

**AUDIT OF KEY HUMAN RESOURCES PROCESSES OF  
THE COASTAL BRITISH COLUMBIA FIELD UNIT**

**FINAL REPORT**

**Prepared by**

**Office of Internal Audit and Evaluation**

**JULY 2011**

**Her Majesty the Queen of Canada, represented by  
the Chief Executive Officer of Parks Canada, 2011  
Catalogue No.: R60-3/4-1-2011E-PDF  
ISBN: 978-1-100-19415-8**

## TABLE OF CONTENTS

SUMMARY .....	4
1. BACKGROUND .....	7
2. OBJECTIVES AND SCOPE .....	7
3. METHODOLOGY .....	8
4. STATEMENT OF ASSURANCE .....	9
5. CONCLUSIONS .....	9
6. OBSERVATIONS AND RECOMMENDATIONS .....	9
6.1 Staff housing .....	9
6.2 Commuting assistance .....	13
6.3 Staffing process .....	15
6.4 Acting assignment process .....	17
6.5 Bilingualism bonus .....	18
6.6 Supervisory differential .....	20

Report presented to the Parks Canada Audit Committee meeting of September 14<sup>th</sup>, 2011  
and approved by the CEO on September 19<sup>th</sup>, 2011.

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## SUMMARY

The Parks Canada Agency (PCA) conducted two horizontal audits of human resource practices: an audit of staffing practices in 2006 and a pay and benefits audit in 2009. Following the results of these audits, the Agency planned to establish cyclical audits for the main human resources management practices that would involve visiting each field unit, service centre and directorate. In order to ascertain the relevance of these cyclical audits, the PCA included an audit of the main human resource management processes in the Coastal BC Field Unit in its 2010–2011 audit plan, which was approved by the CEO. The audit focused on compliance with the policies and practices of the Treasury Board Secretariat (TBS) and the PCA.

The objective of the audit is to give senior management assurance that the controls currently in place promote compliance with TBS and PCA human resource policies in the Coastal BC Field Unit.

The audit included a review of the following human resource processes:

- Staff housing,
- commuting assistance,
- staffing,
- acting assignments,
- bilingualism bonuses, and
- supervisory differentials.

This audit mainly covered the period from April 1, 2010 to January 1, 2011.

The audit methodology included a review of relevant documents, interviews with field unit staff and an analysis of a non-statistical sampling of the transactions in predetermined sectors. The sampling was done using the STAR and PeopleSoft systems as well as available local records. A visit to the Coastal BC Field Unit took place from January 24 to 28, 2011. The offices in the Gulf Islands National Park Reserve of Canada and the Pacific Rim National Park Reserve of Canada were visited.

This audit was planned and conducted in accordance with Government of Canada internal audit standards.

Most of the key human resource management processes in the Coastal BC Field Unit are effective enough to ensure adequate control and acceptable compliance with TBS and PCA human resource policies, with the exception of the administration of staff housing where strict controls must be implemented.

## Summary of the audit results for the Coastal BC Field Unit:

Ref.	Key Human Resource Process	Rating
6.1	Staff housing	<b>ORANGE</b> – Significant improvements needed
6.2	Commuting assistance	<b>BLUE</b> – Minor improvements needed
6.3	Staffing process	<b>BLUE</b> – Minor improvements needed
6.4	Acting assignment process	<b>YELLOW</b> – Moderate improvements needed
6.5	Bilingualism bonuses	<b>YELLOW</b> – Moderate improvements needed
6.6	Supervisory differential	<b>BLUE</b> – Minor improvements needed

The following is a list of the recommendations made in the report to the Superintendent of the Coastal BC Field Unit:

- 1- The Superintendent of the Coastal BC Field Unit must ensure that appropriate controls are implemented to manage the housing stock under his responsibility in compliance with the policies and directives.
- 2- The Superintendent of the Coastal BC Field Unit must ensure that a long-term maintenance plan is in place.
- 3- The Superintendent of the Coastal BC Field Unit must ensure that rents are established in compliance with the policies and directives.
- 4- The Superintendent of the Coastal BC Field Unit must ensure that accounts receivable are entered in the STAR financial system.
- 5- The Superintendent of the Coastal BC Field Unit must ensure that a review of the commuting assistance allocated to employees is conducted and documented each year.
- 6- The Superintendent of the Coastal BC Field Unit must ensure that controls are put in place to make certain that
  - claims do not cover more than one month;
  - calculations are reviewed to ensure the accuracy of the claims;
  - claims are duly signed by an authorized manager; and
  - financial coding is recorded on the claims.

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- 7- The Superintendent of the Coastal BC Field Unit must ensure that staffing files contain all documentation required for the appointment process.
- 8- The Superintendent of the Coastal BC Field Unit must ensure that the acting assignment files contain all documentation required for the appointment process.
- 9- The Superintendent of the Coastal BC Field Unit must ensure that
- the rationale for payment of the bilingualism bonus is included in the files;
  - the information entered in the PeopleSoft system is accurate and updated as required; and
  - letters of offer are sent to the compensation office at the Western and Northern Canada Service Centre to be used as supporting documentation for payment of the bilingualism bonus.

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## **1. BACKGROUND**

The Parks Canada Agency (PCA) conducted two horizontal audits of human resource practices: an audit of staffing practices in 2006 and a pay and benefits audit in 2009. Following the results of these audits, the Agency planned to establish cyclical audits for the main human resource management practices that would involve visiting each field unit, service centre and directorate. In order to ascertain the relevance of these cyclical audits, the PCA included an audit of the main human resource management processes in the Coastal BC Field Unit in its 2010–2011 audit plan, which was approved by the CEO. The audit focused on compliance with the policies and practices of the Treasury Board Secretariat (TBS) and the PCA.

Field units are groups of National Parks, National Historic Sites and National Marine Conservation Areas that are located near one another. Their proximity allows them to share management and administration resources. The service centres provide a range of professional and technical support for the organization. The mandate of service centre and field unit superintendents is to ensure compliance with TBS and PCA policies, directives and guiding principles.

The Coastal BC Field Unit includes the Gulf Islands and Pacific Rim National Parks reserves; the Fort Langley, Fort Rodd Hill and Fisgard Lighthouse National Historic Sites and the Gulf of Georgia Cannery National Historic Site. The field unit employs 163 people, including 54 seasonal employees. The budget for field unit employee salaries and benefits for the 2010–2011 fiscal year was approximately \$5.8 million.

## **2. OBJECTIVES AND SCOPE**

The objective of the audit is to provide senior management with assurance that the controls in place promote compliance with TBS and PCA human resource policies in the Coastal BC Field Unit. The following four criteria were used:

- C1 – Field Units and Service Centers are compliant with human resource policies;
- C2 – Eligibility for additional compensation benefits is supported by documented analysis and rationale;
- C3 – An effective control environment exists to mitigate the risk of non compliance with human resource policies and;
- C4 – Staffing actions are supported by duly documented explanations.

The audit included a review of the following human resource processes:

- Staff housing,
- commuting assistance,
- staffing,
- acting assignments,

- 
- bilingualism bonuses, and
  - supervisory differentials.

This audit mainly covered transactions recorded between April 1, 2010 and January 1, 2011.

### **3. METHODOLOGY**

The audit methodology included the following activities:

- A visit to the Gulf Islands National Park Reserve office, located in Sidney, BC;
- A visit to the Pacific Rim National Park Reserve office, located in Ucluelet, BC;
- Interviews with managers and personnel in charge of the main human resource management processes in the Coastal BC Field Unit;
- Review of relevant documents, including the organization chart, business plan, PCA's delegation of authority in human resource and the policies governing the key human resource processes; and
- Review of a sampling of transactions in each of the key human resource processes listed below, if applicable.

The selected transactions regarding staffing processes and the bilingualism bonus were chosen using data extracted from the PeopleSoft human resource management software. The reviewed transactions concerning staff housing and commuting assistance were established using local records. Transactions for the supervisory differentials were chosen using the organization charts available because no report could be found for this activity. The selection of transactions for the areas covered by the audit was based on the auditors' judgment.

The visit to the Coastal BC Field Unit took place from January 24 and 28, 2011. Once the on-site work was completed, a report of the preliminary observations was submitted to the Superintendent of the Coastal BC Field Unit and the Human Resources Manager.

Our findings and recommendations have been made in accordance with the Audit Reporting Rating System described below.



<b>Audit Reporting Rating System</b>		
<b>RED</b>	Unsatisfactory	The controls are either ineffective or non-existent. Immediate management actions need to be taken to correct the situation.
<b>ORANGE</b>	Significant improvements needed	Controls in place are weak. Several major issues were noted that could jeopardize achievement of program/operational objectives. Immediate management actions need to be taken to address the control deficiencies noted.
<b>YELLOW</b>	Moderate improvements needed	Some controls are in place and functioning. However, major issues were noted and need to be addressed. These issues could impact on the achievement of program/operational objectives.
<b>BLUE</b>	Minor improvements needed	Many of the controls are functioning as intended. However, some minor changes are necessary to make the control environment more effective and efficient.
<b>GREEN</b>	Controlled	Controls are functioning as intended and no additional actions are necessary at this time.

#### 4. STATEMENT OF ASSURANCE

This audit was planned and conducted in accordance with Government of Canada internal audit standards.

#### 5. CONCLUSIONS

Most of the key human resource management processes in the Coastal BC Field Unit are effective enough to ensure adequate control and acceptable compliance with TBS and PCA human resource policies, with the exception of the administration of staff housing where strict controls must be implemented.

#### 6. OBSERVATIONS AND RECOMMENDATIONS

##### 6.1 Staff housing

<b>ORANGE</b>	Significant improvements needed	Controls in place are weak. Several major issues were noted that could jeopardize achievement of program/operational objectives. Immediate management actions need to be taken to address the control deficiencies noted.
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PCA activities sometimes take place in relatively isolated areas or only during the summer season, which may cause employees to have difficulty finding housing within a reasonable distance from their work for an acceptable price. With the aim of facilitating personnel recruitment and retention in certain locations, the PCA administers and provides employees with staff housing. Regulations govern the calculation of rents to ensure that Agency employees are treated equally. Employees occupying staff housing

pay rent to the PCA. The rents are usually paid through payroll deductions and treated as a taxable benefit. However, some employees do not sign up for payroll deductions since they are only employed for a few weeks. In order for the living accommodations charges to be comparable with those for private housing in the same markets, the base shelter values for staff housing are determined by assessing the value of the housing compared to surrounding rental market.

The Policy framework for the management of Crown housing includes the following:

- *Regular Benefits Policies, 3.0 – Housing allowances (PCA);*
- *Management Directive 1.5.3 – Application of charges for living accommodations (PCA);*
- *Management Directive 1.4.4 – Administration and allocation of staff housing;*
- *Isolated Posts and Government Housing Directive (National Joint Council);*
- *Collective Agreement between the Parks Canada Agency and the Public Service Alliance of Canada.*

According to these directives, the field units must establish a committee and appoint a manager to manage staff housing. The committee is responsible for managing the maintenance plan and work carried out on the housing stock, determining and allocating rents and ensuring that the staff housing program is delivered effectively. The manager is responsible for ensuring that housing is in good condition, maintaining an inventory of goods provided and producing an annual report for the field unit's housing committee.

The Canada Mortgage and Housing Corporation (CMHC) must assess the value of the housing once a year. Each field unit must send a list of housing under its responsibility to the CMHC regional office so that the rent base factors can be reviewed. The rents should be reviewed annually according to the new assessments of the base factors and adjusted up to the limits imposed by the provinces and territories.

Abatements may be awarded to occupants of staff housing to compensate for some inconveniences related to the housing, such as a living space smaller than the norm, job-imposed occupancy or loss of privacy and quiet enjoyment related to PCA activities.

Total revenue from staff housing for the Coastal BC Field Unit in 2010–2011 was approximately \$136,000 while expenses were approximately \$93,000.

## **Observations**

A Housing Management Committee was set up in October 2007 at the Pacific Rim National Park Reserve. The most recent meeting minutes available are from January 2010. There is a log to sign out other meeting minutes that the audit team obtained during the site visit. The Committee does not participate in the establishment of living accommodations charges and has not adopted an official long-term strategy for managing and maintaining the housing stock. There are only two staff housing locations in the Gulf

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Islands National Park Reserve. Field unit management makes any decisions concerning the staff housing. The field unit does not produce an annual report on staff housing.

Visits to national parks reserves revealed that there is no appropriate segregation of duties between the tasks of setting rents and signing rental agreements. In the case of the Gulf Islands National Park Reserve, rental agreements are supposed to be reviewed by a manager before they are approved. There is no similar procedure in place at the Pacific Rim National Park Reserve. In addition, rental agreements are not signed by a duly authorized manager as specified in Management Directive 1.5.3.

Our analysis of the files established the following:

- The rents in the Gulf Islands National Park Reserve have not increased since 2005;
- Living accommodations for four houses in the Pacific Rim National Park Reserve should have been increased but were not increased;
- Twelve letters informing renters of an increase in rent were not sent by the deadline set out in the policy: three months before the effective date of the increase;
- Rent abatements for the condition of housing in the Pacific Rim National Park Reserve are given arbitrarily and the rationale or calculation to support the reduction is not documented;
- An employee received seven months of free rent because the housing that he occupied was also used as a shelter for the maintenance team of the West Coast Trail. This decision is not in line with the policy and is not justified;
- The calculation of size suitability abatement is incorrect; reductions are granted even if the employee occupies housing that is larger than the standard, which is inconsistent with the policy provisions;
- In two cases, the employee paid rent with post-dated cheques instead of through payroll deductions, for an extended period, which is inconsistent with the policy and incurs additional costs.

There is no procedure for recording unpaid rent as accounts receivable in the STAR system. They must be handled manually, which increases the risk of the rental fees going unnoticed. Incidentally during the visit, it was found that three employees had overdue living accommodation charges.

PCA's *Regular Benefits Policies – Living accommodations allowances* contains a provision that holds the Agency responsible for maintaining a long-term housing maintenance program. It also stipulates that staff housing must be maintained in good condition and in compliance with building codes. There is currently no such official plan in place in the Coastal BC Field Unit. The policy also states that the manager in charge of housing is responsible for conducting inspections prior to the arrival of a new occupant in order to identify any maintenance problems; however, these inspections are intermittent and undocumented.

With a few exceptions, the inventory of goods provided with the staff housing is not documented. Without an inventory, it is difficult to adequately verify the goods provided to renters and assess their costs.

### **Conclusion**

Overall, tighter controls must be implemented by the Coastal BC Field Unit to ensure compliance with current policies and directives and reduce financial risks for the Agency.

### **Recommendations**

- 1- The Superintendent of the Coastal BC Field Unit must ensure that appropriate controls are implemented to manage the housing stock for which he is responsible in adherence to the policies and directives.

### **Management Response**

Agree: At Pacific Rim National Park Reserve (NPR) the Park Housing Committee has updated and renewed their Terms of Reference effective July 2011 to establish immediately the structure, meeting schedule and responsibilities for the committee. This committee is responsible for making recommendations regarding allocation and management of staff housing to the Superintendent of Pacific Rim NPR. The Policy framework for the management of Crown housing will be adhered to in arriving at all recommendations. A physical inspection on current housing stock at the site will be conducted in order to create a housing inventory list which will be completed by September 2012.

Due to the small housing stock at Gulf Islands NPR (one housing unit and one bunkhouse), the Administration Officer at GINPR is responsible, on behalf of the Park Superintendent, to administer and apply applicable policies and directives in the management of the housing units. All recommendations and housing related activities are and will be reviewed and authorized by the site manager.

- 2- The Superintendent of the Coastal BC Field Unit must ensure that a long-term maintenance plan is in place.

### **Management Response**

Agree: Pacific Rim NPR will create a long term maintenance plan appropriate for the site. The plan will be completed by September 2012.

Gulf Islands NPR, with only two housing units will establish an annual inspection program which, if deficiencies are indentified, will flag both the short and long term maintenance issues. Longer term issues will then be identified in the capital plan for the park.

The FU Asset Manager will review annually the long term maintenance plans with each site.

- 3- The Superintendent of the Coastal BC Field Unit must ensure that the rents are established in compliance with the policies and directives.

### Management Response

Agree: Rents will be established in compliance with the policy framework for the management of Crown housing. The duly authorized manager for each site will be responsible for reviewing all rents on an annual basis and ensuring all increases and/or adjustments are in compliance with applicable policies and directives.

- 4- The Superintendent of the Coastal BC Field Unit must ensure that accounts receivable are entered into the STAR financial system.

### Management Response

Agree: Effective immediately, all staff house rental has been set up as an account receivable in the STAR financial system on the date that the rental/receivable is due. The responsible Finance Officer for each site is responsible for compliance.

## 6.2 Commuting assistance

<b>BLUE</b>	Minor improvements needed	Many of the controls are functioning as intended. However, some minor changes are necessary to make the control environment more effective and efficient.
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Commuting assistance is intended to compensate PCA employees who must live in areas that are far from their workplaces because of a lack of acceptable housing nearby.

The management framework for commuting assistance is based on PCA's *Commuting Assistance Policy*. The lower kilometric rates stipulated in the *Commuting Assistance Directive* of the National Joint Council are payable to employees who apply for the commuting assistance and are subject to frequent changes.

The Coastal BC Field Unit's total expenses for commuting assistance are approximately \$10,000 annually.

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**Observations**

The *Commuting Assistance Policy* stipulates that the manager must determine the type of commuting assistance: chartered group transportation (with Agency or other vehicles), car pooling in taxis or use of employee vehicles. The manager must provide proof of reasonable due diligence for the choice made. The type of assistance must be reviewed at least once a year. The manager must also determine the amount of the allowance to be paid to employees according to the type of commuting assistance chosen. Guidelines have been established by the field unit for the Pacific Rim National Park Reserve. These guidelines contain definitions of suitable residential community, of workplace, and the field unit's decision to give the commuting assistance to employees in the form of a reimbursement of the lower kilometric rate. It should be noted that no documentation shows that other options were considered or that the type of assistance has been reviewed by management over the years.

The policy also states that managers must keep records for each site where commuting assistance is authorized. The annual report must include the costs of commuting assistance, and the type and number of employees who are granted the assistance. This report must also list any variations in commuting assistance expenses since the previous fiscal year. The report was available for the 2008–2009 and 2009–2010 fiscal years.

The guidelines developed by the field unit include a template to be used for claims. However, employees at the Pacific Rim National Park Reserve use a locally drafted form that does not detail the dates for which the employee is claiming commuting assistance. Therefore, it is difficult for supervisors to conduct proper follow-up on claims.

A review of 65 claims, for 19 employees, selected using the annual report of commuting assistance expenses produced by Pacific Rim National Park Reserve management in 2010 revealed the following:

- Ten employees had submitted claims that covered more than one month at a time, which is conflicting with the policy;
- Nine claims contained calculation errors that, while small, demonstrate a lack of follow-up; and
- Two commuting assistance claims were not signed by the authorized manager.

The commuting assistance claim template has space to enter financial codes. However, almost none of the claims contained financial coding.

**Conclusion**

The commuting assistance process in the Coastal BC Field Unit needs minor improvements to reinforce practices and ensure adequate control of commuting assistance expenses.

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**Recommendations**

- 5- The Superintendent of the Coastal BC Field Unit must ensure that an annual review of the commuting assistance allocated to employees is performed and documented each year.

**Management Response**

Agree: A review of the commuting allowance will be conducted and documented each year by the responsible Finance Officer. Pacific Rim NPR has completed the 2010-11 review with an analysis of changes and reasons for the changes from the prior year.

- 6- The Superintendent of the Coastal BC Field Unit must ensure that controls are in place to make sure that:

- claims do not cover more than one month;
- calculations are reviewed to ensure the accuracy of the claims;
- claims are duly signed by an authorized manager; and
- financial coding is recorded on the claims.

**Management Response**

Agree: A revised Guidelines on Commuting Assistance for PacRim NPR was implemented on May 1, 2011. It provides specific direction that monthly claims are to be submitted. Each claim will be reviewed by the employee's supervisor who is at Level 5 delegation authority or higher prior to authorization. The review will include ensuring financial coding is recorded on each claim.

**6.3 Staffing process**

<b>BLUE</b>	Minor improvements needed	Many of the controls are functioning as intended. However, some minor changes are necessary to make the control environment more effective and efficient.
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As a separate employer, the PCA is authorized under the *Parks Canada Agency Act* to establish its own staffing system. It is based on a group of policies and directives drawn up in 1999 that take into account the legislative framework with which the PCA must comply in its staffing activities. The framework includes the following:

- *Employment Equity Act*,
- *Official Languages Act*,
- *Canadian Human Rights Act*, and
- *Public Service Labour Relations Act*.

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The PCA's staffing services are managed according to a decentralized model. The Human Resources Directorate (HRMD) is responsible for developing policies while the field units and service centres carry out operational activities. The HRMD advises and provides support to the field units with regard to their staffing activities. Human resource experts are also available to advise the field units in the service centres.

Once the staffing needs have been identified by the delegated manager, an HR action request is completed, signed and sent to the HR group in the field unit. Statements of Merit Criteria, evaluation tools and answer keys are developed with the human resource advisor.

Once the evaluation of the candidates is completed, the HR group prepares letters of offer for successful candidates in the competition and letters of refusal for the other candidates. These letters must be signed by the field unit's human resource manager.

The staffing files are kept in a restricted access room. The Coastal BC Field Unit maintains separate files for staffing processes and for employees.

### **Observations**

The human resource manager for the Coastal BC Field Unit field unit works from the Gulf Islands National Park Reserve office in Sidney, BC. However, human resources staff work in the various national parks and historic sites in the field unit to help managers with their staffing activities.

The review of 27 staffing files revealed the following irregularities:

- One file did not contain an HR action request;
- Eight files did not contain the work descriptions for the position to be filled;
- Three files did not contain the candidates' résumés;
- In one file, the results of medical tests required in the selection criteria were not on file;
- Three files did not contain the candidates' security clearance documents.

### **Conclusion**

Analysis of the staffing process showed that, in general, the Coastal BC Field Unit has implemented practices to ensure adequate controls. Minor changes are required with regard to staffing file documentation to increase the quality of information and provide appropriate supporting documents for appointments.

### **Recommendation**

- 7- The Superintendent of the Coastal BC Field Unit must ensure that staffing files contain all supporting documentation for the appointment process.



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**Management Response**

Agree: The mandatory use of a staffing checklist on all staffing files will ensure all required documentation is contained on the file or written reference is made to its location. For example the position work description is contained on the position file therefore in an effort to limit the amount of duplicate copies, reference will be made to the position file where the work description can be obtained when required. The mandatory use of a checklist has been now established.

**6.4 Acting assignment process**

<b>YELLOW</b>	Moderate improvements needed	Some controls are in place and functioning. However, major issues were noted and need to be addressed. These issues could impact on the achievement of program/operational objectives.
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PCA's *Staffing Policy* contains a provision that allows the Agency to meet its short-term human resource needs by granting acting assignments. An acting assignment of less than four months can be offered to an employee if the position is vacant at the time of the announcement. In the case of positions that are officially filled but whose incumbents are absent for whatever reason, the acting assignments must be shorter than six months.

A notice of appointment must be published in the event that an acting assignment is extended beyond the term initially announced. If more than one person shows interest in the acting assignment when the notification of appointment is published, a comparative assessment must be done to determine which person is the best qualified for the position. Interrupting an acting assignment in order to avoid a comparative assessment is prohibited.

Acting assignments may be granted on the basis of individual or relative merit. In the case of individual merit, the candidate's qualifications must still be assessed in relation to the established merit criteria in order to ensure that the person has the competencies and skills required for the job. In the case of relative merit, a competitive process must take place (written exam, interview, etc.), as in the case of a staffing process for a term or indeterminate position.

The procedure for an acting assignment is similar to that for a term or indeterminate position. The delegated manager must send all the required documentation to the human resource officers as they would do for a normal staffing action.

**Observations**

The review of 15 acting assignment files revealed the following situations:

- Two files did not contain the HR action request;
- Four files did not contain work descriptions;
- Four files did not contain the Statement of Merit Criteria;
- Seven files did not contain candidates' résumés;

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- Three files did not contain proof that the candidate met the educational requirements for the position;
  - Five files did not contain the notice of appointment although the issuing of a notice was required;
  - Two files did not contain the letter of offer signed by the employee and employer;
  - Three files concerned acting assignments with terms varying from two to four years.

Four files contained all the required documentation and three files contained only one irregularity.

### **Conclusion**

Analysis of the acting assignment process showed that, in general, the Coastal BC Field Unit follows practices that ensure adequate controls. However, special attention must be paid to file documentation.

### **Recommendation**

- 8- The Superintendent of the Coastal BC Field Unit must ensure that acting assignment files contain all of the supporting documentation for the appointment process.

### **Management Response**

Agree: The mandatory use of a staffing checklist on all staffing files will ensure all required documentation is contained on the file or written reference is made to its location. For example the position work description is contained on the position file therefore in an effort to limit the amount of duplicate copies, reference will be made to the position file where the work description can be obtained when required. The mandatory use of a checklist specific to acting appointments has now been established.

### **6.5 Bilingualism bonuses**

<b>YELLOW</b>	Moderate improvements needed	Some controls are in place and functioning. However, major issues were noted and need to be addressed. These issues could impact on the achievement of program/operational objectives.
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With the aim of making its range of services representative of the Canadian population, promoting bilingualism within the public service and providing the best possible service for Canadians, the PCA recognizes the language skills of its employees by allocating bilingualism bonuses to employees in designated bilingual positions.

Employees occupying designated bilingual positions are eligible for payment of the bilingual bonus with the exception of some specific groups. The bilingualism bonus

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accounts for an annual expenditure of approximately \$20,000 for the Coastal BC Field Unit.

The legislative framework serving as a guide for the administration of bilingualism bonuses consists of the following acts and directives:

- *Official Languages Act,*
- *PCA's Regular Benefits Policy 6.0 – Bilingual Bonus,*
- *PCA's Directive on the staffing of bilingual positions, and*
- *National Joint Council's Bilingualism Bonus Directive.*

Delegated managers are responsible for determining the language profile of the positions, initiating payment of bilingualism bonuses and informing employees of any changes to the bilingualism bonus. In most cases, the document used to initiate payment of the bilingualism bonus to eligible employees is the letter of offer. Position reclassification letters or other letters from management may sometimes be accepted. The bonus is added directly to employees' pay, but is not part of their base pay.

Candidates' language skills are assessed using Second Language Evaluation (SLE) tests. Follow-up on SLE results can be done using the PeopleSoft human resource management system. The language requirements associated with a job classification are entered in the system. Individual test results are entered manually. The system can detect which employees do not meet the language requirements of their positions.

## **Observations**

The review of the 21 selected files revealed the following irregularities:

- One file was missing the SLE results. No proof was provided that the employee had achieved the required results;
- Three files for which the letter of offer was not in the compensation file.

There is no procedure for monitoring after initial data entry to verify the bilingualism bonus information in PeopleSoft in the Coastal BC Field Unit. We found a data entry error rate of 33% (7 out of 21). Since the PCA is about to go through a period of major changes to the human resource management systems, it is essential to enter correct data in order to ensure an efficient system transition.

## **Conclusion**

The analysis of the bilingualism bonus process demonstrated that improvements are required in order to reinforce practices in the Coastal BC Field Unit for ensuring adequate controls. Particular attention must be paid to documentation in the file and the updating of information in the PeopleSoft system.

## **Recommendations**

- 9- The Superintendent of the Coastal BC Field Unit must ensure that:
- Results of Second Language Evaluation are included on files;
  - The information entered in the PeopleSoft system is accurate and updated as required; and
  - Letters of offer are sent to the compensation office at the Western and Northern Canada Service Centre to serve as supporting documentation for payment of the bilingualism bonus.

### Management Response

Agree: Effective immediately all Second Language Evaluation results will be copied to the employee file maintained at the FU office. All information entered in Peoplesoft is to be reviewed for accuracy and updates to be entered in a timely manner. The HR Manager will be responsible to conduct spot checks to ensure compliance. The FU HR unit will continue the practice of sending all letters of offer to the compensation office.

### 6.6 Supervisory differential

<b>BLUE</b>	Minor improvements needed	Many of the controls are functioning as intended. However, some minor changes are necessary to make the control environment more effective and efficient.
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As outlined in the *Collective Agreement between the Parks Canada Agency and the Public Service Alliance of Canada*, incumbents of the labourer positions in the GL and GS groups who have supervisory duties may be eligible for a supervisory differential, which is added to their base pay. The PCA has established guidelines for managing the supervisory differential.

Expenses associated with supervisory differentials paid to employees of the Coastal BC Field Unit total approximately \$16,000 per year.

### Observations

There is no report that provides a list of positions or people who receive the supervisory differential in the field unit or at the Western and Northern Canada Service Centre. Moreover, the supervisory differential payment transactions recorded in the STAR financial system do not contain any reference to make it possible to link payments to the individuals who received them. For the above reasons, we selected 16 employees who were likely to believe that they would receive a supervisory differential based on their classifications and duties within the organization. In these 16 cases, 9 employees did not receive a supervisory differential and 7 received one.

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The analysis of these seven files revealed only one irregularity in a letter of offer where there was no mention of the supervisory differential.

**Conclusion**

It was found in the analysis of the management of supervisory differentials that the practices followed in the Coastal BC Field Unit ensure adequate controls.

**No recommendation**