



Report on the Key Compliance Attributes of the Internal Audit Function: March 31, 2023

Background

The Internal Audit and Evaluation Bureau (IAEB) helps the Treasury Board of Canada Secretariat (TBS) meet its objectives by providing valued advice to senior management for decision-making. The internal audit function provides this advice by taking a systematic, disciplined approach to improving the effectiveness of processes for risk management, control and governance. The function provides independent and objective assurance that TBS's activities are managed in a way that demonstrates responsible stewardship.

The IAEB conducts its assurance work in accordance with:

- the Treasury Board *Policy on Internal Audit*
- the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* (Standards)

The *Directive on Internal Audit* requires that all departments provide information on key compliance attributes to demonstrate the professionalism, performance and impact of their internal audit function.

Professionalism of staff

Collectively, the internal audit staff are a diverse and multidisciplinary team that has the requisite knowledge, skills and other competencies to fulfill their responsibilities (refer to Table 1). In addition, the IAEB has a staff member who has advanced knowledge of data analytics.

Table 1: designations and certifications of internal audit staff members

Designation or certification	Percentage of staff
Certified Internal Auditor (CIA) or Chartered Professional Accountant (CPA) [*] [†]	40%
CIA or CPA in progress	40%
Other designations[†] (Certified Government Auditing Professional (CGAP), Certified Fraud Examiner (CFE), Certification in Risk Management Assurance (CRMA) and others)	20%
<p>[*] There are 10 internal audit staff members in the IAEB as of March 31, 2023, including the Chief Audit Executive and Head of Evaluation and the Committee Secretariat Manager for the TBS Audit Committee. This number excludes members of the data analytics team who support internal audit and evaluation functions and members on assignment outside of IAEB.</p> <p>[†] Staff members may hold multiple designations or certifications. Depending on the designations or certifications that a staff member has or is working toward, they may be counted in all three statistics. As a result, the percentages in Table 1 should not be considered parts of a whole.</p>	

Professional practices and quality assurance

The internal audit function at TBS conducts its work in conformance with the Standards for the profession. Information related to the function's activities, including status updates of ongoing engagements, is presented periodically at the TBS Audit Committee.

An external assessment completed in January 2022 concluded that the internal audit function at Treasury Board Secretariat generally conforms with the Institute of Internal Auditors' Standards and their Code of Ethics. The external assessors noted that the audit activity is well-managed, well-structured, regarded as very competent, and perceived as providing a high level of value to the organization. The results of the assessment were presented at the TBS Audit Committee in January 2022.

An internal assessment is planned for fall 2023 as part of the quality assurance and improvement program and to ensure continued conformance to requirements.

Risk-based audit plan and related information

The assurance and advisory engagements conducted by the IAEB are planned based on the approved, multi-year TBS Integrated Audit and Evaluation Plan. The plan is reviewed and discussed at meetings of the Executive Committee, TBS Audit Committee and the TBS Performance Measurement and Evaluation Committee. Planned engagements are adjusted to reflect any changes to the priorities, risks and needs of TBS. Details on the audit and review engagements for 2022–23 are listed in Table 2.

Table 2: 2022–2023 internal audit engagements planned or completed by the IAEB as of March 31, 2023

Project	Status	Date of report approval	Date of publication	Planned completion of management action plan	Implementation status
Advisory: Study on Co-led Governance	Completed	April 2022	Not applicable	Not applicable	Not applicable
Advisory: Government of Canada Financial and Materiel Management (GCFM) Lessons Learned	Completed	Not applicable	Not applicable	Not applicable	Not applicable
Audit of Duty to Accommodate for COVID-19 Vaccinations	Completed	June 2022	January 2023	No recommendations	Not applicable

(Third Party) Audit of the Federal Public Service Health Care Plan Administration Authority	Completed	November 2022	Not applicable	Not applicable	Not applicable
Mapping of the Duty to Accommodate Process	Completed	November 2022	Not applicable	Not applicable	Not applicable
Review of the Dental Care Plan	Examination	Not applicable	Not applicable	Not applicable	Not applicable
Audit of the Departure Process	Planning ¹	Not applicable	Not applicable	Not applicable	Not applicable
Audit of Information Technology Security ²	Planning	Not applicable	Not applicable	Not applicable	Not applicable
Accounts Payable	Deferred	Not applicable	Not applicable	Not applicable	Not applicable
Privacy Audit of TBS Claims Office ³	Planning	Not applicable	Not applicable	Not applicable	Not applicable

¹ Cancelled as of June 2023

² Formerly IT Security Risk Assessment

³ Formerly Review of the Privacy of the TBS Claims Office Process

Value to management

While surveys were not sent to senior management, their input on the usefulness of the engagements was solicited through interviews with the Chief Audit Executive and when the results were presented at the TBS Audit Committee. Senior management indicated a high level of satisfaction with the value provided by the IAEB to the committee.

In addition, an indication of the credible support provided by the IAEB to senior management is reflected by their demand for advisory engagements and strategic and objective advice, which surpasses IAEB's capacity. This has been the trend year over year. Moreover, the IAEB scans for new risks and priorities in formal and informal ways throughout the year, making in-year updates to its plan to ensure that engagements remain relevant and targeted.

Date modified:

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