The Institute of Internal Auditors
L'Institut des auditeurs internes
Canada

The State of Internal Audit Public Policy Research in Canada
The Institute of Internal Auditors Canada

Report on Research Findings

November 2025

Report Disclaimers

Research and resulting findings reflect work performed at a point in time based on documents made available to the team and the regulatory documents reviewed from October 9, 2024, to December 2, 2024. The research and results only considered documents of the federal government and not of any provincial or territorial governments.

As part the research, representative samples of regulations were selected within 10 focus areas (see Appendix A for list of regulations reviewed). Research did not include a comprehensive review of the entire set of regulations and policies within these areas. Findings and conclusions are subject to the scope of only documents that were selected for review. Conclusions within this report are based solely on current regulations as written, which may have alternative interpretations in operation. Any subsequent changes or amendments to these regulations or accepted ways of working not documented may impact the accuracy or applicability of our conclusions by researchers.

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Executive Summary

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Executive Summary

This report is a summary to outline some areas of advocacy opportunities in relation to the state of internal audit public policies in Canada that may be considered in ongoing and upcoming advocacy work. Findings are based on identifying internal audit leading practices within federal regulation and legislation in Canada.

Research Overview and Findings

This project reviewed 58 regulatory documents within 10 focus areas to assess the state of internal audit requirements. Our findings and opportunities are summarized below:

- The absence of a regulatory framework in emerging areas such as Cybersecurity, Artificial Intelligence, and Cryptocurrency and newly proposed regulation within Data Privacy presents an opportunity for The IIA to influence the development of new regulations and associated policies in these domains.
- From our review, it is evident that the internal audit requirements outlined are primarily reactive in nature. These requirements typically mandate compliance reviews or audits when there are reasonable grounds to suspect contraventions.
- The internal audit requirements specified in public policies vary across different departments and organizations. This variance may result in different approaches to implementing these requirements within each entity.
- While regulations include compliance monitoring requirements, such as conducting audits, they do not provide a clear definition or mandate for the internal audit function itself.
- Several regulatory documents reviewed do not explicitly define the scope and responsibilities of internal auditing within their frameworks.

Opportunities

To advance public policy advocacy work, the follow highlight potential opportunities to engage on:

- Prioritize key focus areas based on advocacy opportunity, impact, level of effort and availability of resources. Advocacy priority areas to consider include:
  a. Advocacy priority areas (linked to proposed regulatory changes):
     - **Artificial Intelligence**
     - **Cybersecurity**
     - **Cryptocurrency**
     - **Data Privacy and Governance**
  b. Advocacy secondary areas (emerging topics):
     - **Diversity Equity and Inclusion (DEI)**
     - **Supply Chain and Third-Party Risk Management**
- To enhance advocacy efforts, adoption of early stakeholder engagement to identify and address any potential challenges for advocacy.
- Encourage further harmonization of IA public policies by promoting minimum IA requirements to help ease implementation across public agencies, departments and organizations.

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Research Purpose and Approach

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Research Purpose and Approach

PURPOSE

The research was conducted to understand the Internal Audit (IA) landscape in Canada to inform public policy advocacy engagement and leverage opportunities to advance the IA profession while mitigating any risks that may adversely impact the profession. The research will further enable The IIA to prioritize key focus areas for advocacy to effectively address key issues and promote the adoption of leading practices for IA.

APPROACH

Research Focus Area

The research focus areas were selected using pre-defined criteria to identify the most impactful and priority areas that will help inform The IIA public policy opportunity. Three selection criteria were used to determine the research focus areas which included:

- emerging risk areas
- established subject areas and
- highly regulated subject areas

Based on the criteria selected, ten (10) research focus areas were identified to help understand the state of internal audit public policies in Canada. We identified and conducted a review of applicable legislations, policies, guidelines and frameworks within the research focus areas.

Data collection

This project collected data on relevant legislation, policies, and guidelines within the identified focus areas. This was done by accessing industry reports and gathering information from federal government websites and other publicly available sources. Key data was documented using Microsoft Excel templates that included specific research questions, responses and citations from legislation and other policy documents.

Data assessment

The report analyzed relevant legislation identified and compared them with IIA public policy recommendations which aligned with research objectives. Research questions were developed to address these objectives, identified opportunities and relevant observations from the analysis of research materials. The current landscape across the identified subject areas of focus was summarized, and opportunities for advocacy by The IIA to promote the adoption of IA leading practices were identified.

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Focus Areas and Research Questions

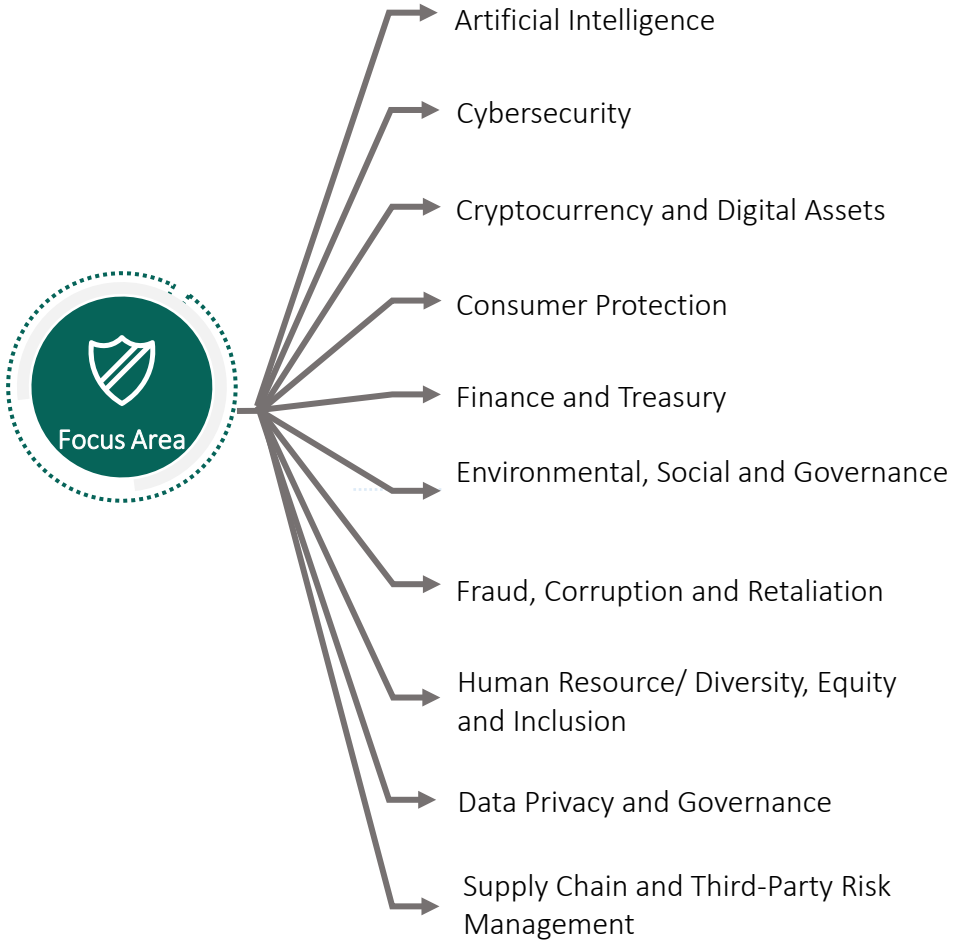
Based on the pre-defined criteria, we identified 10 research focus areas to help understand the state of internal audit public policies in Canada. Stakeholders were further identified within the focus areas and research questions that align with the research objectives.

SELECTION CRITERIA

SUBJECT AREAS	*Is it an emerging/hot topic IA area?*	*Is it an established subject area?*	*Is it a highly regulated industry area?*	
Artificial Intelligence	Y	N	N	✓
Cyber Security	Y	N	N	✓
Cryptocurrency and Digital Assets	Y	N	N	✓
Ethics and Governance	N	Y	N	X
Consumer Protection*	N	Y	Y	✓
Finance and Treasury*	N	Y	Y	✓
Energy	N	Y	Y	X
Environmental, Social and Governance	Y	N	Y	✓
Employment and Social Development	N	Y	N	X
Fraud, Corruption and Retaliation	Y	Y	Y	✓
Health Care	N	Y	N	X
Human Resource and DEI	Y	N	N	✓
Innovation, Science and Economic Dev	N	Y	N	X
Indigenous Affairs	N	Y	N	X
Immigration	N	Y	Y	X
Justice	N	Y	Y	X
Labour	N	Y	N	X
Data Privacy and Governance	Y	N	Y	✓
Public Safety	N	Y	N	X
Supply Chain and Third-Party Risk Mgt	Y	N	N	✓

** Although the assessment criteria suggest that these areas should be out of scope, the IIA has identified them as focus areas and therefore in-scope.*

Legend Y = Yes N = No ✓ In-Scope X Scoped out



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Research Questions

The research scope included the review of 58 regulatory documents within the 10 focus areas selected to enable us to understand and assess the state of internal audit requirements in public policies.

Research Scope

Within the 10 research focus areas selected, we identified a total of 58 regulatory documents including policies, legislation, guidelines, and frameworks. We conducted a review of these 58 documents to assess their alignment with our internal audit requirements and to explore opportunities for enhancing the internal audit profession. To establish a benchmark, we utilized The IIA recommendations on public policies.

During the review process, researchers employed 9 research questions to guide their analysis. These questions helped identify areas of alignment, as well as any gaps or opportunities for improvement within the various regulatory documents in relation to internal audit requirements. Based on the findings obtained from the research questions, documents were classified into three categories: "Does not align with IA requirements," "Has some IA requirements but still has gaps and opportunity for improvement," and "Aligns well with IA Requirements."

Research Questions

1. Does the regulation/policy include a **requirement for Internal Audit**?
2. If Yes - Does it define the **core internal audit concepts?**
3. Does it include a requirement to **conduct an internal audit** or have an **internal audit function**?
4. Does it include any **reporting or disclosure** requirements?
5. Does it include defined **responsibilities for monitoring compliance**?
6. Does it outline a **risk management framework** that aligns with IA?
7. Does it have any **competency requirements** for compliance or audit?
8. Does it include requirements for **Whistleblowing**?
9. Does the document reference other **policies or guidelines?**

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Research Findings

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Research Findings – Focus Area Summary

The following summarizes recommended advocacy priorities across the 10 focus areas:

Focus Area	Regulatory Framework	IA Requirements	Advocacy Opportunity
Artificial Intelligence			
Cyber Security			
Cryptocurrency			
Data Privacy and Governance			
Human Resources/ Diversity Equity and Inclusion (DEI)			
Supply Chain and Third-Party Risk Management			
Environment, Social and Governance (ESG)			
Consumer Protection			
Fraud, Corruption and Retaliation			
Finance and Treasury			

It was identified focusing advocacy efforts within areas where the **regulatory framework is still developing/absent or under change**.

This way, IA initiatives **are more likely to be successful** as the topic is more amenable to enhanced practices.

Secondary focus should be related to **emerging areas**, where regulatory change may not be prevalent, but **policy and guidance documents are being updated**.

See further details here.

Assessment Criteria

Is the regulatory framework:
- Formalized (green)
- Changing/partially formalized (yellow)
- Developing/absent (red)

Within regulation/policy, are IA requirements:
- Embedded (green)
- Partially referenced (yellow)
- Absent (red)

Is there opportunity for advocacy by The IIA:
- Priority (green)
- Secondary priority (yellow)
- Not recommended at this time (red)

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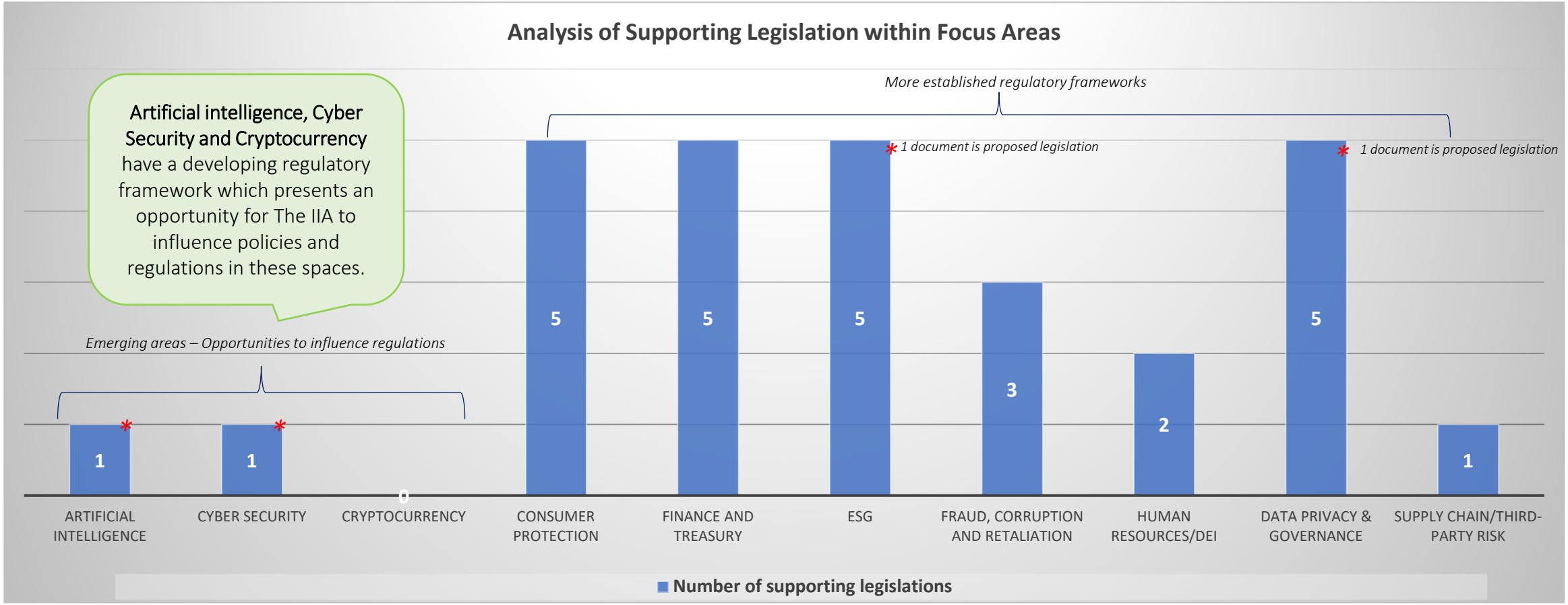
Research Findings – Regulatory Landscape Analysis

The number of supporting legislation identified for the 10 focus areas is presented below. Artificial intelligence, Cybersecurity and Cryptocurrency represent an opportunity for advocacy as these regulatory frameworks are still developing.



**Includes proposed legislation for consideration and potential enactment into law*

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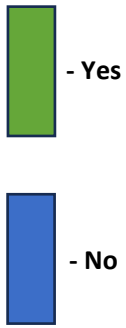
Research Findings – IA Requirements

For the 7 focus areas with a more developed regulatory framework, references to Internal Audit were noted, however, the function description is not always aligned to leading practices.

Focus Areas*	Q1: Does the regulation/policy include a requirement for Internal Audit?	Q2: If yes - Does the definition align to IA requirements?
Supply Chain and Third-Party Risk Management	40%	0%
Data Privacy and Governance	71%	0%
Human Resource/DEI	33%	0%
Fraud, Corruption and Retaliation	83%	0%
Finance and Treasury	73%	36%
Environmental, Social and Governance	50%	0%
Consumer Protection	40%	0%



Across **7 developed focus areas**, at least 1 regulatory document **referenced internal audit** (or similar terms such as internal control, framework, third-party audit/ independent audit etc.).

However, **only 1 focus area's definition aligned to IA requirements** (finance and treasury).

This presents an opportunity for The IIA to further evolve internal audit knowledge within the other 7 focus areas.

At the core of The IIA advocacy work, we encourage national institutes to ensure their governments adopt, in particular, definitions of both "internal auditing" and the "internal audition function." Lack of clear, consistent definitions for those core terms can harm the ability of the profession to operate successfully.

Source – The IIA Global Public Policy Position Paper (A Legal, Regulatory, & Policy Framework for the Internal Audit Profession

**Please see Appendix for detailed list of regulations reviewed.*

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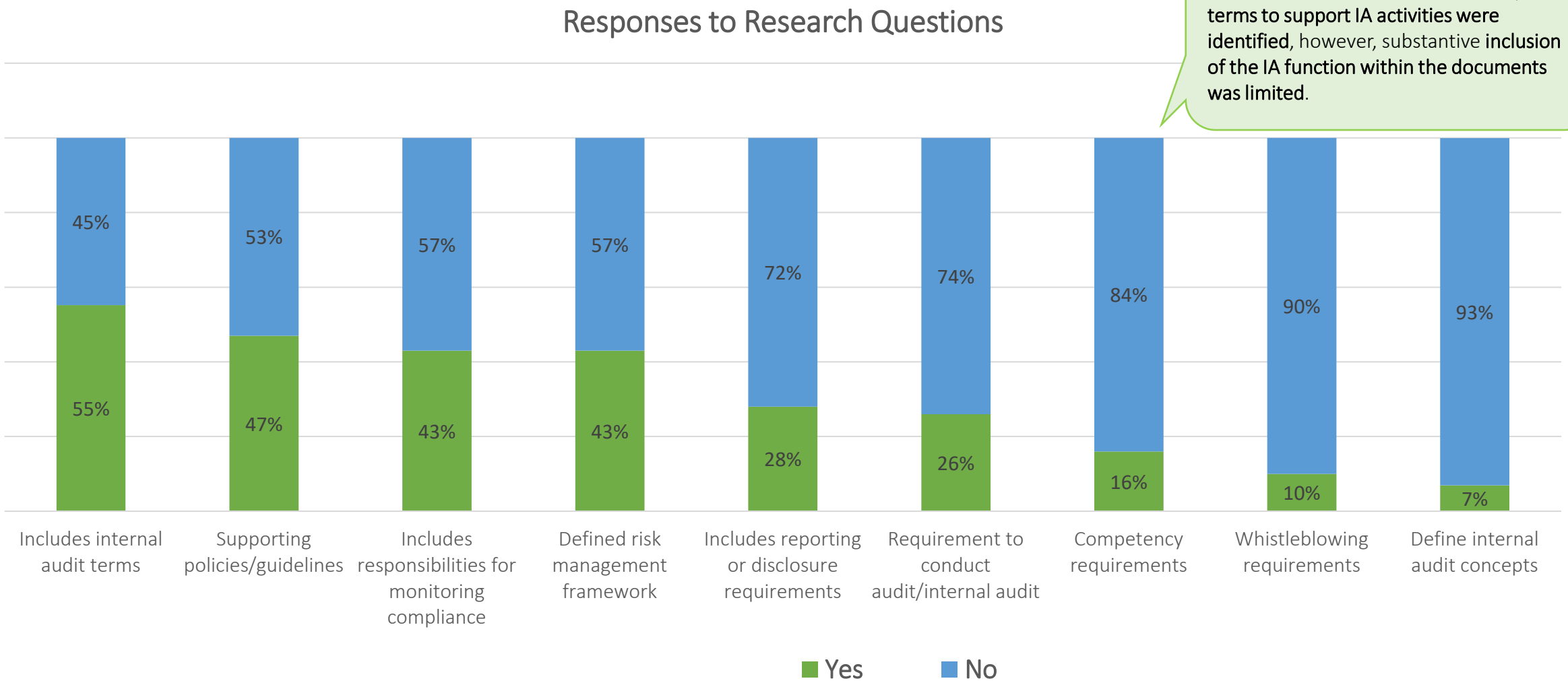
Research Questions Analysis

The summary below visually depicts the percentages derived from the responses to the research questions used to assess the internal audit requirements in the federal regulatory documents reviewed. This graph provides valuable insights into the extent to which these documents incorporate internal audit requirements.

Across the documents evaluated **key terms to support IA activities were identified**, however, substantive **inclusion of the IA function within the documents was limited**.



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Research Findings

We have summarized the research findings including the gaps and opportunities below:

Focus Area	IA Requirements Identified	Advocacy Opportunities
Artificial Intelligence  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• Incorporates requirements for “high impact systems” to establish measures to monitor compliance and the effectiveness of those measures. • For suspected contraventions, the Minister can mandate an audit by persons who meet the qualification prescribed by regulation. • Guidance (not legislation) given to government entities is to plan independent audits for assessing generative AI systems against risk and impact frameworks.	• Currently, there is **no regulatory framework in Canada** specific to artificial intelligence AI. The previously proposed Artificial Intelligence and Data Act, introduced as part of the Digital Charter Implementation Act, 2022, was aimed at establishing a legal framework for the responsible development and deployment of AI systems in Canada. However, this Bill is no longer under consideration. The **lack of regulatory guidance**, presents an opportunity for The IIA to **influence Internal Audit practices for AI** as an emerging area. • The IIA could **advocate for the inclusion of an Internal Audit function** as a mechanism to demonstrate that measures are in place to monitor compliance for high impact systems. • Further, the previously proposed **Bill did not mandate conducting regular audits** by organizations (recommended in guidance to government only). Instead, audits are executed by the Minister when contravention is suspected. To encourage proactive risk management, **The IIA could advocate for audits/assessments to be mandatory**.
Cybersecurity  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• Incorporates requirements to conduct internal audit upon issuance of an internal audit order. • Gives the Governor in council the authority to make regulations in respect of any internal audit criteria or conditions. • Several policy and guidance documents for the Government of Canada on cyber security refer to concepts that support internal audit.	• Cybersecurity is an emerging focus area as the **regulatory framework is currently being updated**. The Critical Cyber Systems Protection Act was under consideration and implemented cybersecurity requirements for federally regulated private sector industries. • This Bill required operators of critical cyber systems to **implement cybesecurity programs meeting prescribed safeguards**. This presents an **opportunity for The IIA to influence Internal Audit practices in this space.** • **Related policies** (applicable to the Government of Canada) **make direct references to internal audit concepts** (e.g., independent assessments and third-arty assurance). **The IIA should capitalize on these references to encourage non-government entities to adopt internal audit practices** to meet the requirements of the Act once effective.

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Research Findings

We have summarized the research findings including the gaps and opportunities below:

Focus Area	IA Requirements Identified	Advocacy Opportunities
Cryptocurrency  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• There are no specific laws or regulations governing cryptocurrency. • Other related financial documents make little or no reference to cryptocurrency. • The Proceeds of Crime (Money Laundering) and Terrorist Financing Act requires covered entities to have an internal compliance program.	• There are **no specific regulations governing cryptocurrency** in Canada. Regulations are expected to come from the Government of Canada in 2026. • This presents an **opportunity to influence future policies or regulations** to include Internal Audit requirements that aligns with The IIA public policy recommendations.
Data Privacy and Governance  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• The Personal Information Protection and Electronic Documents Act (PIPEDA) and formerly proposed Digital Charter Implementation Act, 2022 both included requirements for whistleblowing. • Requirements mandated the commissioner conduct compliance audits on organizations if it has reasonable grounds to believe that the organization has not complied. • Includes requirements and measures for monitoring compliance.	• **Regulators are becoming more proactive in enforcing privacy laws** as public concerns related to data privacy are increasing. The IIA can highlight the benefit of **strengthening these programs through Internal audit** to help agencies and public organizations comply with applicable regulations and ensure safeguards are upheld. • The Personal Information and Data Protection Tribunal Act proposed along side the Digital Charter Implementation Act (formerly proposed bill), was aimed at strengthening data privacy and protection laws in Canada. Although it is not longer an active Bill, this subject presents **opportunity to influence Internal Audit practices and policies in this space.**

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Research Findings

We have summarized the research findings including the gaps and opportunities below:

Focus Area	IA Requirements Identified	Advocacy Opportunities
Human Resources/DEI  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• The Pay Equity Act includes requirements mandating the commissioner conduct compliance audits on any employer. • The Pay Equity Act also includes an internal audit order that gives the commissioner the authority to order an employer to conduct internal audit. • The policy on people management highlights the role and responsibility of senior management in compliance monitoring.	• **Diversity, Equity and Inclusion is an emerging subject** with organizations beginning to focus on competency management, psychological safety, and human capital management. However, there are **no comprehensive regulations on this subject.** • With this emergence, The **IIA can look to develop thought leadership** highlighting the benefit of the internal audit function in addressing these challenges, as it is considered a risk area within organizations. • A **policy driven approach is recommended**, as regulatory a framework related to these types of topics is unlikely in the near-term, yet organizations want to know how to improve DEI initiatives.
Supply Chain and Third-Party Risk Management  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• The guidelines and policies include requirements for monitoring compliance. • The guidelines provide a risk management framework for compliance monitoring. • Defines roles and responsibilities for maintaining internal control and compliance monitoring.	• The Fighting Against Forced Labour and Child Labour in Supply Chains Act requires entities to report on the measures taken to prevent and reduce forced labor in production. However, it does not require monitoring the effectiveness of controls. • Given the newness of this Act, it presents an **opportunity to advocate for the inclusion of internal audit functions** in these organizations, thereby enhancing compliance oversight. • A **policy driven approach is recommended**, as a regulatory framework as recently enacted and therefore change is unlikely.

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Research Findings

We have summarized the research findings including the gaps and opportunities below:

Focus Area	IA Requirements Identified	Advocacy Opportunities
Environmental, Social and Governance  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• The Canada Foundation for Sustainable Development Technology Act (CFSDTA) mandates the board to appoint an audit committee and conduct internal audit. • The CFSDTA also outlines the qualification of an auditor. • Includes requirements to conduct an audit in the case of contraventions or non-compliance.	• There is **no single ESG governing or regulating body**. Rather, there are many frameworks, each serving the needs of different users and audiences. • **Environmental regulations are more developed** within Canada, whereas **Social and Governance regulations are limited**. • Proactive and targeted Social and Governance advocacy is not recommended as an urgent priority for The IIA as there is limited regulatory framework in place. • Should The IIA want to target ESG, **focusing on environmental** is advised to maximize efforts.
Consumer Protection  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• Consumer protection regulations span several topics including competition, product safety, environmental protection, data protection, and financial protection. • Canadian Environmental Protection Act and Consumer Privacy Protection Act (formerly proposed Bill) make some reference to Internal Audit requirements.	• The **consumer protection sector is well established** with several regulatory documents to support its administration. • As consumer protection spans several topics, **advocacy is not recommended** as efforts would need to encompass several stakeholders and governmental groups. • Should The IIA want to target consumer protection, **focusing on consumer privacy protection** (given that a Bill was previously proposed), is advised to maximize efforts. See Data Privacy and Governance focus area for more details.

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Research Findings

We have summarized the research findings including the gaps and opportunities below:

Focus Area	IA Requirements Identified	Advocacy Opportunities
Fraud, Corruption and Retaliation  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• Establishes requirement to have a compliance program. • Mandates requirement to conduct review and submit annual reports. • Audit of receipts and expenditures to be conducted by the Auditor General of Canada. • The guide on managing fraud risk at the office of the Auditor General of Canada highlights the need for risk-based internal audit plan, training and roles and responsibilities for monitoring compliance.	• This focus area extends on topics outlined under Finance and Treasury. As such, **most of the regulations include internal audit requirements** to help assess compliance. • It is noted that, Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime Strategy 2023-2026 highlights addressing legislative and regulatory gaps as part of its strategy. **Priority actions can be explored** and determine if they would advance IA requirements within this sector.
Finance and Treasury  *Regulatory Framework*  *IA Requirements*  *Advocacy Opportunity*	• Highlights duties of audit committee. • Outlines qualification for auditors. • Has provisions for whistleblowing. • The Financial Administration Act mandates internal audit to be conducted to assess compliance.	• Overall, the Finance and Treasury sector is very established and **most of the regulations include internal audit requirements** to help assess compliance. • Due to the maturity of this sector, **advocacy is not advised**. • However, **the Financial Administration Act can be leveraged to recommend practices** for other focus areas. See Leading Focus Area – Treasury and Finance for more insights.

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Recommendations

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Summary of Common Findings and Opportunities for Advocacy

Below, we have identified and highlighted several key thematic areas that summarize the current state of internal audit public policies at the federal level. These areas provide a comprehensive overview of the subject matter and shed light on the overall landscape.

Themes	Common Findings	Summary of Opportunities for Advocacy
Emerging Areas with no Regulatory Framework	• Regulations/legislations in emerging areas such as AI, cryptocurrency and cyber security are under considerations and have less regulatory oversight. As such, IA requirements are yet to be developed or not well established.	• The IIA can prioritize emerging focus areas where there are less or no regulatory frameworks as it presents an opportunity to influence future regulations or policies.
Reactive Internal Audit requirements	• Internal Audit requirements in public policies at the federal level are generally reactive and imposed when there are reasonable grounds for contravention.	• There is an opportunity to help stakeholders understand the value in proactively identifying risk and addressing risk through regular audits. Mandating the internal audit function within public agencies and organizations ensures that compliance issues are managed proactively.
Differing Internal Audit (IA) requirements	• Internal Audit requirements in public policies differs across departments and organizations which may lead to different ways of implementing the IA requirements.	• The IIA can leverage this opportunity to advocate for standardization of IA requirements in public polices. This presents an opportunity for The IIA to engage with stakeholders, demonstrate the benefits of consistency, and provide guidance on implementation of these recommendations.
Internal Audit (IA) function mandate and definition	• Some regulations/policies include compliance monitoring requirements such as conducting audit but do not explicitly define or mandate an internal audit function.	• Internal audit provides a mechanism to demonstrate that measures are in place to monitor compliance in these focus areas. Similarly, defining the internal audit concepts and role within public policies would help provided a unified understanding of the role and function of internal auditing and internal audit function in public agencies and organization and encourage consistent implementation of the IA requirements.

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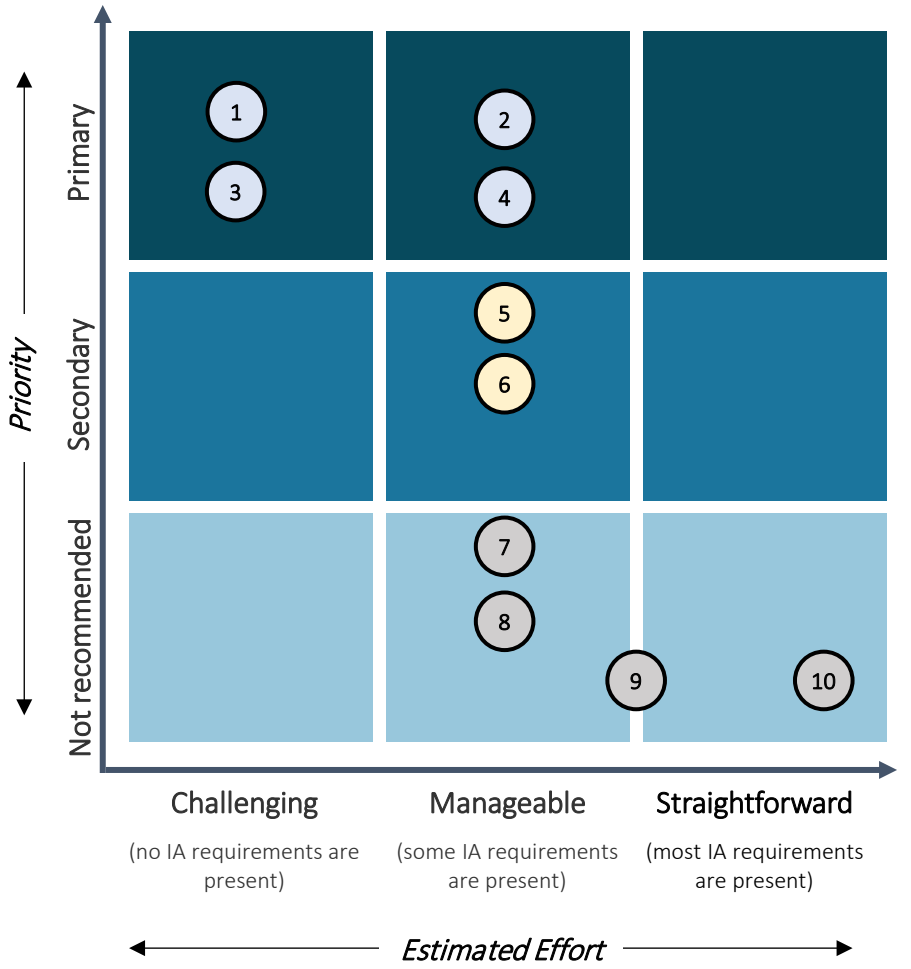
Recommendations (1/2)

Highlighted priority areas based on the ability to influence regulations, level of effort and ease of advocacy in the chart below including recommendations for considerations.

Recommendations to advance The IIA advocacy opportunities include:

- **Early stakeholder engagement** to identify potential challenges for advocacy.
- **Prioritize key focus areas** based on advocacy opportunity, impact, level of effort and availability of resources.
- Identify opportunities to promote **IA visibility within existing legislation** with strong internal audit requirements and leverage them as **blueprints** for advocacy.
- **Explore more emerging areas** to help pioneer the establishment of Internal Audit requirements as a basis to strengthen the IA profession.
- **Harmonize IA public policies** by introducing minimum IA requirements to help ease implementation across public agencies, departments and organizations.

Focus Areas Prioritization for Advocacy Opportunities



1	Artificial Intelligence
2	Cybersecurity
3	Cryptocurrency
4	Data Privacy and Governance
5	Human Resources and DEI
6	Supply Chain and Third-Party Risk
7	Environmental Social and Governance
8	Consumer Protection
9	Fraud, Corruption and Retaliation
10	Finance and Treasury

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Recommendations (2/2)

Below is a summary of the key considerations within the recommendations below:

Recommendations	Key Considerations
Early Stakeholder Engagement	• Engaging with stakeholders early on is crucial to identify potential challenges and gather insights for effective advocacy. By proactively seeking input from key stakeholders, such as the Treasury Board of Canada Secretariate, Office of the Auditor General, Office of the Comptroller General, public agencies etc., The IIA can better understand the specific needs and concerns related to internal audit public policies.
Prioritization of Focus Areas	• It is important for The IIA to prioritize key focus areas based on advocacy opportunities, potential impact, level of effort required, and availability of resources. By focusing on areas where advocacy efforts can yield significant results, The IIA can maximize its influence and resources.
Promoting IA Visibility within Existing Legislation	• The IIA should identify opportunities to promote the visibility of internal audit within existing legislation that already have strong internal audit requirements. By leveraging these legislation as blueprints, The IIA can advocate for similar requirements in other legislation or policies, thereby strengthening the overall internal audit profession.
Explore Emerging Areas	• The IIA should explore emerging areas, such as Cybersecurity, Artificial Intelligence, and Cryptocurrency, to pioneer the establishment of internal audit requirements. By proactively advocating for the inclusion of internal audit provisions in regulations related to these areas, The IIA can contribute to the development of robust internal audit practices in these evolving domains.
Harmonization of IA Public Policies	• To facilitate ease of implementation and ensure consistency, The IIA should advocate for the introduction of minimum internal audit requirements across public agencies, departments, and organizations. By establishing a baseline for internal audit expectations, The IIA can promote harmonization and uniformity in internal audit practices, ultimately enhancing governance and risk management across the public sector.

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Appendices

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Appendix A- Legislation and Policies Reviewed

Research reviewed the following **legislation, policies and guidelines** at the federal level according to the key focus areas identified.

Artificial Intelligence

- Artificial Intelligence and Data Act (former Bill)
- Guiding principles for the use of AI in government
- Guide on the Use of Generative Artificial Intelligence

Finance and Treasury

- Bank Act
- Financial Administration Act
- Financial Consumer Agency of Canada Act
- Office of the Superintendent of Financial Institutions Act
- Policy on Internal Audit
- Directive on Internal Audit
- Auditor General Act
- Why publish key compliance attributes of internal audit?
- TBS Internal Audit Publication
- Guide to Ongoing Monitoring of Internal Controls Over Financial Management

Cybersecurity

- Policy on Service and Digital
- Guideline on Service and Digital
- Directive on Security Management
- Critical Cyber Systems Protection Act (CCSPA)
- Direction on the Secure Use of Commercial Cloud Services: Security Policy Implementation Notice (SPIN)
- Government of Canada Cybersecurity Event Management Plan (GC CSEMP)

Fraud, Corruption and Retaliation

- Financial Administration Act
- Proceeds of Crime Money Laundering and Terrorist Financing Act
- Policy on Financial Management
- Guide on Managing Fraud Risks at the Office of the Auditor General of Canada
- Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime Strategy 2023-2026

Cryptocurrency

- Crypto Asset Guide
- Trust and Loan Companies Act
- Bank Act
- Proceeds of crime (Money Laundering) and Terrorist Financing Act
- Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime Strategy 2023-2026
- Canada Deposit Insurance Corporation Act

Supply Chain and Third-Party Risk Management

- Guide to Integrated Risk Management
- Fighting Against Forced Labour and Child Labour in Supply Chains Act
- Third-Party Risk Management Guideline
- Directive on the Management of Procurement
- Policy on Green Procurement

Consumer Protection

- Competition Act
- Canada Consumer Product Safety Act
- Canadian Environmental Protection Act, 1999 (CEPA 1999)
- Consumer Privacy Protection Act (former Bill)
- Financial Consumer Protection Framework Regulations

Human Resources and DEI

- Policy on People Management
- Pay Equity Act
- Management Accountability Framework
- Diversity and inclusion areas of focus for the public service
- Canadian Charter of Rights and Freedoms
- Guide to the Canadian Charter of Rights and Freedoms
- Public Service Employment Act
- Policy on Terms and Conditions of Employment
- Policy Framework for Management of Compensation

Environmental, Social and Governance

- Federal Sustainable Development Act
- Canada Foundation for Sustainable Development Technology Act
- Impact Assessment Act
- Greenhouse Gas Pollution Pricing Act
- Net-Zero Emission Accountability Act
- Climate Risk Management Guide

Data Privacy and Governance

- The Personal Information Protection and Electronic Documents Act (PIPEDA)
- The Privacy Act
- Access to Information Act
- Public Servants Disclosure Protection Act
- Digital Charter Implementation Act, 2022 (former Bill)
- Policy on Service and Digital
- Policy on Privacy Protection

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Appendix B - Leading Focus Area – Treasury and Finance

The current landscape of internal audit public policies in Canada is shaped by various government initiatives and frameworks that promote **effective governance**, **risk management**, and **accountability**. The Treasury Board of Canada and the Office of the Comptroller General (OCG) are responsible for issuing key guidelines and directives that focus on **maintaining a robust, professional and independent internal audit function** across public agencies and departments that meets internal standards and fosters public trust. Some of the **key policies** and **frameworks** that influence internal audit practices in Canada **include**:

Financial Administration Act:

The Act is one of the key legislation that establishes the legal framework for the management of public funds and assets, including the roles and responsibilities of the Treasury Board, the Comptroller General and the Auditor General. The Act is aimed at ensuring accountability, transparency, and responsible spending in the public funds. The FAA mandates requirements for internal controls and regular auditing processes within departments to ensure compliance with government financial policies and efficient use of resources. It also includes provisions related to the audit of federal organizations.

Policy on Internal Audit:

The Policy on Internal Audit, established by the **Treasury Board of Canada Secretariat**, provides the overarching framework for internal audit activities within the federal government. It outlines the requirements for the independence, objectivity, and effectiveness of internal audit functions. The policy emphasizes the importance of risk-based audit planning, professional standards, and quality assurance. It sets out the objectives, scope, principles and practices of internal audit in the federal public sector, and the roles and responsibilities of the Deputy Heads, the Chief Audit Executives and the Audit Committees.

Directive on Internal Audit:

The Directive on Internal Audit, also issued by the Treasury Board Secretariat, provides more detailed guidance on the implementation of the Policy on Internal Audit. It outlines the roles and responsibilities of deputy heads, chief audit executives, and the Comptroller General's office. It provides the mandatory requirements and procedures for conducting internal audit activities, such as planning, conducting, reporting and following up on audits.

Stakeholders

- Treasury Board of Canada Secretariate (TBS)
- Financial Consumer Agency of Canada (FCAC)
- Office of Superintendent of Financial Institutions (OSFI)
- Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)
- Canadian Centre for Cyber Security
- Office of the Privacy Commissioner of Canada
- Office of the Auditor General of Canada (OAG)
- Office of the Comptroller General of Canada
- Environment and Climate Change Canada

Leveraging insights from Treasury and Finance to support enhancing and furthering internal audit within government.

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Appendix C – Regulatory Document References

We have provided citations and references from the reviewed regulatory documents, which were used to respond to our key research questions in relation to the state of Internal Audit (IA) in Canada, *please refer to slides 27-61.*

Name of the Regulatory Document	Does the regulation/policy include a requirement for Internal Audit?	If yes - Does the definition align to IA requirements?	Does it include requirement to conduct an audit or monitor compliance?	Does it include any reporting or disclosure requirements?	Does it include defined responsibilities for monitoring compliance?	Does it outline a risk management framework that aligns with IA?	Does it have any competency requirements for compliance or audit	Does it include requirements for Whistleblowing?	Does the document reference other policies or guidelines?
Guiding principles for the use of AI in government	Yes	No	No	No	Yes	Yes	No	No	Yes
Citation	**Guiding principles for the use of AI in government** 6. Publishing legal or ethical impact assessments, source code, training data, independent audits or reviews, or other relevant documentation about AI systems, while protecting privacy, government and national security, and intellectual property; 9. Establishing oversight mechanisms for AI systems to ensure accountability and foster effective monitoring and governance throughout the lifecycle								

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Guide on the Use of Generative Artificial Intelligence	Yes	No	Yes	No	No	Yes	No	No	No
Citation	**Additional best practices for federal institutions deploying a generative AI tool** - Conduct regular system testing before and during the operation of a system to ensure that risks of potential adverse impacts, as well as risks associated with inappropriate or malicious use of the system, are identified and mitigated. - Apply more in-depth testing methods to identify and mitigate vulnerabilities in instances where systems will be made publicly available. This should include penetration testing, adversarial testing or red teaming. - Plan independent audits for assessing generative AI systems against risk and impact frameworks. Leverage existing risk management frameworks, when appropriate. See the guidance on the Risk management page.								
Critical Cyber Systems Protection Act (CCSPA)	Yes	No	Yes	Yes	No	No	No	No	Yes
Citation	**Reporting of Cyber Security Incidents** 17. A designated operator must, within a period prescribed by the regulations, not to exceed 72 hours, report a cyber security incident in respect of any of its critical cyber systems to the Communications Security Establishment in accordance with the regulations, for the purpose of enabling the Communications Security Establishment to exercise its powers or perform its duties and functions. **Internal audit order** 34 (1) Subject to any regulations, the Superintendent may, in writing, order a designated operator to, within a specified period and in accordance with the order, conduct an internal audit of its practices, books and other records to determine whether the designated operator is in compliance with any provision of this Act or the regulations. **Regulations** 135 (1) The Governor in Council may make regulations for carrying out the purposes and provisions of this Act, including regulations (a) respecting cyber security programs; (b) respecting any condition and criteria respecting internal audits;								

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Policy on Service and Digital	Yes	No	No	No	Yes	Yes	No	No	Yes
Citation	**Recordkeeping** 4.3.2.10 Ensuring that decisions and decision-making processes are documented to account for and support the continuity of departmental operations, permit the reconstruction of how policies and programs have evolved, support litigation readiness, and allow for independent evaluation, audit and review. **Monitoring and oversight** 4.6.1 Deputy heads are responsible for: 4.6.1.1 Monitoring compliance with this policy and its supporting instruments within their department. 4.6.2 The Secretary of the Treasury Board, while recognizing and supporting deputy heads as the lead responsibility within their respective departments, is responsible for: 4.6.2.1 Conducting risk-based monitoring, providing guidance, and recommending corrective actions regarding: 4.6.2.1.1 Compliance with this policy and its supporting instruments; 4.6.2.1.2 Departmental performance on service, information, IT and cyber security management; and 4.6.2.1.3 The service, information, IT and cyber security management function across government. 4.1.3 Deputy heads are responsible for the following: **Governance** 4.1.3.1 Establishing governance to ensure the integrated management of service, information, data, IT, and cyber security within their department.								
Guideline on Service and Digital	Yes	No	No	No	Yes	Yes	No	No	Yes
Citation	**Deputy heads are responsible for:** 4.3.2.10 Ensuring that decisions and decision-making processes are documented to account for and support the continuity of departmental operations, permit the reconstruction of how policies and programs have evolved, support litigation readiness, and allow for independent evaluation, audit and review. **Services internal to government** Internal services are groups of related activities and resources that the Government of Canada considers to be services in support of programs or required to meet corporate obligations of an organization. Internal services can be grouped under 10 distinct service categories that support program delivery, regardless of the internal services delivery model in a department, as identified in the table below. **Management and oversight services –** These includes strategic policy and planning and government relations, corporate policy, standards and guidelines, investment planning, departmental project management and oversight, risk management, performance and reporting, internal audit, evaluation, parliamentary affairs and access to information and privacy (ATIP) processing and reporting.								

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Directive on Security Management	No	No	No	No	Yes	No	No	No	Yes
Citation	**Chief security officer** 4.1The chief security officer (CSO) designated by the deputy head in compliance with the Policy on Government Security is responsible for managing the departmental security function and the following: 4.1.1Supporting the deputy head's accountabilities under the Policy on Government Security; 4.1.2Leading the departmental security function, including: 4.1.2.1Responsibilities for defining, documenting, implementing, assessing, monitoring and maintaining security requirements, practices and controls; and 4.1.2.2Authorities for related security risk management decisions; 4.1.3Overseeing the development, implementation and maintenance of the department's security plan, in collaboration with other senior officials and other stakeholders, which: 4.1.3.1Provides an integrated view of departmental security threats, risks and requirements; and 4.1.3.2Includes strategies, priorities, responsibilities and timelines for maintaining, strengthening, monitoring and continuously improving the security practices and security controls described in appendices A to H; F.2.2.3Establish a process for verifying and monitoring continued compliance with security requirements, including any permitted exceptions and risk mitigation measures, as applicable								
Direction on the Secure Use of Commercial Cloud Services: Security Policy Implementation Notice (SPIN)	Yes	No	Yes	No	Yes	Yes	No	No	Yes
Citation	**6.1.3 Third-party assurance** Departments do not have direct control over all the security controls in a cloud-based service. Neither do they have sufficient visibility into the design, development and installation of those security controls. Consequently, alternative security assessment approaches need to be applied. Departments can leverage independent reporting such as the following to establish third-party assurance when physical inspection and audit by departments is not feasible or practical: ISO/IEC 27001, ISO/IEC 27017, ISO/IEC 27018, Federal Risk and Authorization Management Program (FedRAMP), AICPA Service Organization Controls (SOC) audit reports or certifications etc. **6.1.5 Continuous monitoring** Departments must continuously manage the security risks to their information and IT assets throughout the life of their programs and services. Such management includes continuously monitoring cloud-based services as an essential component of an effective IT security strategy. Continuous monitoring encompasses activities such as: monitoring threats and vulnerabilities, reviewing the results of system monitoring, self-assessment and internal audits and developing corrective action plans where necessary to remediate deficiencies. **6.3 Security operations** As part of an active defence strategy, departments must ensure that measures are implemented to audit and monitor access to their cloud-based services. Using GC-provided services, such as those from SSC's Security Operations Centre, can help departments meet requirements for information system monitoring and security incident management. **6.3.2 Security incident management** Incident management is a key element of an active defence strategy.Footnote27 The GC must continue to have the ability to respond to cyber security events in a consistent, coordinated and timely manner across the GC enterprise, in alignment with the Government of Canada Cyber Security Event Management Plan (GC CSEMP) (GC CSEMP) and in coordination with the Canadian Centre for Cyber Security.								

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Government of Canada Cyber Security Event Management Plan (GC CSEMP)	No	No	No	Yes	No	Yes	No	No	Yes
Citation	**Process Overview** Preparation: The initial phase involves readiness activities that departments and the broader GC should undertake to ensure they are prepared to respond to a broad range of possible cyber security events, minimizing the resultant impact. Detection and Assessment: The second phase involves the discovery of potential cyber security events, including emerging threats, vulnerabilities or confirmed cyber security incidents, and an initial assessment of the appropriate GC Response Levels. Mitigation and Recovery: The third phase consists of all response actions required by various stakeholders to minimize the impact and return to normal operations. Post-Event Activity: This final phase is vital for continuous improvement of the overall cyber security event management process and, as such, feeds back into the preparation phase to complete the event management life cycle. **E-2 Step 2: Risk assessment – for cyber threat and vulnerability events only** Unlike cyber security incidents, where injury has been realized, injury is still in a potential state for cyber threat and vulnerability events. In order to establish an accurate potential impact level, a risk assessment is expected to be conducted (using Table E-3) to determine the probability of occurrence for the injury. Using the results of the injury test performed in Step 1, a risk-modified departmental impact level is determined based on factors such as intelligence indicators (likelihood of compromise), exploitability, exposure of affected information systems, and implementation of compensating controls. **2.3.1.2 Reporting** GC organizations must report all cyber security incidents to the Cyber Centre, who act as the central point of contact for cyber security incident reporting for the GC. If in doubt, it is better to over report than to under report. Reporting of all events will enable the Cyber Centre to identify trends or suspicious patterns of activity and identify potential impacts to other GC organizations who may be using the same service/system as an affected department.								
Crypto Asset Guide	No	No	No	No	No	No	No	No	No
Citation	**Lack of regulation and protection** Any person or company that trades or advises in securities or derivatives must register with a provincial or territorial securities regulator. A crypto asset trading platform (CTP), depending on how it operates, may be subject to securities regulation. Some CTPs claim to be registered businesses, but this isn't the same as being registered with a securities regulator. Lack of regulation of crypto assets also limits your protection. You won't have the same level of disclosure of important information. You also may not have access to a complaint-handling procedure and other consumer protections.								

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Proceeds of crime (Money Laundering) and Terrorist Financing Act	Yes	No	Yes	Yes	No	Yes	No	No	Yes
Citation	**Audit** 70 (1) All receipts and expenditures of the Centre are subject to examination and audit by the Auditor General of Canada. **Use and disclosure** (2) The Auditor General of Canada and every person acting on behalf of or under the direction of the Auditor General of Canada shall not use or disclose any information referred to in subsection 55(1) that they have obtained, or to which they have had access, in the course of exercising powers or performing duties and functions under this Act or the Auditor General Act, except for the purposes of exercising those powers or performing those duties and functions. **Annual report** 71 (1) The Director shall, on or before September 30 of each year following the Centre's first full year of operations, submit an annual report on the operations of the Centre for the preceding year to the Minister, and the Minister shall table a copy of the report in each House of Parliament on any of the first 30 days on which that House is sitting after the Minister receives the report. **Risk assessment** (2) The program shall include the development and application of policies and procedures for the person or entity to assess, in the course of their activities, the risk of a money laundering offence or a terrorist activity financing offence. **Proceeds of crime (Money Laundering) and Terrorist Financing Regulation** **Compliance Programs and Special Measures** 156 (1) For the purposes of subsection 9.6(1) of the Act, a person or entity referred to in that subsection shall implement the compliance program referred to in that subsection by a) appointing a person who is to be responsible for implementing the program or, in the case of a person, taking responsibility for implementing the program; (b) developing and applying written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer; (c) assessing and documenting the risk referred to in subsection 9.6(2) of the Act, e) instituting and documenting a plan for the ongoing compliance training program and delivering the training; and (f) instituting and documenting a plan for a review of the compliance program for the purpose of testing its effectiveness. (3) A review referred to in paragraph (1)(f) shall be carried out and the results documented every two years by an internal or external auditor of the person or entity, or by the person or entity if they do not have an auditor.								

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Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime Strategy 2023-2026	No	No	No	No	No	No	No	No	Yes
Citation	**Legislative Context** The PCMLTFA is the primary legislation that establishes Canada's AML/ATF framework. The overarching objectives of the PCMLTFA are to implement specific measures to detect, prevent, and deter money laundering and the financing of terrorist activities, while facilitating the investigation and prosecution of these crimes. These objectives place equal emphasis on preventing the proceeds of crime from entering or moving through Canada's financial system and creating a paper trail to assist law enforcement in detecting and prosecuting these crimes. The PCMLTFA requires persons and entities with obligations under the Act and regulations (referred to as reporting entities) to identify their clients, keep records, and have an internal compliance program in place, and establishes a regime for the registration of money services businesses. The Act also outlines mandatory reporting for prescribed transactions, such as electronic funds transfers, large cash transactions, as well as for suspicious financial transactions. In its effort to continuously adapt to changes in the AML/ATF operating environment and address emerging threats and vulnerabilities, the Regime relies on its comprehensive governance framework to identify measures to respond to identified gaps and weaknesses. This includes advancing priority actions in response to results from Parliamentary reviews, FATF evaluations, evolving international standards, stakeholder feedback, and internal risk and performance assessments. **Priority Actions** These priority actions are being taken in the areas likely to have the most material impact on results and effectiveness. Priority actions are grouped under the following four themes: Increasing operational effectiveness; Addressing legislative and regulatory gaps; Improving Regime governance and coordination; and Contributing to international community efforts to combat money laundering and terrorist financing.								
Canada Deposit Insurance Corporation Act	No	No	No	No	No	No	No	No	No
Citation	**Auditor** 43 The Auditor General of Canada is the auditor of the Corporation								
Competition Act	No	No	No	No	No	No	No	Yes	No
Citation	No reference to internal audit or requirements for monitoring compliance **Whistleblowing** 66.1 (1) Any person who has reasonable grounds to believe that a person has committed or intends to commit an offence under the Act, may notify the Commissioner of the particulars of the matter and may request that his or her identity be kept confidential with respect to the notification.								

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Canada Consumer Product Safety Act	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance								
Canadian Environmental Protection Act, 1999 (CEPA 1999)	Yes	No	No	No	No	No	No	No	No
Citation	**Regulations** 140 (1) The Governor in Council may, on the recommendation of the Minister, make regulations for carrying out the purposes of section 139 and may make regulations respecting f) the auditing of the books and records and the submission of audit reports and copies of the books and records; **Orders of court** 291 (1) Where an offender has been convicted of an offence under this Act, in addition to any other punishment that may be imposed under this Act, the court may, having regard to the nature of the offence and the circumstances surrounding its commission, make an order having any or all of the following effects: f) directing the offender to have an environmental audit conducted by a person of a class and at the times specified by the court and directing the offender to remedy any deficiencies revealed during the audit;								

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Financial Consumer Protection Framework Regulations	No	No	No	No	No	No	No		No
Citation	No reference to internal audit or requirements for monitoring compliance								
Federal Sustainable Development Act	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance								
Canada Foundation for Sustainable Development Technology Act	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No
Citation	**Qualifications of auditor** 26 (2) The auditor shall be (a) a natural person who (i) is a member in good standing of an institute or association of accountants incorporated by or under an Act of the legislature of a province, (ii) has at least five years experience at a senior level in carrying out audits, (iii) is ordinarily resident in Canada, and (iv) is independent of the board, the directors, the members and the officers of the Foundation; or (b) a firm of accountants of which the member or employee jointly designated by the board and the firm to conduct the audit of the books and records of the Foundation on behalf of the firm meets the qualifications set out in paragraph (a). **Audit committee** 28 (1) The board shall appoint an audit committee consisting of not fewer than three directors and fix the duties and functions of the committee. **Internal audit** 28 (2) In addition to any other duties and functions that it is required to perform, the audit committee shall cause internal audits to be conducted to ensure compliance by the officers and employees of the Foundation with management and information systems and controls established by the board.								

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Impact Assessment Act	No	No	No	No	No	No	No		No
Citation	No reference to internal audit or requirements for monitoring compliance								
Canadian Environmental Protection Act, 1999 (CEPA)	Yes	No	Yes	No	No				No
Citation	**Regulations** 140 (1) The Governor in Council may, on the recommendation of the Minister, make regulations for carrying out the purposes of section 139 and may make regulations respecting (f) the auditing of the books and records and the submission of audit reports and copies of the books and records; **Orders of court** 291 (1) Where an offender has been convicted of an offence under this Act, in addition to any other punishment that may be imposed under this Act, the court may, having regard to the nature of the offence and the circumstances surrounding its commission, make an order having any or all of the following effect (f) directing the offender to have an environmental audit conducted by a person of a class and at the times specified by the court and directing the offender to remedy any deficiencies revealed during the audit; **Regulations for the protection of the environment** 209 (1) The Governor in Council may, on the recommendation of the Minister, make regulations for the protection of the environment, including regulations respecting (a) the establishment of environmental management systems; (b) pollution prevention and pollution prevention plans; (c) environmental emergencies, releases of substances and likely releases, including their prevention, preparedness for them, reporting them, both as soon as possible in the circumstances and in detail at a later stage, and the measures to be taken to respond to them and to correct damage to the environment;								
Greenhouse Gas Pollution Pricing Act	Yes	No	No	No	No	No	No	No	No
Citation	**Inspection** **By whom** 141 (1) A person authorized by the Minister to do so may, at all reasonable times, for any purpose related to the administration or enforcement of this Part, inspect, audit or examine the records, processes, property or premises of a person that may be relevant in determining the obligations of that or any other person under this Part, or the amount of any rebate to which that or any other person is entitled under this Part and whether that person or any other person is in compliance with this Part. **Orders of court** 249 (1) If an offender has been convicted of an offence under this Part, in addition to any other punishment that may be imposed under this Part, the court may, having regard to the nature of the offence and the circumstances surrounding its commission, make an order having any or all of the following effects: c) directing the offender to have an audit conducted by a person of a class and at the times specified by the court and directing the offender to remedy any deficiencies revealed during the audit.								

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Net-Zero Emission Accountability Act	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance.								
Climate Risk Management Guide	Yes	No	No	No	Yes	Yes	No	No	Yes
Citation	Principle 1: The FRFI should have the appropriate governance and accountability structure in place to manage climate-related risks. Principle 3: The FRFI should manage and mitigate climate-related risks in accordance with the FRFI's Risk Appetite Framework. **A. Risk identification, measurement, and management** 5. The FRFI should reflect climate-related risks in its Internal Control Framework, relevant policies, and practices, and articulate the roles and responsibilities of different business lines and Oversight Functions in managing climate-related risks. **B. Risk monitoring and reporting** 9. The FRFI should incorporate climate-related risks into its internal monitoring and reporting of business performance and risk management effectiveness. It should monitor and report on relevant internal metrics, limits, and indicators to assess the effectiveness of its climate risk management. It should also monitor and report on internal targets to assess the FRFI's progress in managing its physical risk exposures and risks associated with the transition towards a low-GHG economy, consistent with its Plan. 10. The FRFI should develop capabilities to aggregate its climate risk data to identify and internally report on climate-related exposures, including risk concentrations (e.g., geographies, sectors, products, or counterparties). It should also have internal reporting systems that can produce reliable, timely, and accurate reporting on these risks to support strategic planning and risk management. The FRFI should develop capabilities to aggregate its climate risk data to identify and internally report on climate-related exposures, including risk concentrations (e.g., geographies, sectors, products, or counterparties). It should also have internal reporting systems that can produce reliable, timely, and accurate reporting on these risks to support strategic planning and risk management.								

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Bank Act	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No
Citation	**Duties of audit committee** 194 (3) The audit committee of a bank shall (a) review the annual statement of the bank before the annual statement is approved by the directors; (b) review such returns of the bank as the Superintendent may specify; (c) require the management of the bank to implement and maintain appropriate internal control procedures; (c.1) review, evaluate and approve those procedures; (d) review such investments and transactions that could adversely affect the well-being of the bank as the auditor or auditors or any officer of the bank may bring to the attention of the committee; (e) meet with the auditor or auditors to discuss the annual statement and the returns and transactions referred to in this subsection; and (f) meet with the chief internal auditor of the bank, or the officer or employee of the bank acting in a similar capacity, and with management of the bank, to discuss the effectiveness of the internal control procedures established for the bank. **Qualification of auditors** 315 (1) A firm of accountants is qualified to be an auditor of a bank if (a) two or more members thereof are accountants who (i) are members in good standing of an institute or association of accountants incorporated by or under an Act of the legislature of a province, (ii) each have at least five years experience at a senior level in performing audits of a financial institution, (iii) are ordinarily resident in Canada, and (iv) are independent of the bank; and (b) the member of the firm jointly designated by the firm and the bank to conduct the audit of the bank on behalf of the firm is qualified in accordance with paragraph (a). **Whistleblowing** 979.2 (1) Any employee of a bank or authorized foreign bank who has reasonable grounds to believe that the bank, authorized foreign bank or any person has committed or intends to commit a wrongdoing may report the particulars of the matter to the bank or authorized foreign bank or to the Commissioner, the Superintendent, a government agency or body that regulates or supervises financial institutions or a law enforcement agency.								

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Financial Administration Act	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes
Citation	**Audit capacity** 16.1 The deputy head or chief executive officer of a department is responsible for ensuring an internal audit capacity appropriate to the needs of the department. **Audit committees** 16.2 Subject to and except as otherwise provided in any directives issued by the Treasury Board under paragraph 7(1)(e.2), the deputy head or chief executive officer of a department shall establish an audit committee for the department. **Appointment** 16.21 (1) A person who does not occupy a position in the federal public administration but who meets the qualifications established by directive of the Treasury Board may be appointed to an audit committee by the Treasury Board on the recommendation of the President of the Treasury Board **Term of office** (2) A member of an audit committee so appointed holds office during pleasure for a term not exceeding four years, which may be renewed for a second term. **Remuneration** (3) A member of an audit committee so appointed shall be paid the remuneration and expenses fixed by the Treasury Board. **Responsibilities of Treasury Board** 7 (1) The Treasury Board may act for the Queen's Privy Council for Canada on all matters relating to e.2) internal audit in the federal public administration; **Accountability of accounting officers within framework of ministerial accountability** 16.4 (1) Within the framework of the appropriate minister's responsibilities and his or her accountability to Parliament, and subject to the appropriate minister's management and direction of his or her department, the accounting officer of a department named in Part I of Schedule VI is accountable before the appropriate committees of the Senate and the House of Commons for; (b) the measures taken to maintain effective systems of internal control in the department; **Internal audit** 131(3) Each parent Crown corporation shall cause internal audits to be conducted, in respect of itself and each of its wholly-owned subsidiaries, if any, to assess compliance with subsections (1) and (2), unless the Governor in Council is of the opinion that the benefits to be derived from those audits do not justify their cost. **Reliance on internal audit** 132(8) An auditor shall, to the extent he considers practicable, rely on any internal audit of the corporation being audited that is conducted pursuant to subsection 131(3). **Duties** 148(30 The audit committee of a parent Crown corporation shall: (b) oversee any internal audit of the corporation that is conducted pursuant to subsection 131(3). **Quarterly financial reports** 65.1 (1) Every department shall cause to be prepared, in the form and manner provided for by the Treasury Board, a quarterly financial report for each of the first three fiscal quarters of each fiscal year. **Five - year reviews** 42.1 (1) Subject to and except as otherwise provided in any directives issued by the Treasury Board, every department shall conduct a review every five years of the relevance and effectiveness of each ongoing program for which it is responsible.								

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Financial Consumer Agency of Canada Act	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance								
Office of the Superintendent of Financial Institutions Act	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance								

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Policy on Internal Audit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Citation	**4.1 Deputy heads of all departments are responsible for the following:** Ensuring that internal audit in the department is carried out in accordance with the Institute of Internal Auditors' International Professional Practices Framework unless the framework is in conflict with this policy or its related directive; if there is a conflict, the policy or directive will prevail; **4.2 Deputy heads of departments that have an internal audit function are responsible for the following:** 4.2.1 Designating, in consultation with the Comptroller General of Canada, a chief audit executive to manage the internal audit function; 4.2.1.1 For purposes of the Treasury Board Executive Group Qualification Standards, the chief audit executive must either: have a recognized internal auditor certification or professional accounting designation in Canada; or possess an acceptable combination of education, training and/or experience as determined by the Comptroller General of Canada. 4.2.6 Approving reports on the results of internal audit engagements; 4.2.7 Supporting the professional development and certification of internal auditors in the department **4.4 The Comptroller General of Canada is responsible for the following:** 4.4.1 Monitoring, providing guidance and recommending actions regarding the following: 4.4.1.1 Compliance with this policy and its supporting instruments; 4.4.1.2 Internal audit performance of departments; and 4.4.1.3 Internal audit function across government. **4.5 Departmental Audit Committees are responsible for the following:** 4.5.1 Providing objective advice to the deputy head on the sufficiency, quality and results of internal audit engagements related to the adequacy and functioning of the department's frameworks and processes for risk management, control and governance; **4.2.3 Ensuring that the Chief Audit Executive:** 4.2.3.1 Reports directly to the deputy head; 4.2.3.2 Is not assigned any departmental management or operational responsibilities that may compromise their independence and objectivity with respect to their internal audit responsibilities; 4.2.3.3 Has unrestricted access to the departmental audit committee; 4.2.3.4 Has unrestricted access to all departmental records, databases, workplaces, and employees to effectively carry out the responsibilities of the internal audit activity, including conducting engagements and has the authority to obtain related information and explanations from individuals employed by the department and contractors; or any other resources deemed necessary; and 4.2.3.5 Has unimpaired ability to carry out their responsibilities, including reporting issues to the deputy head, to the departmental audit committee and, as appropriate, to the Comptroller General of Canada. 4.2.7 Supporting the professional development and certification of internal auditors in the department; **Definitions:** Definitions for the following terms can be found in the Glossary of the International Standards for the Professional Practice of Internal Auditing (Standards) assurance services, consulting services, control, governance, independent (independence), objectivity, risk, risk management								

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Directive on Internal Audit	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Citation	**4.1 The chief audit executive is responsible for the following:** 4.1.1 Applying the Institute of Internal Auditors' International Professional Practices Framework in the department, unless the framework is in conflict with the Treasury Board Policy on Internal Audit or this directive; if there is a conflict, the policy or directive will prevail; 4.1.2 Establishing at least annually, and updating as required, a departmental risk-based audit plan that: is reviewed by the departmental audit committee and approved by the deputy head; and which considers the following: 4.1.2.1 Departmental areas of high risk and significance; 4.1.2.2 Internal audit engagements led by the Comptroller General; 4.1.2.3 Planned audits led by external assurance providers and other departments as appropriate; and 4.1.2.4 Other oversight engagements; 4.1.2.5 The appropriate balance between assurance and advisory engagements as part of a full suite of services in light of the organization's strategy, objectives, and risks. 4.1.3 Ensuring that the deputy head and the departmental audit committee are aware of the resource requirements for the internal audit function and the impact of resource decisions; 4.1.4 Ensuring the timely completion of internal audit engagements; 4.1.5 Reporting at least annually to the deputy head on whether the actions scheduled by management in response to audit recommendations, both internal and external, have been implemented; and 4.1.6 Ensuring that internal auditors have the appropriate qualifications, skills, and opportunities to maintain and develop their internal auditing competencies.								
Auditor General Act	No	No	No	No	No	No	No	No	No
Citation	**Audit of Office of the Auditor General** 21 (1) A qualified auditor nominated by the Treasury Board shall examine the receipts and disbursements of the office of the Auditor General and shall report annually the outcome of his examinations to the House of Commons.								

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Why publish key compliance attributes of internal audit?	Yes	No	Yes	No	Yes	Yes	Yes	No	Yes
Citation	The objective of the Treasury Board Policy on Internal Audit is to ensure that the oversight of public resources throughout the federal public administration is informed by a professional and objective internal audit function that is independent of departmental management. Heads of organizations are responsible ensuring that internal audit in the department is carried out in accordance with the Institute of Internal Auditors International Professional Practices Framework unless the framework is in conflict with the Treasury Board Policy or its related directive; if there is a conflict, the policy or directive will prevail. Departments with internal audit functions are required to publish key attributes of compliance as per section A.2.2.3.1 of the Treasury Board Directive on Internal Audit. It is important that the public is aware that heads of government organizations are receiving assurance and that activities are managed in a way that demonstrates responsible stewardship. These attributes have been selected because they demonstrate to an external audience that, at a minimum, the fundamental elements necessary for oversight are in place, are operating as intended and are achieving results. The key attributes of compliance with the policy and standards are: - internal auditors that are trained to effectively perform the work; - audit work that is performed in conformance with the international standards for the profession - audit work that is performed according to a systematically developed risk-based audit plan, which has been approved by the head of the organization, and that results in management actions being taken in response to report recommendations; and - audit work that is perceived by stakeholders as adding value in the pursuit of organizational objectives.							

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TBS Internal Audit Publication	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes
	Internal Audit Internal audit provides feedback on government management practices and activities, at both the departmental/agency and horizontal levels. The function assists in promoting the overall effectiveness and efficiency of government operations and the transparency of decision making. **Internal Audit Sector** The Internal Audit Sector of the Office of the Comptroller General of Canada is responsible for the Policy on Internal Audit and the health of the federal government internal audit community. In performing this role, we support the commitment of the Comptroller General to strengthen public sector stewardship, accountability, risk management and internal control across government. The Internal Audit Sector has the following areas of responsibility: policy and professional practices; internal audit community development and engagement; and audit operations. **Treasury Board Policy on Internal Audit** The Treasury Board's Policy on Internal Audit is pivotal to the government's efforts to improve and modernize its management practices and to further professionalize the internal audit function. The Policy provides a government-wide approach to the planning and implementation of internal audit activities in an effort to: - reinforce the independence and objectivity of the internal audit function; - increase the qualifications of professional internal auditors in the public sector; and - provide a clear, integrated division of responsibilities between the Comptroller General and the heads of departments and agencies. The Treasury Board's Directive on Internal Audit supports the objectives of the Policy on Internal Audit by setting out the responsibilities for chief audit executives related to internal audit and providing the mandatory attributes of the composition and the operations of departmental audit committees and details on requirements for their operations. The Directive also outlines the mandatory procedures for internal auditing in the Government of Canada, which include the public reporting requirements related to the performance results for the internal audit function.								

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Guide to Ongoing Monitoring of Internal Controls Over Financial Management	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Citation	**Overview** Internal controls are affected by changes to roles, processes, systems and structures. New controls may need to be introduced, and existing controls may need to be amended. Departments must therefore conduct ongoing monitoring of their internal controls to ensure that they remain effective. 3.4 Departments should: - have a consistent approach to ongoing monitoring - use other forms of oversight for their controls, such as: internal audit (IA), evaluation, assessments of corporate and operating risk. **4. Governance Structure for Ongoing Monitoring** Departments must document stakeholders' roles, responsibilities and accountabilities of so that they know what is expected of them in terms of: - designing and implementing ongoing assessments - developing and implementing corrective actions - reporting on the status of internal controls - reviewing ongoing assessments - participating in governance committees **Approach to On-going Monitoring** The Treasury Board Guide to Internal Control Over Financial Management provides more details on requirements for ICFR. The 5 steps are as follows. Step 1: Develop and update the risk assessment to determine which business processes, IT systems and entity-level controls are in scope. Doing so informs the nature and extent of the testing. Step 2: Develop and update the ongoing monitoring plan, which outlines the timing and frequency of the assessment of: - business process controls - IT general controls - entity-level controls Step 3: Complete the assessment of internal controls according to the ongoing monitoring plan. Step 4: Capture the results and remediation actions from the assessment. Step 5: Develop the internal and external reports to include the results of the assessment and recommendations for remedial actions. Internal reporting is expected for ICFM that encompasses ICFR. However, external reporting is only required for ICFR. Industry organizations, such as the following, also offer good practices in terms of documenting and testing of controls: - the Committee of Sponsoring Organizations of the Treadway Commission - the Institute of Internal Auditors								

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Trust and Loan Companies Act	Yes	No	No	Yes	Yes	No	Yes	No	No
Citation	**Committees** 197 The directors of a company may appoint from their number, in addition to the committees referred to in sub section 161(2), such other committees as they deem necessary and, subject to section 202, delegate to those committees such powers of the directors, and assign to those committees such duties, as the directors consider appropriate. **Audit Committee** 198 (1) The audit committee of a company shall consist of at least three directors. **Membership Composition** (2) A majority of the members of the audit committee must consist of directors who are not persons affiliated with the company and none of the members of the audit committee may be officers or employees of the company or a subsidiary of the company. **Duties of audit committee** (3) The audit committee of a company shall (a) review the annual statement of the company before the annual statement is approved by the directors; b) review such returns of the company as the Superintendent may specify; (c) require the management of the company to implement and maintain appropriate internal control procedures; (c.1) review, evaluate and approve those procedures; (d) review such investments and transactions that could adversely affect the well-being of the company as the auditor, or any officer of the company may bring to the attention of the committee; (e) meet with the auditor to discuss the annual statement and the returns and transactions referred to in this subsection; and (f) meet with the chief internal auditor of the company, or the officer or employee of the company acting in a similar capacity, and with management of the company, to discuss the effectiveness of the internal control procedures established for the company. **Report** (4) In the case of the annual statement and returns of a company that under this Act must be approved by the directors of the company, the audit committee of the company shall report thereon to the directors before the approval is given. Appointment of Auditor 319 (1) The shareholders of a company shall, by ordinary resolution at the first meeting of shareholders and at each succeeding annual meeting, appoint an auditor to hold office until the close of the next annual meeting. **Remuneration of auditor** 319 (2) The remuneration of an auditor may be fixed by ordinary resolution of the shareholders but, if not so fixed, shall be fixed by the directors. **Qualification of auditor** 320 (1) A natural person or firm of accountants is qualified to be an auditor of a company if (a) in the case of a natural person, the person is an accountant who (i) is a member in good standing of an institute or association of accountants incorporated by or under an Act of the legislature of a province, (ii) has at least five years experience at a senior level in performing audits of a financial institution, (iii) is ordinarily resident in Canada, and (iv) is independent of the company; and (b) in the case of a firm of accountants, the member of the firm jointly designated by the firm and the company to conduct the audit of the company on behalf of the firm is qualified in accordance with paragraph (a)."								

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Proceeds of Crime Money Laundering and Terrorist Financing Act	Yes	No	Yes	Yes	No	No	No	No	Yes
Citation	**Audit** 70 (1) All receipts and expenditures of the Centre are subject to examination and audit by the Auditor General of Canada. **Use and disclosure** (2) The Auditor General of Canada and every person acting on behalf of or under the direction of the Auditor General of Canada shall not use or disclose any information referred to in subsection 55(1) that they have obtained, or to which they have had access, in the course of exercising powers or performing duties and functions under this Act or the Auditor General Act, except for the purposes of exercising those powers or performing those duties and functions. **Annual report** 71 (1) The Director shall, on or before September 30 of each year following the Centre's first full year of operations, submit an annual report on the operations of the Centre for the preceding year to the Minister, and the Minister shall table a copy of the report in each House of Parliament on any of the first 30 days on which that House is sitting after the Minister receives the report. **Compliance Program** 9.6 (1) Every person or entity referred to in section 5 shall establish and implement, in accordance with the regulations, a program intended to ensure their compliance with this Part and Part 1.1. **Risk assessment** (2) The program shall include the development and application of policies and procedures for the person or entity to assess, in the course of their activities, the risk of a money laundering offence or a terrorist activity financing offence.								

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Financial Administration Act	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes
Citation	**Audit capacity** 16.1 The deputy head or chief executive officer of a department is responsible for ensuring an internal audit capacity appropriate to the needs of the department. **Audit committees** 16.2 Subject to and except as otherwise provided in any directives issued by the Treasury Board under paragraph 7(1)(e.2), the deputy head or chief executive officer of a department shall establish an audit committee for the department. **Appointment** 16.21 (1) A person who does not occupy a position in the federal public administration but who meets the qualifications established by directive of the Treasury Board may be appointed to an audit committee by the Treasury Board on the recommendation of the President of the Treasury Board **Term of office** (2) A member of an audit committee so appointed holds office during pleasure for a term not exceeding four years, which may be renewed for a second term. **Remuneration** (3) A member of an audit committee so appointed shall be paid the remuneration and expenses fixed by the Treasury Board. **Responsibilities of Treasury Board** 7 (1) The Treasury Board may act for the Queen's Privy Council for Canada on all matters relating to e.2) internal audit in the federal public administration; **Accountability of accounting officers within framework of ministerial accountability** 6.4 (1) Within the framework of the appropriate minister's responsibilities and his or her accountability to Parliament, and subject to the appropriate minister's management and direction of his or her department, the accounting officer of a department named in Part I of Schedule VI is accountable before the appropriate committees of the Senate and the House of Commons for; (b) the measures taken to maintain effective systems of internal control in the department; **Internal audit** 131(3) Each parent Crown corporation shall cause internal audits to be conducted, in respect of itself and each of its wholly-owned subsidiaries, if any, to assess compliance with subsections (1) and (2), unless the Governor in Council is of the opinion that the benefits to be derived from those audits do not justify their cost. **Reliance on internal audit** 132(8) An auditor shall, to the extent he considers practicable, rely on any internal audit of the corporation being audited that is conducted pursuant to subsection 131(3). **Duties** 148(30 The audit committee of a parent Crown corporation shall: (b) oversee any internal audit of the corporation that is conducted pursuant to subsection 131(3). **Report in Public Accounts** (2) Remissions granted under this or any other Act of Parliament during a fiscal year shall be reported in the Public Accounts for that year in such form as the Treasury Board may direct. **Report** (3) Every accountable advance that is not repaid, accounted for or recovered by the end of the fiscal year in which it was made shall be reported in the Public Accounts for that year. **Quarterly financial reports** 65.1 (1) Every department shall cause to be prepared, in the form and manner provided for by the Treasury Board, a quarterly financial report for each of the first three fiscal quarters of each fiscal year.								

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Proceeds of Crime Money Laundering and Terrorist Financing Regulation	Yes	No	Yes	Yes	No	No	No	No	Yes
Citation	**Proceeds of crime (Money Laundering) and Terrorist Financing Regulation** **Compliance Programs and Special Measures** 156 (1) For the purposes of subsection 9.6(1) of the Act, a person or entity referred to in that subsection shall implement the compliance program referred to in that subsection by a) appointing a person who is to be responsible for implementing the program or, in the case of a person, taking responsibility for implementing the program; (b) developing and applying written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer; (c) assessing and documenting the risk referred to in subsection 9.6(2) of the Act, e) instituting and documenting a plan for the ongoing compliance training program and delivering the training; and (f) instituting and documenting a plan for a review of the compliance program for the purpose of testing its effectiveness. (3) A review referred to in paragraph (1)(f) shall be carried out and the results documented every two years by an internal or external auditor of the person or entity, or by the person or entity if they do not have an auditor.								
Policy on Financial Management	Yes	No	No	No	Yes	Yes	No	No	Yes
Citation	**4.1 Deputy heads are responsible for the following:** Ensuring that a risk-based departmental system of internal control over financial management is established, monitored and maintained; 4.2 Departmental CFOs are responsible for the following: 4.2.8 Establishing, monitoring and maintaining a risk-based system of internal control over financial management to provide reasonable assurance that: 4.2.8.1 Public resources are used prudently and in an economical manner; 4.2.10 Ensuring that prompt corrective action is taken when control weaknesses and material unmitigated risks are identified, including the risk of fraud, in the system of internal control over financial management and financial reporting; 4.3 Senior departmental managers are responsible for the following: 4.3.6 Implementing and maintaining a risk-based system of internal control over financial management in their area of responsibility.								

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Guide on Managing Fraud Risks at the Office of the Auditor General of Canada	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes
Citation	**1.5 Risk-based internal audit plan** The OAG's risk-based internal audit plan is developed annually by the Practice Review and Internal Audit (PRIA) group. The plan covers a three-year period. Fraud risks are considered during that process, in accordance with the Institute of Internal Auditors standards. In addition, an assessment of fraud risks is conducted when planning each internal audit engagement. **3.1.1 Training on values, ethics, and conflicts of interest, and targeted fraud training, delivered on time** All employees at the OAG must take training on values, ethics, and conflicts of interest within a specific time frame. This helps to ensure that employees understand the ethical behaviour expected of them, and the potential conflicts of interest and independence threats that they may face. The Code of Values, Ethics and Professional Conduct is a key element of the Fraud Risk Management Framework. Mandatory training on these aspects helps the OAG provide a strong tone from the top. On an ongoing basis, the Office reassesses its need for mandatory training, considering different factors, including risks. **5. Roles and responsibilities** **Auditor General's responsibilities:** Under s.16.4 (1) (b) of the Financial Administration Act, Deputy Heads, in their role as accounting officers, are accountable before committees of Parliament for the measures taken to maintain systems of internal control in their departments. The Treasury Board Policy on Financial Management requires Deputy Heads to ensure that a risk-based departmental system of internal control over financial management, which includes managing the risk of fraud, is established, monitored, and maintained. Under s.16.1 of the Financial Administration Act, Deputy Heads are responsible for ensuring an internal audit capacity appropriate to the needs of the department. Furthermore, under s.4.1.2 of the Policy on Internal Audit, they are responsible for ensuring that internal audits are carried out in accordance with the Institute of Internal Auditors' International Professional Practices Framework (IPPF). The IPPF includes specific references in the standards pertaining to internal audit's role regarding fraud. **Chief Financial Officer's responsibilities:** In support of Deputy Heads, the Treasury Board Policy on Financial Management requires that Chief Financial Officers (CFOs): establish, monitor, and maintain a risk-based system of internal control over financial management; provide reasonable assurance that financial resources are safeguarded against material loss; and take prompt corrective action when control weaknesses and material unmitigated risks are identified, including the risk of fraud. The CFO, with the assistance of the Internal Specialist for Fraud, is responsible for proper application of the OAG Fraud Prevention Policy. **Chief Audit Executive's responsibilities:** Under Section 4.1.1 of the Directive on Internal Audit, chief audit executives are responsible for applying the IPPF in the department, which includes the standards pertaining to fraud management. **Managers' responsibilities:** Each manager must be familiar with the types of fraud risks within his or her area of responsibility and be alert for any indication of fraud. **Employees' responsibilities (including managers):** Report cases of suspected fraud promptly and appropriately. Be familiar with and comply with the OAG's Code of Values, Ethics and Professional Conduct. Act in good faith and on the basis of reasonable belief in reporting alleged fraud activity.								

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Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime Strategy 2023-2026	No	No	No	No	No	Yes	No	No	Yes
Citation	**The Three Pillars of Canada's AML/ATF Regime** Money laundering is the process used to conceal or disguise the origin of criminal proceeds to make them appear as if they originated from legitimate sources. Money laundering benefits domestic and international criminals and organized crime groups. Terrorist financing is the collection and provision of funds from legitimate or illegitimate sources for terrorist activity. It supports and sustains the activities of domestic and international terrorists that can result in terrorist attacks in Canada or abroad, causing loss of life and destruction. The Regime operates based on three interdependent pillars: Policy and coordination – assessing money laundering and terrorist financing risks, domestic and international policy development, and coordination; Prevention and detection – promoting, supervising, and enforcing AML/ATF compliance and collecting, analyzing, and disseminating financial and other intelligence; and Investigation and disruption – identifying, investigating, prosecuting, and sanctioning money laundering and terrorist financing offences. **Addressing Legislative and Regulatory Gaps** In order to respond to an ever-evolving operational and threat environment, the Government of Canada seeks to identify opportunities for continual improvements to its AML/ATF legislative and regulatory frameworks. This includes strengthening the Regime through amendments to the PCMLTFA and Criminal Code to address gaps, modernize the Regime, and increase effectiveness. Addressing legislative and regulatory gaps improves the breadth of intelligence available to Regime partners and reduces barriers that make it difficult to investigate complex money laundering operations.								

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Policy on People Management	No	No	No	No	Yes	No	No	No	Yes
Citation	Deputy heads 4.1Deputy heads are responsible for the following: **Governance** 4.1.2 Designating one or more senior officials to whom responsibility is assigned or authority is delegated with regard to: 4.1.2.1 Prevention and resolution of workplace harassment and violence; 4.1.2.2 Prevention and resolution of conflict of interest and conflict of duties situations; 4.1.2.3 Deciding and responding to classification grievances; 4.1.2.4 Employment equity, diversity, and inclusion; and 4.1.2.5 Organizational emergencies and evacuations; **Compliance** 4.1.38 Ensuring that there are adequate safeguards in place to enable sound people management practices and decision-making within their organization, including: 4.1.38.1 Informing the Chief Human Resources Officer promptly of any major concerns or problems that may arise with regard to the application of this policy and related directives in the deputy head's organization; 4.1.38.2 Investigating and addressing any issues of non-compliance that may be identified by the Chief Human Resources Officer, including taking appropriate remedial action; and 4.1.38.3 Providing the Treasury Board of Canada Secretariat with the information or reports for assessing compliance with this policy, its related directives, and other policy instruments, as directed by the Chief Human Resources Officer. 4.2.9 Overseeing the overall performance, compliance, and integrity of people management practices and performance pay expenditures in the core public administration.								
Pay Equity Act	Yes	No	Yes	Yes	Yes	No	No	No	No
Citation	**Compliance audit** 118 (1) The Pay Equity Commissioner may, for a purpose related to verifying compliance or preventing noncompliance with this Act or the regulations, conduct a compliance audit of any employer or bargaining agent on whom this Act imposes an obligation. **Notification** (2) The Pay Equity Commissioner must notify the employer or bargaining agent to be audited that he or she will commence a compliance audit. **Completion of compliance audit** (7) On completion of a compliance audit, the Pay Equity Commissioner may (a) identify measures that the employer or bargaining agent is to take to remedy a non-compliance issue, and give notice, in writing, of those measures and the time within which they are to be taken to the employer or bargaining agent. **Internal audit order** 120 (1) Subject to the regulations, the Pay Equity Commissioner may, in writing, for a purpose related to verifying compliance or preventing non-compliance with this Act, order an employer to (a) conduct an internal audit of its practices and records, reports, electronic data or other documents to determine whether the employer is in compliance with any provision of this Act or the regulations; and (b) provide a report of the results of the audit to the Pay Equity Commissioner.								

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Management Accountability Framework	Yes	No	Yes	No	No	Yes	No	No	Yes
Citation	The Management Accountability Framework (MAF) is a tool used by the Treasury Board of Canada Secretariat (TBS) to monitor the management performance of federal departments and agencies. The MAF identifies management expectations based on the Treasury Board policy suite, assesses policy compliance and performance within organizations, and highlights management strengths and opportunities to improve. **Internal controls over financial management** A system of internal financial controls must be maintained to mitigate risks to programs, operations and resource management. The MAF assesses whether organizations had established, monitored and maintained a risk-based ICFM system as required by the Policy on Financial Management. **Values and Ethics** Results indicate that all assessed organizations have undertaken at least some activities to foster a positive workplace culture of values and ethics, with 63% demonstrating a moderately comprehensive degree of activities. Common areas of success among these organizations included: having dedicated values and ethics practitioners designating senior officials and champions engaging in regular communication with employees However, as no assessed organizations met the MAF target of having a highly comprehensive degree of activities, additional actions should be considered (for example, tailored training or undertaking audits and/or risk assessments) in support of a values-based, ethical workplace.								
Diversity and inclusion areas of focus for the public service	No	No	No	No	No	No	No	No	Yes
Citation	**Addressing systemic barriers** The Government of Canada continues its work to address issues of racism and discrimination in our institutions by amending legislation and creating support and development programs. Substantial efforts have been made to advance these goals, including: reviewing the Employment Equity Act amending the Canada Labour Code and the Public Service Employment Act creating the Anti-Racism Secretariat Amendments to the Public Service Employment Act received royal assent on June 29, 2021. These amendments: - add an explicit commitment by the Government of Canada to a public service that represents Canada's diversity - require that the establishment or review of qualification standards include an evaluation of bias and barriers and that reasonable mitigation efforts be made - require that the design and application of assessment methods include an evaluation of bias and barriers and that reasonable mitigation efforts be made - ensure that investigation and audit authorities encompass bias or barriers - expand the preference for Canadian citizens in staffing processes open to the public to include Permanent Residents								

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Canadian Charter of Rights and Freedoms	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance								
Guide to the Canadian Charter of Rights and Freedoms	No	No	No	No	No	No	No	No	No
Citation	No reference to internal audit or requirements for monitoring compliance								
Public Service Employment Act	Yes	No	No	No	Yes	No	No	No	No
Citation	**Mandate** 11 The mandate of the Commission is (b) to conduct investigations and audits in accordance with this Act; **Audits by Commission** 17 (1) The Commission may conduct audits on any matter within its jurisdiction and on the exercise, by deputy heads, of their authority under subsection 30(2) and may make recommendations to deputy heads. **Biases and barriers** (2) The power to conduct audits includes the power to determine whether there are biases or barriers that disadvantage persons belonging to any equity-seeking group. **Persons acting for Commission** 19 (1) The Commission may direct that any audit under section 17 be conducted, in whole or in part, by a Commissioner or any other person.								

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Policy on Terms and Conditions of Employment	No	No	No	No	Yes	No	No	No	Yes
Citation	6.2 **Monitoring and reporting requirements** 6.2.1 Deputy heads are responsible for monitoring the performance of their organization with respect to the application and administration of terms and conditions of employment as follows: assessing the service delivery structure, resource allocation, human resources competencies, performance indicators, as well as the human resources systems, processes and procedures to respond effectively to actual and potential deficiencies; informing Treasury Board Secretariat of any major concerns or problems regarding the administration of terms and conditions of employment in a timely manner; and providing, as required, Treasury Board Secretariat with information that is considered necessary for assessing compliance with this policy, its related directives and other policy instruments; for example, information regarding specific situations pertaining to new hires, maternity leave, promotions, termination of employment and leave with or without pay.								
Policy Framework for Management of Compensation	No	No	No	No	No	No	No	No	No
Citation	**Monitoring, Reporting and Performance Assessment** Performance indicators, reporting requirements, and compliance mechanisms with respect to the management of compensation, where applicable, are identified in individual policies outlined in Annex II.								

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The Personal Information Protection and Electronic Documents Act (PIPEDA)	Yes	No	No	Yes	No	Yes	No	Yes	No
Citation	**Whistleblowing** 27 (1) Any person who has reasonable grounds to believe that a person has contravened or intends to contravene a provision of Division 1 or 1.1 may notify the Commissioner of the particulars of the matter and may request that their identity be kept confidential with respect to the notification. **Audits** **To ensure compliance** 18 (1) The Commissioner may, on reasonable notice and at any reasonable time, audit the personal information management practices of an organization if the Commissioner has reasonable grounds to believe that the organization has contravened a provision of Division 1 or 1.1 or is not following a recommendation set out in Schedule 1 **Report of findings and recommendations** 19 (1) After an audit, the Commissioner shall provide the audited organization with a report that contains the findings of the audit and any recommendations that the Commissioner considers appropriate. **Disclosure of necessary information** (3) The Commissioner may disclose, or may authorize any person acting on behalf or under the direction of the Commissioner to disclose, information that in the Commissioner's opinion is necessary to (a) conduct an investigation or audit under this Part; or (b) establish the grounds for findings and recommendations contained in any report under this Part. **Defamation** (2) No action lies in defamation with respect to (a) anything said, any information supplied or any record or thing produced in good faith in the course of an investigation or audit carried out by or on behalf of the Commissioner under this Part;								
The Privacy Act	Yes	No	No	No	No	No	No	No	Yes
Citation	**Where personal information may be disclosed** (2) Subject to any other Act of Parliament, personal information under the control of a government institution may be disclosed (h) to officers or employees of the institution for internal audit purposes, or to the office of the Comptroller General or any other person or body specified in the regulations for audit purposes;								

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Access to Information Act	Yes	No	No	No	No	No	No	No	No
Citation	**Internal audits** 22.1 (1) The head of a government institution may refuse to disclose any record requested under this Part that contains a draft report of an internal audit of a government institution or any related audit working paper if the record came into existence less than fifteen years before the request was made. **Exception** (2) However, the head of a government institution shall not refuse under subsection (1) to disclose a draft report of an internal audit of a government institution if a final report of the audit has been published or if a final report of the audit is not delivered to the institution within two years after the day on which the audit was first commenced.								
Public Servants Disclosure Protection Act	Yes	No	No	No	No	No	No	Yes	No
Citation	**Prohibition — employer** 42.1 (1) No employer shall take any of the following measures against an employee by reason only that the employee has, in good faith and on the basis of reasonable belief, provided information concerning an alleged wrongdoing in the public sector to the Commissioner or, if the alleged wrongdoing relates to the Office of the Public Sector Integrity Commissioner, to the Auditor General of Canada — or by reason only that the employer believes that the employee will do so: (a) take a disciplinary measure against the employee; (b) demote the employee; (c) terminate the employment of the employee; (d) take any measure that adversely affects the employment or working conditions of the employee; or (e) threaten to take any measure referred to in paragraph (a) to (d). **Duties** 22 The duties of the Commissioner under this Act are to: conduct investigations of disclosures made in accordance with section 13, and investigations referred to in section 33, including to appoint persons to conduct the investigations on his or her behalf; **Review** 54 Five years after this section comes into force, the President of the Treasury Board must cause to be conducted an independent review of this Act, and it administration and operation, and must cause a report on the review to be laid before each House of Parliament on any of the first 15 days on which that House is sitting after the review is completed.								

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Policy on Service and Digital	No	No	No	No	Yes	Yes	No	No	Yes
Citation	4.3.1 The CIO of Canada is responsible for: **Recordkeeping** 4.3.2.10Ensuring that decisions and decision-making processes are documented to account for and support the continuity of departmental operations, permit the reconstruction of how policies and programs have evolved, support litigation readiness, and allow for independent evaluation, audit and review. 4.6.2The Secretary of the Treasury Board, while recognizing and supporting deputy heads as the lead responsibility within their respective departments, is responsible for: 4.6.2.1Conducting risk-based monitoring, providing guidance, and recommending corrective actions regarding: 4.6.2.1.1Compliance with this policy and its supporting instruments; 4.6.2.1.2Departmental performance on service, information, IT and cyber security management; and 4.6.2.1.3The service, information, IT and cyber security management function across government.								
Policy on Privacy Protection	No	No	No	Yes	Yes	No	No	No	Yes
Citation	**4. Requirements:** **4.2 Heads of government institutions or their delegates are responsible for the following:** **Privacy Practices:** - Monitoring and reporting: 4.2.29 Monitoring compliance with this policy and its supporting instruments within their institution; 4.2.30 Investigating when issues regarding policy compliance arise and ensuring that appropriate remedial action is taken to address these issues; 4.2.31 Advising the Secretary of the Treasury Board on a timely basis when significant issues regarding policy compliance arise; **5. Roles of other government organizations:** **5.3 The Privacy Commissioner of Canada is an Agent of Parliament with the duty of protecting and promoting privacy rights and is responsible for the following:** 5.3.5 Conducting compliance reviews of the privacy practices of government institutions as the practices relate to the collection, retention, accuracy, use, disclosure and disposal of personal information by government institutions subject to the Act; and 5.3.6 Reporting to Parliament on activities annually.								

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Guide to Integrated Risk Management	No	No	Yes	No	Yes	Yes	No	No	Yes
Citation	TBS is also responsible for monitoring and assessing departmental and agency performance on risk management through such means as the MAF, and reviews of internal and external audits. These assessments may be used to inform discussions between the Secretary of the Treasury Board and Deputy Heads. **Embedding the Risk Management Process** Some areas where incorporating risk management could be considered include: - governance structures such as senior management committees, cross-functional committees and working groups, Department and Agency Audit Committees (DAACs), etc.; - oversight processes such as audit, evaluation and review activities; - program design and management processes such as grants and contributions, contracting, regulatory prioritization, etc.; and staff work plans and senior management accountability accords. - the alignment of risk management activities with the organization's overall performance management strategy; and ensuring compliance with relevant legislation, regulations and policies (e.g. Policy on Transfer Payments, etc.). Using the guidance provided by the defined risk management process, organizations would consider during the embedding process: how will risks, including threats and opportunities, be identified? how will risks, including threats and opportunities, be assessed using the defined criteria? how will risk tolerance be determined? how will risk responses be determined and managed? how will risk information be communicated? how will risks be monitored? **Monitoring and Review of the Approach and Process** In determining the strategy for ongoing monitoring and periodic reviews of the risk management approach and process, organizations may want to consider: roles and responsibilities, including ensuring that senior management is involved in the monitoring and review of the performance of the risk management approach and process; the use of existing oversight functions such as internal audit, evaluation and quality assurance functions; the timing of the reviews; reporting mechanisms to communicate lessons learned, as appropriate, from the monitoring and review of an organization's risk management approach and process to internal and external stakeholders.								
Fighting Against Forced Labour and Child Labour in Supply Chains Act	No	No	No	Yes	No	No	No	No	No
Citation	**Annual report** 11 (1) Every entity must, on or before May 31 of each year, report to the Minister on the steps the entity has taken during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity.								

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Third-Party Risk Management Guideline	Yes	No	No	No	Yes	Yes	No	No	Yes
Citation	**2.3.3 Information rights and audit** Principle 8: The FRFI's third-party arrangements should allow the FRFI timely access to accurate and comprehensive information to assist it in overseeing third-party performance and risks. The FRFI should also have the right to conduct or commission an independent audit of a third party. 2.3.3.3 Service performance and controls are evaluated, and audit rights established, as appropriate The agreement should give the FRFI and OSFI the right to evaluate the risk management practices related to the service provided. Specifically, the FRFI and OSFI should be able to evaluate the risks arising from the arrangement or appoint independent auditors to evaluate the risk management practices related to service provided and the risks arising from the relationship on the FRFI's or on OSFI's behalf. The FRFI and OSFI should also be able to access audit reports in respect of the service being performed for the FRFI. The FRFI should employ a range of audit and information gathering methods (e.g., independent reports provided by third parties, individually performed or pooled audits). Principle 10: The FRFI should monitor its third-party arrangements to verify the third party's ability to continue to meet its obligations and effectively manage risks. Monitoring should also cover regular oversight of current and emerging risks and risk acceptances and compliance of the third-party arrangement with the FRFI's risk policies and procedures and OSFI's expectations. Monitoring should be conducted at the individual arrangement level, as well as at an aggregate business unit, segment, platform, and enterprise level. The extent and frequency of monitoring should be proportionate to the level of risk and criticality of the third-party arrangement. **3.3 Third-party arrangements with the external auditor** Arrangements with the external auditor can give rise to conflicts of interest. 3.3.1 External auditors comply with auditor independence standards when providing third-party services Prior to obtaining management consulting services from its external auditor, the FRFI should assure itself that its external auditor would be in compliance with the relevant auditor independence standards of the Canadian accounting profession, as well as any other applicable auditor independence requirements, in respect of such services to be performed by the external auditor. 3.3.2 The FRFI does not obtain actuarial or internal audit services from its external auditor unless certain conditions apply Unless it is reasonable to conclude that the results of the service will not be subject to audit procedures during an audit of the FRFI's financial statements, the FRFI should not obtain the following services from its external auditor: Any actuarial service.Footnote15 Any internal audit service related to the internal accounting controls, financial systems, or financial statements of the FRFI. This does not prohibit the external auditor from providing a non-recurring service to evaluate a discrete item or program, if the service is not, in substance, the outsourcing of an internal audit function.								

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Directive on the Management of Procurement	Yes	No	No	Yes	Yes	No	No	No	Yes
Citation	**Senior designated officials for the management of procurement** 4.1 Senior designated officials for the management of procurement are responsible for the following: 4.1.1 Establishing, implementing, and maintaining a departmental procurement management framework, consisting of processes, systems and controls; 4.1.2 Ensuring that the departmental procurement management framework: 4.1.2.1 Includes oversight, planning and reporting mechanisms including mechanisms pertaining to contracts awarded to Indigenous businesses as stated in Appendix E: Mandatory Procedures for Contracts Awarded to Indigenous Businesses; 4.1.2.2 Includes clearly defined roles, responsibilities and accountabilities for the various governance committees involved; 4.1.2.15 Includes a risk-based system of internal controls that are maintained, monitored, and reviewed to provide reasonable assurance that procurement transactions are carried out in accordance with the framework, and applicable laws, regulations, and policies; and 4.1.2.16 Includes risk-based internal controls to ensure the accuracy, completeness and timely proactive publishing of information on contracts over $10,000. **Data management, reporting and disclosure** 4.15 Contracting authorities are responsible for the following: 4.15.1 Collecting and publishing procurement data in accordance with the departmental procurement management framework; and 4.15.2 Ensuring that contracts comply with all applicable government-wide reporting requirements set out in legislation, policy, trade agreements, or other obligations in accordance with Appendix C								
Policy on Green Procurement	No	No	No	No	Yes	Yes	No	No	Yes
Citation	**7. Policy Requirements:** 7.1 Deputy heads are required to ensure that the objectives of green procurement are realized while maintaining compliance with all legislative, regulatory and policy obligations. 7.2 Deputy heads are accountable to ensure their management control frameworks incorporate environmental considerations: from procurement planning, identification and definition of requirements, acquisition, operation and maintenance of assets, to disposal of goods or closure activities of services. **Deputy heads are also responsible for:** 7.2.2 Establish management processes and controls to identify environmental risks and mitigation and adaptation strategies, as appropriate; 7.2.3 Set green procurement targets tailored to reflect mandates, departmental buying patterns, as well as the nature and risks associated with the assets and services used to support the achievement of program objectives; 7.2.7 Monitor and report on green procurement performance through the annual Departmental Plan, the Departmental Results Report or the Departmental Sustainable Development Strategy.								

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Appendix D – Formerly Proposed Bills

Additionally, we have provided citations and references from the reviewed regulatory documents, which were previously proposed bills but are no longer under consideration due to the prorogation of Parliament. *Please refer to slides 62-64.*

Name of the Regulatory Document	Does the regulation/policy include a requirement for Internal Audit?	If yes - Does the definition align to IA requirements?	Does it include requirement to conduct an audit or monitor compliance?	Does it include any reporting or disclosure requirements?	Does it include defined responsibilities for monitoring compliance?	Does it outline a risk management framework that aligns with IA?	Does it have any competency requirements for compliance or audit	Does it include requirements for Whistleblowing?	Does the document reference other policies or guidelines?
Artificial Intelligence Data Act	Yes	No	Yes	Yes	No	No	No	No	Yes
Citation	**Measures related to risks** 8 A person who is responsible for a high-impact system must, in accordance with the regulations, establish measures to identify, assess and mitigate the risks of harm or biased output that could result from the use of the system. **Monitoring of mitigation measures** 9 A person who is responsible for a high-impact system must, in accordance with the regulations, establish measures to monitor compliance with the mitigation measures they are required to establish under section 8 and the effectiveness of those mitigation measures. **Audit** 15 (1) If the Minister has reasonable grounds to believe that a person has contravened any of sections 6 to 12 or an order made under section 13 or 14, the Minister may, by order, require that the person (a) conduct an audit with respect to the possible contravention; or (b) engage the services of an independent auditor to conduct the audit. **Qualifications** (2) The audit must be conducted by a person who meets the qualifications that are prescribed by regulation. **Assistance** (3) If the audit is conducted by an independent auditor, the person who is audited must give all assistance that is reasonably required to enable the auditor to conduct the audit, including by providing any records or other information specified by the auditor. **Report** (4) The person who is audited must provide the Minister with the audit report.								

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Appendix D – Previously Proposed Bills

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Consumer Privacy Protection Act	Yes	No	No	Yes	No	Yes	No	No	No
Citation	**Audits** Ensure compliance 97 The Commissioner may, on reasonable notice and at any reasonable time, audit the personal information management practices of an organization if the Commissioner has reasonable grounds to believe that the organization has contravened, is contravening or is likely to contravene Part 1. **Report of findings and recommendations** 98 (1) After an audit, the Commissioner must provide the audited organization with a report that contains the findings of the audit and any recommendations that the Commissioner considers appropriate. **Disclosure of necessary information** 113 (4) The Commissioner may disclose, or may authorize any person acting on behalf or under the direction of the Commissioner to disclose, information that in the Commissioner's opinion is necessary to (a) carry out an investigation, conduct an inquiry or carry out an audit under this Act; or (b) establish the grounds for findings and recommendations contained in any decision or report made under this Act **Whistleblowing** 126 (1) Any person who has reasonable grounds to believe that a person has contravened or intends to contravene Part 1 may notify the Commissioner of the particulars of the matter and may request that their identity be kept confidential with respect to the notification.								

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Digital Charter Implementation Act, 2022	Yes	No	No	No	No	Yes	Yes	Yes	No
Citation	**Whistleblowing** 126 (1) Any person who has reasonable grounds to believe that a person has contravened or intends to contravene Part 1 may notify the Commissioner of the particulars of the matter and may request that their identity be kept confidential with respect to the notification. **Audits** **Ensure compliance** 97 The Commissioner may, on reasonable notice and at any reasonable time, audit the personal information management practices of an organization if the Commissioner has reasonable grounds to believe that the organization has contravened, is contravening or is likely to contravene Part 1. **Report of findings and recommendations** 98 (1) After an audit, the Commissioner must provide the audited organization with a report that contains the findings of the audit and any recommendations that the Commissioner considers appropriate. **Measures related to risks** 8 A person who is responsible for a high-impact system must, in accordance with the regulations, establish measures to identify, assess and mitigate the risks of harm or biased output that could result from the use of the system. **Monitoring of mitigation measures** 9 A person who is responsible for a high-impact system must, in accordance with the regulations, establish measures to monitor compliance with the mitigation measures they are required to establish under section 8 and the effectiveness of those mitigation measures. **Audit** 15 (1) If the Minister has reasonable grounds to believe that a person has contravened any of sections 6 to 12 or an order made under section 13 or 14, the Minister may, by order, require that the person (a) conduct an audit with respect to the possible contravention; or (b) engage the services of an independent auditor to conduct the audit. **Qualifications** (2) The audit must be conducted by a person who meets the qualifications that are prescribed by regulation. **Assistance** (3) If the audit is conducted by an independent auditor, the person who is audited must give all assistance that is reasonably required to enable the auditor to conduct the audit, including by providing any records or other information specified by the auditor. **Report** (4) The person who is audited must provide the Minister with the audit report.								

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Contributions and Recognition

The Institute of Internal Auditors Canada would like to thank our Canadian chapters for their contributions in support of this research project, including representation on the Research Advisory Group that guided and advised this work. The data collected and findings will inform our federal advocacy work.

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