



2023-2024 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 2023-2024*

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Cat. No. SC1-18E-PDF (Electronic PDF, English)
ISSN 2819-4918

Cat. No. SC1-18F-PDF (Electronic PDF, French)
ISSN 2819-4926

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 (PSC) 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 the PSC to meet its goals, using a systematic, disciplined approach to evaluating and improving the adequacy and effectiveness of the organization'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, 7 Directorate staff members make up the internal audit function. This includes the Chief Audit Executive, 5 members of the internal audit team and 1 professional practices practitioner.

Percentage of internal auditors with a designation as of November 1, 2023

Designation status	Staff percentage
Designated (certified internal auditors or chartered professional accountants)	29%
Certified internal auditors or internal audit practitioners in-progress	57%
Certification pursuance planned for next fiscal year	14%

As of November 1, 2023, 2 staff members have accreditations (1 staff on assignment is a certified internal auditor and 1 is a chartered professional accountant). One staff member is currently working to obtain the Certified Internal Auditor designation and 3 are working towards the Internal Audit Practitioner designation. One staff member is preparing Certified Internal Auditor certification in the next fiscal year.

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
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	Internal Audit Self-Assessment
June 2021	Briefing on Internal Audit Performance
June 2022	Internal Audit Self-Assessment
June 2022	Briefing on Internal Audit Performance
March 2023	External assessment completed
November 2023	Briefing on Internal Audit Performance
November 2023	Internal Audit Self-Assessment
June 2024	Planned Internal Audit Self-Assessment



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 2022-24*. An update on the implementation of year 1 of the plan is provided in Table 1. An overview of internal audits completed and planned for the 2023 to 2025 fiscal year is provided in Table 2 and are updated to track:

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

Table 1: List of internal audits and completed in the first year of the 2022 to 2024 plan

Audit title	Audit status	Report approved date	Report published date	Original planned management action plan completion date	Implementation status
Special Consultative Engagement on the Mandatory Vaccination	Unpublished – MAP not applicable	June 2022	Not applicable	Not applicable	Not applicable
Audit of GC Jobs Transformation – Costs and Resources Estimation	Unpublished – MAP not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Audit title	Audit status	Report approved date	Report published date	Original planned management action plan completion date	Implementation status
Audit of Risk Management Practices	Published – MAP not fully implemented	March 2023	July 2023	Q3 2023 to 2024	13%
Audit of IT Security	Publication pending – MAP not fully implemented	June 2023	In progress	Q1 2025 to 2026	Tracking not started
Audit of Corporate Business Planning	Cancelled	Not applicable	Not applicable	Not applicable	Not applicable
Review of Technical Debt	Unpublished - MAP not fully implemented	June 2022	Not applicable	Q4 2022 to 2023	90%
Employment Systems Review	Unpublished – MAP not applicable	December 2022	Not applicable	Not applicable	Not applicable



Table 2: Planned internal audits for year 1 of the 2023 to 2025 plan

Audit title	Audit status	Report approved date	Report published date	Target date for management action plan	Implementation status
Audit of IT Security (carried forward)	Publication pending – MAP not fully implemented	June 2023	In progress	Q1 2025 to 2026	0%
Consultative Engagement on GC Jobs Transformation	Unpublished – MAP not applicable	November 2023	Not applicable	Not applicable	Not applicable
Audit of Procurement	Publication pending – MAP not fully implemented	November 2023	In progress	Q3 2022 to 2023	Tracking not yet started
Audit of PSC Human Resources Planning	Postponed	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 2023, 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 practices were identified in the external assessment. They included the overall strong level of support across the organization on the importance of maintaining an internal audit function. As well, the external assessment identified forward-thinking practices including advisory involvement in transformation initiatives. The most recently completed internal audit self-assessment, which was tabled at the November 2023 Internal Audit Committee meeting, found that the function continues to generally conform to all applicable internal audit standards.