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Risk-Based Internal Audit Plan Summary 2026–2029

Report of the Standing Committee on Audit and Oversight

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APRIL 2026



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Summary

Internal audit is an essential and independent third line of defence for proper accountability in the use of public resources for the Senate of Canada. As a strategic partner, internal audit assesses risks and delivers assurance and insights on internal management and operations to support institutional excellence.

This report summarizes the Senate's multi-year risk-based internal audit plan.

The Standing Committee on Audit and Oversight (AOVS) proposes to undertake five major internal audits in the three fiscal years 2026–2027 to 2028–2029:

- Maturity Assessment of the Performance Measurement Framework
- Audit of Senate Governance: Phase 1 – Mapping the Governance Framework
- Audit of General Information Technology (IT) Controls
- Audit of Stewardship and Safeguarding of Heritage Assets
- Audit of Senate Governance: Phase 2 – Assessing the Effectiveness of the Governance Framework

In each of the coming three years, AOVS will also oversee a series of high-value rapid advisory engagements that focus on services from Senate Administration that support senators in discharging their day-to-day responsibilities. This work is about collaboration and providing advice that can have a meaningful impact.

It is the opinion of the committee that these planned audits will enhance the effectiveness, efficiency and economy of Senate operations and increase the public's confidence in the institution. It brings the Senate in closer alignment with best practices for public institutions.

Introduction

The Standing Committee on Audit and Oversight (the committee) is responsible for oversight of the Senate’s internal and external audits. In exercising this oversight, the committee approves a risk-based internal audit plan or RBIAP. The plan is aligned with the priorities and risks of the Senate and follows leading practices. The internal audits provide insights and recommendations to improve Senate operations and build public trust and confidence in the institution. This report outlines the RBIAP for fiscal 2026–2027 to 2028–2029, the *Risk-Based Internal Audit Plan 2026–2029*, and further ensures the transparency and accountability of our committee’s work.¹

Background: The Senate Audit and Oversight Charter and Early Work

The Standing Committee on Audit and Oversight was established in October 2020 with a mandate to oversee and report on the Senate’s internal and external audits. With no internal audit function within the Senate and an ad hoc approach to past internal audit work, the committee first considered what model would best suit the needs of the Senate. Following a study of best practices and consultations with the Office of the Comptroller General of Canada, the committee drafted the first *Senate Audit and Oversight Charter*, adopted by the Senate in June 2022. The charter was updated following its first periodic review and adopted by the Senate in March 2026.

The charter states that the Senate’s internal audit function should be led by a Chief Audit Executive, accountable to the committee, and that the work of internal audit will follow a multi-year risk-based internal audit plan.

The committee hired the Senate’s Chief Audit Executive in October 2023. The committee also reported to the Senate in June 2023 that the internal audit function should include in-house internal audit capacity supplemented with external specialists as needed.²

¹ Tabling the list of internal audit engagements and related resource considerations in the Senate follows the recent update of the *Senate Audit Oversight Charter*. Previously, the Standing Committee on Audit and Oversight (AOVS) shared such information in its annual report to the Senate.

² Senate, AOVS, *Annual Report of the Standing Committee on Audit and Oversight: Activities and Observations for Fiscal Year 2022-2023*, June 2023.

The Senate’s first multi-year risk-based internal audit plan proposed engagements for fiscal years 2024–2025 to 2026–2027.³ The process of preparing the plan involved collaboration with the Senate Administration and consultation with senators; with the final plan approved by the committee in June 2024.

The first planned internal audit engagement on procurement, completed by an external service provider, was launched in February 2025, and the final report to the committee was received in October 2025.⁴ Certain planned engagements were delayed due to a lack of funding. At the committee’s request, an advisory analytical review engagement on trends in Senate expenditures was completed in March 2026 by the Chief Audit Executive to guide audit planning.

In addition to the oversight of the internal audit function for the Senate, the committee also provides oversight of the external audit of the Senate’s annual financial statements. This report only covers the committee’s internal audit responsibilities.

Risk-Based Internal Audit Plan 2026–2029

Setting Priorities: Working with Senators and Senate Administration

There are many services and activities within the Senate Administration that support the institution. For planning purposes, 85 auditable units were identified, covering the Corporate, Legal, Legislative and Human Resource sectors and directorates of the Senate Administration and its framework of policies. In addition, the audit universe considers emerging issues. A strategic multi-year risk-based internal audit plan is needed to prioritize the functions where an independent review would be most beneficial.

Selected committee members engaged directly with the Senate Administration to seek feedback on priority areas to validate that the planned internal audit engagements align with institutional priorities. The committee recognizes this cooperation as essential to realizing the benefits of the Senate’s internal audit function.

³ Under the direction of AOVS, the Chief Audit Executive developed the first multi-year risk-based internal audit plan for the Senate.

⁴ AOVS, *Report to the Senate on Internal Audit: Contracting Data Analytics Review*, February 3, 2026.

Audit Coverage: Making certain that risks are identified and managed

The *Risk-Based Internal Audit Plan 2026–2029* proposes a series of internal audit engagements over the next three fiscal years, including compliance and advisory engagements. This work is:

- focused on the areas of greatest risk to support insights and improvements;
- carried out independently, but with the advice and cooperation of Senate Administration, to ensure objectivity, credibility and no duplication of effort;
- based on a systematic approach to evaluate and improve the effectiveness and efficiency of governance, risk management, and control processes;
- completed in accordance with recognized internal audit standards; and
- reported on publicly to the Senate by the committee.

The major internal audit engagements proposed for fiscal years 2026–2027 to 2028–2029 include:

- Maturity Assessment of the Performance Measurement Framework (2026–2027)
- Audit of Senate Governance: Phase 1 – Mapping of the Governance Framework (2027–2028)
- Audit of General Information Technology (IT) Controls (2027–2028)
- Audit of Stewardship and Safeguarding of Heritage Assets (2028–2029)
- Audit of Senate Governance: Phase 2 – Assessing the Effectiveness of the Governance Framework (2028–2029)

These engagements are described in Appendix A

For fiscal year 2026–2027, the Office of the Chief Audit Executive will undertake several high-value rapid advisory engagements using in-house resources. These internal audits are focused on enabling services—those services that support senators in discharging their responsibilities. The audits will be designed to assess compliance with policies, validate service levels relative to service standards, and

identify opportunities for policy, process and efficiency improvements. These engagements will be determined following consultation with senators and Senate Administration on where highest value and measurable impact is likely. Additional high-value rapid advisory engagements will be selected in future years. Appendix B includes additional information on the high-value rapid advisory engagements.

The Senate's multi-year risk-based internal audit plan is updated annually by the Senate's Chief Audit Executive, in accordance with recognized professional standards. It is then reviewed and approved by the committee.

Resource Considerations

The committee notes that priority internal audit engagements will require a combination of in-house and outsourced internal audit capacity. The high-value rapid advisory engagements utilize the current in-house expertise and capacity of the Chief Audit Executive and the contracted advisor to the Chief Audit Executive. The final scope and timing of those engagements will be reviewed and approved by the committee.

In accordance with the *Senate Audit and Oversight Charter*, the committee will table information in the Senate on any resource limitations related to the approved multi-year risk-based internal audit plan. Further, any additional funds requested by the committee for future years will be presented in a report to the Senate for adoption.

The committee's current budget in the estimates includes the remuneration of its external members and the external audit of the Senate's financial statements. Additionally, amounts are allocated for internal audit for the Chief Audit Executive and the part-time Special Advisor to the Chief Audit Executive. Limited funds remain for on-going internal audit engagements that require the expertise and capacity of external professional audit services.

The risk-based internal audit plan for fiscal years 2026–2027 to 2028–2029 requires a resource commitment above current funding levels as noted in Appendix C.

The internal audit function for the Senate is not at a mature state. Even in the third year of this plan, the proposed spending on internal audit will be significantly lower than the relative internal audit investment in other relevant organizations, as noted in Appendix D.

Internal Audit Strengthens Confidence in the Senate

Internal audit is an essential line of defence in promoting effective governance and accountability in the use of public resources. It enhances transparency in operations by providing objective assessments and recommendations. This can in turn build public trust and confidence in the Senate, demonstrating a commitment to the responsible stewardship of public funds.

The *Risk-Based Internal Audit Plan 2026–2029* outlines the priority internal audit engagements focused on those areas the committee believes will benefit from oversight and provide value-added insight. They cover services that support senators in their work and foundational elements of the Senate’s operations that contribute to its ability to achieve strategic priorities and goals.

Ultimately, the vision and purpose of the Senate’s internal audit function is to help strengthen the institution and its operations so that senators can continue the important work of serving Canadians, while being prudent stewards of public funds.

Appendix A – Major Audits

This appendix includes a description of the planned major internal audit engagements.

Maturity Assessment of the Performance Measurement Framework

This advisory engagement will identify the key elements of the Senate performance measurement framework and assess its maturity to provide insights into the practices and key performance indicators used to assess performance within the Senate.

Audit of Senate Governance: Phase 1 – Mapping of Governance Framework

This advisory engagement will map the Senate governance framework to provide insights into the governance structures, systems, and practices. These insights will be used to inform Phase 2 of the engagement on the effectiveness of the governance framework.

Audit of IT General Controls

This audit will assess the design and control effectiveness of IT general controls (ITGCs) including access controls, change management, incident management, data backup and recovery, and security management. Procedures will include mapping and testing of controls.

Audit of Stewardship and Safeguarding of Heritage Assets

This audit will assess the adequacy of practices and controls to safeguard heritage assets (i.e., the management control framework) and the completeness and accuracy of the heritage asset inventory.

Audit of Senate Governance: Phase 2 – Assessment of the Effectiveness of the Governance Framework

This audit will provide assurance on whether the governance framework is operating effectively and appropriately discharging its accountabilities. It will assess the relationship between the governance committees and the Senate's strategic and operational planning cycle, including integrating risk management, financial management and control, and performance measurement. This engagement will rely on the results of Phase 1 (Mapping of Governance Framework).

Appendix B – High-Value Rapid Advisory Engagements

This appendix outlines the approach for high-value rapid advisory engagements including scope and general approach.

Objective and Scope

High-value rapid advisory engagements on enabling services that support senators in discharging their responsibilities, will assess compliance of transactions with policies, validate actual service levels relative to service standards, and identify potential opportunities for policy, process, or efficiency improvements.

General Approach

The selection and sequence of rapid advisory engagements that are considered high-value to stakeholders is undertaken in full consultation with the Clerk of the Senate and Senate groups and caucuses. The final scope and timing of individual high-value rapid advisory engagements will be reviewed and approved by the Standing Committee on Audit and Oversight. Future high-value rapid advisory engagements will consider emerging opportunities and risks.

Initial findings from the rapid advisory engagements will be reviewed with Senate Administration for completeness, accuracy and practicality in the implementation of any recommendations, before the findings are shared with the Standing Committee on Audit and Oversight.

Timing and Resources

Beginning in fiscal year 2026–2027, the Chief Audit Executive will undertake several high-value rapid advisory engagements using in-house resources.

Findings

Findings and insights will be presented to the Standing Committee on Audit and Oversight for approval and shared with senators and the Senate Administration.

Appendix C – Resource Requirements: Proposed Internal Audit Engagements 2026–2027 to 2028–2029

This appendix presents the resource requirements for fiscal years 2026–2027 to 2028–2029, including timing and funding requirements.⁵

Table C.1 Estimated Resource Requirements

	2026-2027 (\$ rounded)	2027-2028 (\$ rounded)	2028-2029 (\$ rounded)
Total Source of Funds¹	516,000	516,000	516,000
Core expenditures for external members, external audit, Chief Audit Executive, contract staff - estimate ²	483,000	484,000	485,000
Outsourced Internal Audit - estimate	45,000	55,000	95,000
Use of Funds	528,000	539,000	580,000
Shortfall - estimate	- 12,000	- 23,000	- 64,000

Notes:

1. The total source of funds includes the Audit and Oversight Committee (AOVS) budget of \$313,124 and the Office of the Chief Audit Executive budget of \$202,918, as allocated in the main estimates for fiscal 2026–2027; see [2026-2027 Main Estimates Executive Summary](#).
2. The core expenditures are an estimate based on forecasted amounts for fiscal 2026–2027 and adjusted for estimated external audit fees over the following two fiscal years. Within the funds available, approximately \$316,000 is allocated to internal audit. They exclude future inflation and salary increases.

⁵ Pursuant to the *Senate Audit and Oversight* Charter, any funds in excess of the budget allocated to the committee in the main estimates needs to be submitted in a report to the Senate for adoption.

Appendix D – Internal Audit Benchmarks

This appendix presents information on internal audit in smaller federal public sector organizations (commission and agencies) compared to the Senate.

Table D.1 Internal Audit Benchmarks

	Senate	Federal Agencies and Commission
Internal Audit Function	\$0.3 million	\$0.4 to \$1.4 million
Organization Annual Expenditures	\$141.4 million	\$44.7 to \$1,338.3 million
Internal Audit as a percentage of Total Expenditures	0.22%	0.68% (average)

Notes:

1. The Senate’s current internal audit budget of approximately \$316,000 includes amounts allocated to the Office of the Chief Audit Executive and amounts from the Standing Committee on Audit and Oversight (AOVS) budget to conduct internal audits.
2. There is no federal department of comparable size to the Senate. Smaller organizations like federal agencies and commissions offer some relevant insights.
3. Figures for the House of Commons are not publicly available.

Sources: This table was prepared using data obtained from the Senate of Canada, [Main Estimates Executive Summary for fiscal 2026–2027](#), and data from the Office of the Comptroller General of Canada for fiscal 2023–2024.

With the current funding available of approximately \$316,000, the Senate’s internal audit investments fall below accepted practices and risks not meeting internal audit standards. To align with relevant organizations, the spending on internal audit for the Senate would be about \$960,000. On a relative basis, in year three of this plan the Senate investment in internal audits will be 50 per cent below these benchmarks. Considering these insights, a moderate and gradual increase in the Senate’s investment in internal audit will support efforts to reduce costs. This approach seeks to balance institutional priorities, fiscal realities and follow best practices.



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