directorate's last external assessment.

Figure 2: Assessments of the performance of the internal audit function

Date	Assessment type
December 2017	Internal Audit Self-Assessment
March 2018	External assessment completed
June 2018	Briefing on Internal Audit Performance
March 2019	Internal Audit Self-Assessment
June 2019	Briefing on Internal Audit Performance
March 2020	Internal Audit Self-Assessment
June 2020	Briefing on Internal Audit Performance
June 2021	Planned Internal Audit Self-Assessment

Date	Assessment type
June 2021	Briefing on Internal Audit Performance
June 2022	Planned Internal Audit Self-Assessment
June 2022	Briefing on Internal Audit Performance

3. Are risk-based audit plans submitted to audit committees and approved by deputy heads? Are they implemented as planned with resulting reports published? Is management acting on audit recommendations?

Yes. The internal audits conducted by the Directorate were planned based on the approved *Internal Audit and Evaluation Plan 2021-23*. An update on the implementation of year 1 of the plan is provided in Table 1. An overview of internal audits planned for the 2022 to 2023 fiscal year is provided in Table 2 and will be updated to track:

- planned internal audits
- progress in implementing actions as a result of the internal audits



Table 1: List of internal audits and evaluations completed in first year of the 2021 to 2023 plan

Audit title	Audit status	Report approved date	Report published date	Target date for management action plan	Implementation of actions	Notes
Audit of GC Jobs Transformation, 2021	Preliminary results presented to the Internal Audit Committee	In progress	Not published	Not applicable	Not applicable	Preliminary results were submitted at the September 2021 Internal Audit Committee meeting. Final results were presented at the September 2022 meeting.
Review of PSC Open Government	Approved	December 2021	Not applicable	Not applicable	Not applicable	Not applicable



Audit title	Audit status	Report approved date	Report published date	Target date for management action plan	Implementation of actions	Notes
PSC Employment Systems Review	Approved	December 2022	Not applicable	Not applicable	Not applicable	Not applicable
IT Technical Debt Review	Approved	June 2022	Not applicable	Not applicable	Not applicable	Presented to the IAC on June 9, 2022
Special Consultative Engagement on the Vaccination Policy	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Results of the consultation presented at the June 2022 Internal Audit Committee meeting



Table 2: Planned internal audits for year 1 of the 2022 to 2024 plan

Audit title	Audit status	Report approved date	Report published date	Target date for management action plan	Implementation status	Notes
Audit of Risk Management Practices	Planning phase	December 2021	Not applicable	Not applicable	Not applicable	Not applicable
Audit of IT Security	Pre-planning phase	March 2023	Not applicable	Not applicable	Not applicable	Not applicable

4. Is internal audit credible and does it add value in support of our mandate and strategic objectives?

Yes. Based on the results of the external assessment completed in March 2018, the internal audit function generally meets the expectations of the President, the Internal Audit Committee and senior management, and it adds value to the organization. Some successful internal audit practices were identified in the external assessment. They included the quality of reports recognized as being useful to clients. The most recently completed internal audit self-assessment, which was tabled at the June 2022 Internal Audit Committee meeting, found that the function continues to generally conform to all applicable internal

