Public Service Commission of Canada
Commission de la fonction publique du Canada

Public Service Commission of Canada

2012-13 Estimates

Departmental Performance Report

The Honourable Shelly Glover, P.C., M.P.
Minister of Canadian Heritage and Official Languages

Canada

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President's Message

I am pleased to present the Public Service Commission's (PSC) *2012-13 Departmental Performance Report*.

The mandate of the Public Service Commission (PSC) is to promote and safeguard merit-based appointments, and, in collaboration with other stakeholders, to protect the non-partisan nature of the public service. The PSC reports on its mandate to Parliament.

Under the delegated staffing system set out in the *Public Service Employment Act* (PSEA), the PSC fulfills its mandate by providing policy guidance and expertise as well as by conducting effective oversight. In addition, the PSC also delivers quality staffing and innovative assessment services.

The first PSC priority in 2012-13 was to **ensure a smooth transition to a new Commission.** In January 2013, Commissioner Susan M. W. Cartwright and I welcomed Daniel G. J. Tucker as the third Commissioner. With the support of a strong Executive management team and dedicated employees, the PSC has now completed the transition to a new Commission.

The second priority during this reporting period was to **support departments and agencies in responding to their staffing needs relating to workforce adjustment**. The PSC supported departments and agencies in their workforce management efforts by realigning resources to improve support to departments, agencies and priority persons and by enhancing the Priority Information Management System to facilitate better matching of priority persons with job opportunities. While the overall number of priority persons rose from 1,810 to 2,914 in 2012-13, 956 skilled and experienced priority persons were redeployed, of which 683 (71.4%) were priority appointments of public servants whose jobs have been declared surplus.

The PSC continued with concrete measures **following the five-year legislative review of the *Public Service Modernization Act***, as per its third priority. In 2012-13, the PSC focused on enhancing its outreach mechanism, to increase understanding of and compliance with the values-bases approach to staffing. The delivery of over 160 policy-related presentations to stakeholders such as deputy heads, the Human Resources Council, the Public Service Commission Advisory Council and bargaining agents is one initiative.

The PSC's fourth priority was to **provide ongoing independent oversight and assurance to Parliament on the integrity of the staffing system and the non-partisanship of the federal public service**. To provide valuable information on the performance of staffing in departments and agencies, the PSC provided staffing performance feedback to departments and agencies, conducted 12 organizational audits and 2 follow-up audits, completed 237 investigation cases and conducted 4 studies and 6 updates to previous studies.

In 2012-13, the PSC conducted additional outreach with a focus on prevention informed by its experience, findings and mining of lessons learned from its oversight activities.

The fifth priority was to **provide quality selection services to meet the evolving needs of client organizations** with the guidance from advisory committees including the PSC Deputy Minister Advisory Committee, to ensure that services are aligned with the emerging staffing and assessment needs of organizations and hiring managers. In addition, the PSC increased its on-line testing capacities and made further enhancements to the Public Service Resourcing System to reduce potential security risks and privacy breaches and improve communication and transparency with candidates.

The sixth priority was to **build on the PSC as a model organization**. Improvements to the governance structure supported a better integration of the PSC's overall agenda and led to greater integration of business and human resources planning within the organization. The PSC focused on business services and application systems to align with its current direction and modernization initiatives. That included the launch of a systems application rationalization initiative to consolidate similar systems and eliminate redundant applications. Once savings are realized they will be re-invested in supporting new, innovative business processes and supporting systems. The planned move to a new building in the fall of 2013 allows the PSC to be among the early adopters of the new Workplace 2.0 standard.

While providing support to other Departments, the PSC also needed to respond to many of the same challenges as other organizations. During the reporting period, the PSC began to implement budget reductions under Spending Review 2012. Throughout the process, the PSC were guided by the fundamental values of fairness and respect and every effort was made to provide its employees with the support and information they need. The PSC promoted open communication on work-force management issues with employees and engaged in a productive dialogue with bargaining agents.

The PSC was able to deliver on its priorities and carry out its mandate to help ensure that Canada continues to benefit from a professional and non-partisan federal public service.

Anne-Marie Robinson
President
September 10, 2013

Section I – Organizational Overview

Raison d'être

The Public Service Commission (PSC) is dedicated to building a public service that strives for excellence. The PSC protects merit and non-partisanship as well as employment equity and the use of both official languages in a staffing context, while ensuring respect for the values of fairness, access, transparency and representativeness.

The PSC recruits talented Canadians to the public service. The PSC renews its recruitment services to meet the needs of a modern and innovative public service.

Responsibilities

The PSC is responsible for promoting and safeguarding merit-based appointments that are free from political influence and, in collaboration with other stakeholders, for protecting the non-partisan nature of the public service. It reports independently on its mandate to Parliament.

The PSC is mandated to:

- Appoint, or provide for the appointment of, persons to and from within the public service, based on merit and free from political influence. The *Public Service Employment Act* (PSEA) allows the PSC to delegate to deputy heads its authority for making appointments, subject to certain terms and conditions. This authority is currently delegated to deputy heads subject to the PSEA, across the federal government;

- Administer the provisions of the PSEA that are related to the political activities of employees and deputy heads. Part 7 of the PSEA recognizes the right of employees to engage in a political activity, while maintaining the principle of political impartiality in the public service. It also sets out specific roles and responsibilities for employees and the PSC related to political activities and the administration of the related political activities regime; and

- Oversee the integrity of the staffing system and ensure non-partisanship. This oversight role includes the ongoing monitoring of the staffing performance of delegated organizations, the conduct of audits that provide an independent assessment of the performance and management of staffing activities and the conduct of investigations of staffing processes and improper political activities by public servants.

Strategic Outcome and Program Alignment Architecture

The PSC Program Alignment Architecture consists of one strategic outcome and four programs.

<table>
<tr><td colspan="2">Department Name: Public Service Commission</td></tr>
<tr><td colspan="2">Strategic Outcome: To provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of fairness, access, transparency and representativeness</td></tr>
<tr><td rowspan="2">Program 1.1.0: Appointment Integrity and Political Impartiality</td><td>Sub-Program 1.1.1: Appointment Policies, Guidance and Political Activities</td></tr>
<tr><td>Sub-Program 1.1.2: Delegated and Non-delegated Appointment Authorities</td></tr>
<tr><td rowspan="3">Program 1.2.0: Oversight of Integrity in Staffing and Non-Partisanship</td><td>Sub-Program 1.2.1: Monitoring</td></tr>
<tr><td>Sub-Program 1.2.2: Audit and Data Services</td></tr>
<tr><td>Sub-Program 1.2.3: Investigations</td></tr>
<tr><td rowspan="3">Program 1.3.0: Staffing and Assessment Services</td><td>Sub-Program 1.3.1: Staffing Services</td></tr>
<tr><td>Sub-Program 1.3.2: Assessment</td></tr>
<tr><td>Sub-Program 1.3.3: Public Service Resourcing System</td></tr>
<tr><td colspan="2">The following program supports all strategic outcomes within this organization:</td></tr>
<tr><td colspan="2">Program 2.1.0: Internal Services</td></tr>
</table>

Organizational Priorities

The PSC focussed its attention and resources on the following priorities, in order to achieve its Strategic Outcome during the planning period.

Priority I	Type of Priority	Linkage to Programs
Ensure a smooth transition to the new Commission.	Previously committed	1.1.0 - Appointment Integrity and Political Impartiality 2.1.0 – Internal Services
Summary of Progress		
Progress made in 2012-13 against the key actions planned in support of this priority is presented below. Additional performance information by program is presented in Section II. The PSC staff developed, advanced and provided strategic orientation and policy advice to the President and Commissioners. The PSC proceeded to a comprehensive review of its by-laws, internal delegation instruments and operating principles. In January 2013, the President and Commissioner Susan M. W. Cartwright welcomed Daniel G. J. Tucker as the third Commissioner. The PSC staff supported the new Commissioner by providing him with briefings on the mandate and operations to ensure a seamless transition.		

Priority II	Type of Priority	Linkage to Programs
Support departments and agencies in responding to their staffing needs relating to work force adjustments.	New	1.1.0 - Appointment Integrity and Political Impartiality 1.3.0 - Staffing and Assessment Services 2.1.0 - Internal Services
Summary of Progress		
Progress made in 2012-13 against the key actions planned in support of this priority is presented below. Additional performance information by program is presented in Section II. In 2012-13, the PSC continued to support departments and agencies in their workforce management efforts. The PSC has two specific roles with respect to Workforce Adjustment (WFA). First, it provides policy guidance and support to departments and agencies in the Selection of Employees for Retention or Lay-off (SERLO); second, it manages the Priority Administration Program. Persons with a priority for appointment, including persons declared surplus, are eligible to be appointed, ahead of all others, to vacant positions in the public service, provided they meet the essential qualifications of these positions. In addition to participating in interdepartmental fora of information and to the National Workforce Management Consultation Committee, the PSC advanced a multi-phased strategy comprising:		

Selection of Employees for Retention or Lay-off

- Provided early outreach and support, including the development and distribution of policies and tools to support decision making in a SERLO process, updating and modifying the SERLO Guide, as well as delivering presentations to human resources and deputy heads;
- Tailored advice and guidance, responding to 94 requests for interpretation and over 700 case-specific questions on SERLO, including participation in multiple sessions with departments and agencies to address organizational or regional needs;
- Focussed assessment expertise on helping departments and agencies develop a comprehensive approach to assessment and communication in the context of SERLO, including the use of PSC assessment tools, conducting information sessions with managers and employees and providing recommendations on how to share the results;
- Included questions in the PSC Survey of Staffing to measure perceptions of fairness and effectiveness of selection decisions in the context of SERLO. The survey results include those processes that were complete within the first six months of the introduction of Spending Review 2012; and
- Developed a SERLO Review Program that is performed during the conduct of organizational audits, to provide specific insight into the areas that fall within the PSC's jurisdiction. This included the assessment of the selection criteria, the documentation of the reasons for selection and the communication of the selection decision.

Priority Administration Program

- Conducted extensive consultations with departments and agencies to determine organizational needs for advice and guidance;
- Realigned resources to improve support to departments, agencies and priority persons;
- Dedicated increased Policy and IT resources and implemented improvements to the Priority Information Management System (PIMS) to increase access, fairness and transparency and to facilitate better matching of priority persons with job opportunities;
- Implemented a Priority WebPortal to provide priority persons with "self-serve" access to PIMS and support managing their own priority entitlements;
- Established a toll-free phone number and a dedicated e-mail address;
- Established an inter-organizational Priority Administration Community of Practice; and
- Increased reporting expectations of departments and agencies for their effective management of priority entitlements. Organizations were expected to implement a governance structure, training on roles and responsibilities, support for priority persons and a systematic approach to requesting clearance to staff a position and monitor areas such as time to register a priority person.

Priority III	Type of Priority:	Linkage to Programs:
Implement the required changes following the five-year legislative review of the *Public Service Modernization Act*.	New	1.1.0 - Appointment Integrity and Political Impartiality

Summary of Progress

Progress made in 2012-13 against the key actions planned in support of this priority is presented below. Additional performance information by program is presented in Section II.

In 2012-13, the PSC continued to focus its activities on addressing one of the overarching recommendations of the Report to enhance the "outreach mechanism, to increase understanding of and compliance with the values-bases approach to staffing"[i] by strengthening partnerships and collaborating with key stakeholders and departments and agencies.

Given the circumstances, much of this work focussed on supporting departments and agencies in their Workforce Adjustment efforts. The PSC:

- Delivered over 160 policy-related presentations as part of its enhanced outreach efforts. This outreach typically included presentations to deputy heads, the Human Resources Council, the Public Service Commission Advisory Council, the National Workforce Management Consultation Committee, bargaining agents, the National Managers Community, the National Joint Council and interdepartmental human resources communities on staffing, official languages, employment equity, workforce management and human resources (HR);
- Hosted a symposium in November 2012 to provide departments and agencies with information on emerging trends from audits and investigations and the management of priority entitlements. Over 120 heads of HR and staffing advisors from departments and agencies of all sizes attended this full-day event; and
- Enhanced communications efforts to raise employees' awareness of their legal rights and responsibilities regarding political activities.

The PSC also continued to adapt its oversight activities and policies to a maturing staffing system and to meet the evolving needs of departments and agencies.

The PSC has:

- Consulted with stakeholders and begun work on redesigning the Appointment Delegation and Accountability Instrument to more clearly articulate the terms and conditions of delegation and the expectations for effective staffing management, for introduction in 2013-14; and
- Conducted extensive consultations and begun developing a new streamlined Staffing Management Accountability Framework that sets out the PSC's expectations for a well-managed appointment system and is designed to be a more useful internal management tool for deputy heads and the PSC. It will be introduced in 2013-14.

Priority IV	Type of Priority:	Linkage to Programs:
Provide ongoing independent oversight and assurance to Parliament on the integrity of the staffing system and the non-partisanship of the federal public service.	Previously Committed	1.1.0 - Appointment Integrity and Political Impartiality 1.2.0 - Oversight of Integrity in Staffing and of Non-partisanship

Summary of Progress

Progress made in 2012-13 against the key actions planned in support of this priority is presented below. Additional performance information by program is presented in Section II.

The PSC has established an oversight framework that provides information on the integrity of the staffing system and non-partisanship of the federal public service by systematically examining the different parts of those systems. In addition to its regulatory authority and policy-setting function, this framework is comprised of three important feedback mechanisms: Monitoring, audits and investigations. As the staffing system and capacity within delegated departments and agencies matures, the PSC continues to refine how it undertakes oversight.

Monitoring

One source of PSC monitoring is the Staffing Management Accountability Framework (SMAF) that sets out expectations for a well-managed appointment system in a delegated organization and provides a framework for monitoring of staffing performance at the organizational level. The PSC assesses organizational performance against the SMAF and provides annual feedback to deputy heads of organizations.

The PSC:

- Provided deputy heads with an assessment of staffing performance, outlining areas of strength and areas for improvement and provided guidance and support;
- Asked deputy heads to report on performance in five areas: The management of priority entitlements, organizational accountability for results, official languages, investigations into staffing and political activities; and
- Increased expectations of departments and agencies in their effective management of priority entitlements. Organizations were expected to implement a governance structure, training on roles and responsibilities, support for priority persons and a systematic approach to requesting clearance to staff a position and monitor areas such as time to register or the time to assess a priority person.

Another important source of monitoring for the PSC is its data collection and analysis:

- The PSC identified new ways of leveraging existing data and information technology infrastructure to monitor organizations' staffing performance in order to increase efficiency and reduce reporting burden; and
- In addition, the PSC continued to improve the overall effectiveness of its data monitoring activities through the ongoing implementation of a multi-year initiative for a Business Intelligence and Enterprise-wide Data Warehouse. This includes working toward a government-wide approach to data collection on staffing, management and reporting.

Audit

As part of its Audit and Studies Plan, the PSC undertook 12 organizational audits and 2 follow-up audits on previously audited organizations. These audits provided Parliamentarians and parliamentary committees with information and analysis on the integrity of the staffing system:

- Audit results also contributed to deputy heads' understanding of the staffing risks, controls and governance within their own organizations. Where appropriate, recommendations are included in the audits to help organizations in addressing issues and in making improvements to their staffing practices.

Investigations

The PSC received 183 new requests to investigate appointment processes in 2012-13. While this is significantly lower than the 596 new files received in 2011-12 and the 516 in 2010-11, this occurred in the context of the overall decrease in hiring and staffing activities within the federal public service for 2012-13.

The PSC completed 237 investigation cases in 2012-13.

Priority V	Type of Priority:	Linkage to Programs:
Provide quality selection services to meet the evolving needs of client organizations.	Previously Committed	1.3.0 - Staffing and Assessment Services

Summary of Progress

Progress made in 2012-13 against the key actions planned in support of this priority is presented below. Additional performance information by program is presented in Section II.

Enable organizations in carrying out their staffing responsibilities through access to PSC expertise in staffing and assessment

- Continued to expand its e-testing capacity with over 400 facilities now in place (a 33% increase from 2011-12) and 1,500 certified public service employees qualified to administer e-tests (a 50% increase from 2010-11);
- Steady increase in on-line testing (now represents 50% of all PSC tests administered) due in large part to the mandatory transition of second language evaluation tests from paper and pencil to the on-line testing system by April 1, 2013;
- Continued to leverage its use of technology to offer departments and agencies efficient and cost effective methods of assessing candidates. Organizations were able to use the PSC's unsupervised Internet tests, its e-testing capacity and other testing methods such as Computer-generated Testing (CGT);
- Implemented CGT for its Second Language Test of Written Expression, enhancing test security and reducing the risk of unauthorized access to test content; and
- Conducted a number of surveys in 2012-13 related to the PSC's primary interface for job seekers (jobs.gc.ca) as well as the primary recruitment system, the Public Service Resourcing System (PSRS), to improve satisfaction of users (applicants and GC human resources (HR) practitioners). Outreach activities were also conducted in 2012-13, including training, stakeholder consultations and discussions that informed and highlighted ongoing client satisfaction with these services. A 92% satisfaction rate was received from PSRS training participants, who found the training sessions effective, clear and relevant to their operational realities.

Implement standardized business processes to deliver consistent, professional services across Canada

- Designed and implemented standardized and efficient business processes and associated desk procedures to ensure consistent support to departments, agencies and priority persons. Ongoing monitoring through reporting supports consistency in the data entry, categorization and reporting of priority persons; and
- Established a PSRS and PubliService formal Change Request Review Board, made up of a cross-functional team to prioritize and effectively manage requested changes from clients and users. This process ensures that all change requests are considered and actioned, as required.

Participated in HR system modernization

- The PSC participated in HR system modernization initiatives and worked to support the Common HR Business Process and GC application rationalization projects.

Strengthen strategic partnerships with internal and external stakeholders

- In 2012-13, significant interdepartmental consultation was undertaken in order to gather perspectives, feedback and suggestions as to how the PSC could better support departments and agencies in staffing, recruitment and assessment by increased presentations at the National Staffing Council, participating in interdepartmental working groups on common HR business processes,

HR reporting and bilateral discussions with heads of HR, hiring managers, central agencies and non-*Public Service Employment Act* organizations. In addition, a series of on-line surveys were targeted to the applicant population who use PSRS and jobs.gc.ca. The results of all consultations were documented and specific change requests were developed reviewed and, where applicable, released through PSRS system enhancements.

Priority VI	Type of Priority:	Linkage to Programs:
Build on the PSC as a model organization.	Previously Committed	All Program Activities

Summary of Progress

Progress made in 2012-13 against the key actions planned in support of this priority is presented below. Additional performance information by program is presented in Section II.

Sound, careful financial and vacancy management allowed the PSC to implement budget reductions, while also fulfilling its legislative mandate.

The PSC:

- Enhanced key PSC systems such as the Priority Information Management System, the Public Service Resourcing System and advanced innovations in unsupervised Internet testing and computer-generated testing;
- Implemented its new Code of Conduct and continued to promote workplace well-being. The PSC also strengthened its approach to values and ethics based on *the Values and Ethics Code for the Public Service*;
- Remained on track to move to a new Gold-LEED-certified building in 2013;
- Undertook reviews of the Evaluation and Internal Audit functions that confirmed both are functioning well and meeting the policy requirements and standards for government evaluations; and
- Began the comprehensive planning for its first horizontal evaluation – an evaluation of the PSC-TBS Student Employment Programs.

Risk Analysis

Major Risks during 2012-13

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
(1) Effectively meeting the evolving needs of departments and agencies in the context of implementing workforce adjustment measures post-Spending Review 2012.	• Realigned resources to support departments, agencies and priority persons; • Trained approximately 3,700 departmental and agency managers and human resources advisors regarding the workforce adjustment process; • Reduced reporting requirements of departments and agencies to five key areas; • Collaborated with TBS-OCHRO to identify early risks and to develop and implement practical and timely solutions to address them; • Provided strategic and tailored advice and support to address specific emerging needs (e.g., Priority Administration officers, Selection for Retention or Lay-off; • Amended guidance to clarify obligations to consider priority persons in staffing vacant positions; • Enhanced the Priority Information Management System; and • Participated in the National Workforce Management Consultation Committee (with TBS-OCHRO and bargaining agents) to identify and resolve emerging issues.	**Program 1.1.0:** Appointment Integrity and Political Impartiality **Program 1.2.0:** Oversight of the Integrity in Staffing and of non-partisanship **Program 1.3.0**: Staffing and Assessment Services	**Priority II:** Support departments and agencies in responding to their staffing needs relating to workforce adjustment.
(2) Adjusting to decreasing demand in staffing services.	• Reviewed policies, products and services to ensure alignment with client needs; • Emphasized expertise in assessment services; • Developed new tests and support tools for second language evaluation; and	**Program 1.1.0:** Appointment Integrity and Political Impartiality **Program 1.3.0**: Staffing and	**Priority II:** Support departments and agencies in responding to their staffing needs relating to workforce

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
	• Worked on assessment accommodation to provide persons with disabilities fair access to job opportunities in the public service.	Assessment Services	adjustment. **Priority V:** Provide quality selection services to meet the evolving needs of client organizations.
(3) Ensuring employees' awareness of their legal rights and responsibilities related to political activities.	• Continued outreach with and through departmental and agency political activities coordinators; • Launched revised Political Activities Self-Assessment Tool and new Political Activities Quiz; and • Enhanced political activity information in the Canada School of Public Service leadership courses.	**Program 1.1.0:** Appointment Integrity and Political Impartiality	**Priority III:** Implement the required changes following the five-year legislative review of the *Public Service Modernization Act.*
(4) Keeping pace with changing systems and tools.	• Improved IM/IT governance and planning to ensure optimization of related resources; • Launched initiatives for system rationalization and innovation; • Took steps to adapt and integrate staffing systems; • Supported organizational innovation in staffing and piloted new approaches and technology to improve staffing infrastructure; and • Ensured seamless transition of network support with Shared Services Canada.	**Program 1.3.0**: Staffing and Assessment Services **Program 2.1.0:** Internal Services	**Priority V:** Provide quality selection services to meet the evolving needs of client organizations. **Priority VI:** Build on the PSC as a model organization.
(5) Ensuring business continuity while transitioning to Workplace 2.0 in the new building.	• Carefully planned projects during 2012-13 to adjust work practices in advance of the move; • Specific risks were identified and managed to sustain employee engagement and retain talent; • Employees were engaged and kept fully informed at each stage, including visits to the	**Program 2.1.0:** Internal Services	**Priority VI:** Build on the PSC as a model organization.

Risk	Risk Response Strategy	Link to Program Alignment Architecture	Link to Organizational Priorities
	site and information via intranet; and • Plans were developed to have model workstations available early in 2013.		

Considerations

The PSC is an organization that reports independently to Parliament on its mandate. Nevertheless, it operates within the structure of the federal public service. As such, its activities are influenced by factors that are common to the rest of government.

During 2012-13 the PSC met its own reduction targets while supporting departments and agencies with Selection for Retention or Lay-off processes and the subsequent priority entitlements of surplus employees. To do so, the PSC had to re-allocate resources to support the increased demand associated with these activities

Summary of Performance

Financial resources – Total Departmental ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference (Planned vs. Actual Spending) 2012-13
92,712	92,712	103,082	95,730	(3,018)

The above numbers represent the utilization of the authorities on a cash basis. The Financial Statements present the information on an accrual accounting basis.

Overall, the PSC achieved the results it planned for in 2012-13. Actual expenditures were $95.7M and resulted in a reported Public Accounts lapse of $7.4M. The lapse included $1.9M of a frozen allotment that the PSC could not spend, therefore resulting in a real lapse of $5.5M. This lapse was the result of spending controls such as vacancy management and cost containment pertaining to travel, training, acquisition of computer equipment and professional services.

Human resources (full-time equivalents — FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
965	881	84

Performance Summary Tables

Strategic Outcome: To provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of fairness, access, transparency and representativeness

Utilization of Authorities on a Cash Basis ($ thousands)

Programs	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11	
Program 1.1.0	13,978	13,805	12,806	12,815	16,332	16,020	14,647	11,567	Government Affairs[ii] - Well-managed and efficient government operations
Program 1.2.0	21,181	21,324	19,575	18,961	22,163	20,000	21,548	22,246	
Program 1.3.0	27,661	27,349	26,719	24,643	28,854	27,591	32,010	29,182	
Sub-total	**62,820**	**62,478**	**59,100**	**56,419**	**67,349**	**63,611**	**68,205**	**62,995**	

Performance Summary Table for Internal Services ($ thousands)

Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
Sub-total	**29,893**	**30,234**	**30,850**	**29,308**	**35,733**	**32,119**	**37,401**	**37,980**

Note: Internal Services consists of three sub-activity groups: Governance and management support, comprised of governance, communications and legal services; resource management services including human resources management, financial management, information management, information technology, travel and other administrative services and asset management services consisting of real property, materiel and acquisition services.

Total Performance Summary Table ($ thousands)[iii]

Strategic Outcome(s) and Internal Services	Total Budgetary Expenditures (Main Estimates 2012–13)	Planned Spending			Total Authorities (available for use) 2012–13	Actual Spending (authorities used)		
		2012–13	2013–14	2014–15		2012–13	2011–12	2010–11
Total	**92,712 ***	**92,712**	**89,950**	**85,727**	**103,082**	**95,730**	**105,606**	**100,975**

*Program numbers may differ due to rounding.

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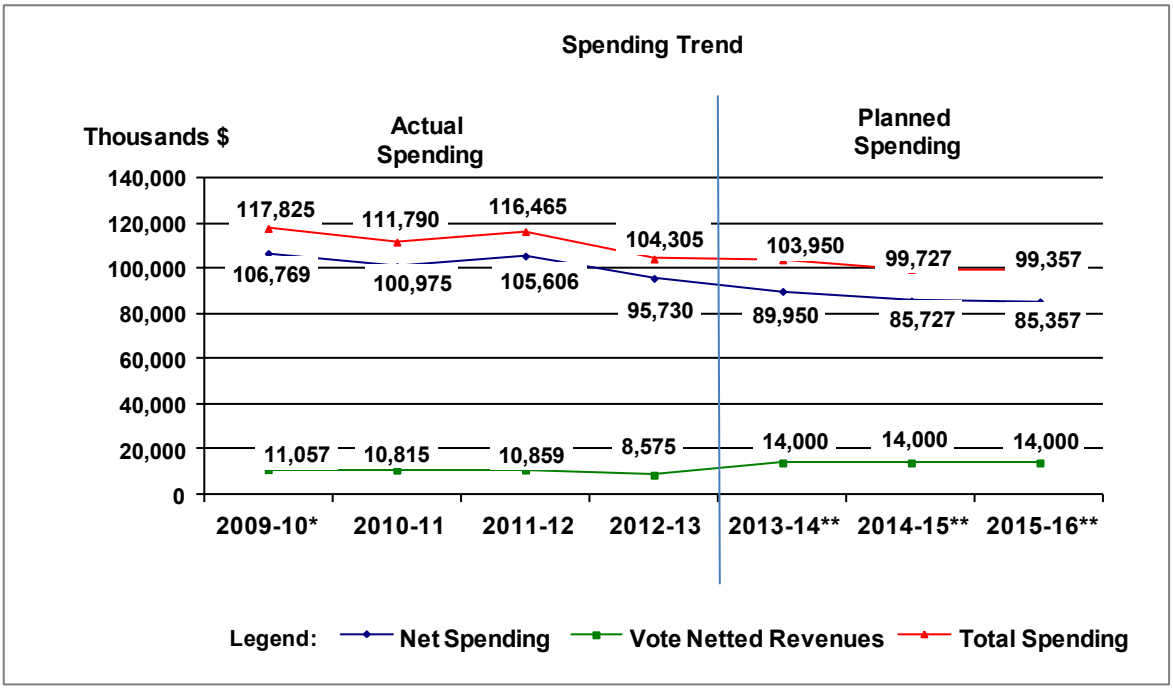
Expenditure Profile

Departmental Spending Trend



* 2009-10 – the $1K difference in the total spending of $117,825K is due to rounding.
** 2013-14, 2014-15 and 2015-16 – the amount of $14,000K represents the PSC's maximum vote netting authority, not the forecasted revenues.

The PSC's spending trend from 2009-10 through 2012-13 is illustrated in the chart above. Total spending consists of the net spending amount (appropriated) plus vote netted revenues. The PSC has TBS approval to use cost recovery for assessment and counselling services of up to $14 million. Actual revenues pertaining to assessment and counseling services delivered in 2012-13 were $8.3 million, which represents a decrease of $2.6 million (24%) from the previous year's revenues. An additional authority of $252,000 was received to use funding from Elections Canada and Passport Canada for their access to Public Service Resourcing System.

Estimates by vote

For information on the PSC's organizational votes and/or statutory expenditures, please see the Public Accounts of Canada 2013 (Volume II) publication. An electronic version is available on the PWGSC Web site: (http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html).[iv]

Section II – Analysis of Programs and Sub-Programs by Strategic Outcome

Strategic Outcome

The strategic outcome of the PSC is to provide Canadians with a highly competent, non-partisan and representative public service, able to provide service in both official languages, in which appointments are based on the values of fairness, access, transparency and representativeness

Planning for 2012-13 was done at the Strategic Objective and Program levels. The corresponding Departmental Performance Report thus reports on actual results at the Strategic Objective and Program levels.

Following the update of the PAA and PMF in 2012-13, planning for 2013-14 was done at the Program and Sub-program levels. Actual results for 2013-14 will be reported at the Program and Sub-program levels.

Expected Results	Performance Indicators	2012-13 Targets	2012-13 Actual Results
Expected result 1: Merit and the PSEA values are respected in a highly delegated staffing system.	**Key indicator**: Percentage of organizations having an "acceptable" or "strong" performance rating on their composite assessment of the Staffing Management Accountability Framework (SMAF).	**Target:** 80% of organizations (with more than 100 employees) have an "acceptable" or "strong" performance rating on their composite assessment of the SMAF. **Baseline:** 79% of organizations (with more than 100 employees) have an "acceptable" or "strong" performance rating on their composite assessment of the SMAF (2010-2011 SMAF assessment results).	**Actual results:** 85% of organizations with acceptable or higher performance on the management of priority entitlements 80% of organizations with acceptable or higher performance on organizational accountability for results.[v]
Expected result 2: The non-partisanship of the public service is safeguarded.	**Key indicator:** Level of awareness of employees regarding their rights and legal responsibilities related to political activities.	**Target:** Increased level of awareness of employees regarding their rights and legal responsibilities related to political activities relative to the last available baseline. **Baseline:** 63% of respondents to the 2010 Survey of Staffing - Candidates indicated that they were aware of these rights and legal responsibilities to a moderate, or to a great extent.	**Actual results:** 73% of respondents to the 2012 Survey of Staffing indicated that they were aware of their legal rights and responsibilities to a moderate or to a great extent.

Program 1.1.0 – Appointment Integrity and Political Impartiality

The Appointment Integrity and Political Impartiality program is focussed on independently safeguarding merit and non-partisanship in the federal public service. This activity includes developing and advancing strategic policy positions and directions; conducting policy research; establishing PSC policies and standards; providing advice, interpretation and guidance; administering delegated and non-delegated authorities and administering the political activities regime and the mobility provisions.

Financial resources ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13[vi]
13,978	13,805	16,332	16,020	(2,215)

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
119	137	(18)

The following table identifies the expected results of the sub- program and the indicators that were used to monitor performance.

Expected Results	Performance Indicators	2012-13 Targets	2012-13 Actual Results
Expected result 1: The use of both official languages within the public service is protected.	**Performance indicator 1:** Number of cases not yet past four years that are not compliant with the *Public Service Official Language Exclusion Approval Order* and its Regulations.	**Target 1:** Reduced number of public servants who do not meet linguistic requirements without valid exemptions. **Baseline 2010-11:** 55	**Actual result 1**: The number of outstanding cases was reduced to 10.
Expected result 2: Persons with priority rights have access to public service jobs.	**Performance indicator 2a:** Number of persons with priority rights appointed to positions for which they meet the essential qualifications.	**Target 2a:** Maintain percentage of placements compared to average number of active priorities. **Baseline 2009-10:** 54%[vii]	**Actual result 2a**: The priority placement rate was at 40% (956/2362) for the 2012-13 reporting period. 17% more priority persons were were placed in 2012-13 than in the previous year (814 priority persons were placed in 2011-12).

Expected Results	Performance Indicators	2012-13 Targets	2012-13 Actual Results
	Performance indicator 2b: Number of organizations in which staffing practices are found to be inconsistent with the *Public Service Employment Act* (PSEA) and PSC policies and regulations	**Target 2b:** Year-over-year decrease.	**Actual result 2b:** Staffing Management Accountability Framework results indicate that 47 of 54 organizations have set up a framework to manage priority entitlements.[viii]
Expected result 3: Employees respect the provisions related to political activities, pursuant to Part 7 of the PSEA	**Performance indicator 3:** Employees' level of awareness of their rights and legal responsibilities regarding political activities	**Target 3:** Increased level of awareness of employees regarding their rights and responsibilities related to political activities relative to the last available baseline. **Baseline 2010-11:** 63% of respondents to the 2010 Survey of Staffing - Candidates indicated that they were aware of these rights and legal responsibilities to a moderate or to a great extent.	**Actual result 3:** The 2012 Survey of Staffing employee awareness result increased to 73%.

Performance Analysis and Lessons Learned

Progress made in 2012-13 against the key actions planned in support of the PSC's corporate priorities is presented in Section I. Additional performance information for this program is presented below.

General Guidance

Under the delegated staffing system set out in the *Public Service Employment Act*, the PSC fulfills its mandate by providing policy guidance and supporting tools to assist deputy heads, managers and human resources advisors in making staffing decisions, based on merit and public service staffing values.

In 2012-13, the PSC continued to align its policy framework with the emerging public service-wide context by focussing on continued support and guidance to departments and agencies, supporting continuous learning and improvement through ongoing analysis of oversight data and aligning research with priorities in order to improve decision-making.

Workforce Adjustment

In 2012-13, the PSC continued to support departments and agencies in their workforce management efforts. In collaboration with the Treasury Board of Canada Secretariat, which has overall responsibility for managing workforce adjustment (WFA), the PSC responded to the shift from preparing for Spending Review 2012 to implementing it. The PSC has two specific roles with respect to WFA. First, it provides policy guidance and services to departments and agencies in the Selection

of Employees for Retention or Lay-off (SERLO). Second, it manages the Priority Administration Program. As of March 31, 2013, there were more than 2,900 priority persons, about 1,100 more than the previous year (1,822 to 3,219). New registrations increased by 76.7% when compared with the previous year.

With respect to its first role, in 2012-13, the PSC continued to make policy improvements to support departments and agencies in implementing WFA decisions. The PSC provided proactive strategic advice and guidance on SERLO design to departments and agencies. For instance, the PSC updated its SERLO guides and tools, in partnership with key stakeholders, and provided training to some 3,700 managers and human resources advisors as well as conducting effective oversight. In addition, the PSC delivers innovative staffing and assessment services.

In its second role, the PSC enhanced the Priority Administration Program to better support the needs of employees, departments and agencies and to help manage the increase in the number of priority persons. In particular, the PSC disseminated tools and information to ensure that persons with a priority for appointment are considered before others in appointment processes. It collaborated and consulted extensively with organizations to determine, and then respond to, organizational needs for advice and guidance and to enhance the policy framework for priority appointments.

In 2012-13, the PSC made significant enhancements to the Priority Information Management System (PIMS) to accommodate the greater number of priority persons and to facilitate their placement in departments and agencies. PIMS was updated so that priority persons receive immediate notification of their referral to vacant positions, along with the qualifications required for those positions. Once the priority person has been assessed by the hiring organization, the results are sent simultaneously to the priority person, the home organization and the PSC. This increases access, fairness and transparency, as all parties receive the information at the same time.

Another notable enhancement was the creation of the Priority Portal, which provides priority persons with "self-serve" access to PIMS. The Portal, which was initiated in November 2012, enables priority persons to play a central role in managing their own search for employment opportunities by providing them with the ability to enter, review and update their personal profile.

There were 956 appointments of priority persons, a 17.4% increase over the previous year and at a time when indeterminate hiring in the public service declined. Of those, 683 (71.4%) have been public servants whose jobs have been declared surplus.

Ensuring a Non-partisan Public Service

In 2012-13, employee awareness of their legal rights and responsibilities with respect to engaging in political activities continued to increase. Of employees who responded to the 2012 Survey of Staffing, 73% indicated being aware of their legal rights and responsibilities to a moderate or great extent, up from 57% in 2009, 63% in 2010 and 69% in 2011.

In 2012-13, the PSC enhanced its communications initiatives and activities to further increase employees' awareness of their legal rights and responsibilities related to political activities. On March 8, 2013, after testing and consultation, the PSC launched its revised Political Activities Self-Assessment Tool as a one-year pilot. The tool includes new questions, more examples of non-candidacy political activities from which to choose and an informative report with a more realistic rating. On November 22, 2012, the PSC launched a Political Activities Quiz and continued to work with the Canada School of Public Service to add information in four leadership courses.

The PSC amended the *Political Activities Regulations* effective November 14, 2012. The Regulations now prescribe a time frame for the PSC to render a decision related to a request for candidacy permission of 30 days from the day it receives complete information. The Regulations also more clearly outline the elements that a request must contain.

Sub-Program 1.1.1 – Appointment Policies, Guidance and Political Activities

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
8,436	8,280	7,950

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
72	63	9

Sub-Program 1.1.2 – Delegated and Non-delegated Appointment Authorities

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending[ix] 2012-13
5,369	8,052	8,070

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
47	74	(27)

Program 1.2.0 – Oversight of Integrity in Staffing and of Non-partisanship

The Oversight of Integrity in Staffing and Non-partisanship Program provides an accountability regime for the implementation of the appointment policy and regulatory framework for safeguarding the integrity of public service staffing and ensuring that staffing is free from political influence. The PSC has established an oversight framework that provides information on the integrity of the staffing system by systematically examining the different parts of that system. In addition to its regulatory authority, policy-setting function and studies, this framework is comprised of three important feedback mechanisms: monitoring, audits and investigations.

Financial resources ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
21,181	21,324	22,163	20,000	1,324

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
183	160	23

The following table identifies the expected results of the program, and the indicators that were used to monitor performance.

Expected Result	Performance Indicators	2012-13 Targets	2012-13 Actual Results
Expected result 1: Organizations have clear, comprehensive mechanisms in place to manage delegated staffing authority and accountability for results.	**Performance indicator 1:** Number of organizations that have implemented the Staffing Management Accountability Framework expectations and reported performance that meets PSC performance expectations.	**Target 1:** Increased or maintained percentage of organizations with acceptable or higher performance. **Baseline 2010-11:** 79%	**Actual result 1:** The number of compliant organizations decreased slightly to 78%.
Expected result 2: Enhanced oversight of the integrity of public service staffing.	**Performance indicator 2a:** Oversight activities (monitoring, audits, studies and investigations) by the PSC.	**Target 2a:** Audit cycle of seven years to audit all organizations.	**Actual result 2:** Conducted, as identified in the Audit and Studies Plan: • 12 audits; and • 2 follow-up audits

Expected Result	Performance Indicators	2012-13 Targets	2012-13 Actual Results
	Performance indicator 2b: Studies and diverse analyses of trends in administrative and survey data are conducted to meet the ongoing empirical and evidenced-based decision-making needs of oversight	**Target 2b:** Deliver on studies identified in the Studies Plan. Investigations conducted, as required, to address issues identified in specific appointment processes.	**Actual Result 2b:** Completed: • 4 Studies and 6 Study updates; and • 80 Organizational Reports on PSC Extranet from Survey of Staffing. Completed: • 237 investigation cases.

Performance Analysis and Lessons Learned

Progress made in 2012-13 against the key actions planned in support of the PSC's corporate priorities is presented in Section I. Additional performance information for this program is presented below.

The PSC has established an oversight framework that provides information on the integrity of the staffing system by systematically examining the different parts of that system. In addition to its regulatory authority and policy-setting function, this framework is comprised of three important feedback mechanisms: Monitoring, audits and investigations.

Monitoring

The principal source of PSC monitoring is the Staffing Management Accountability Framework (SMAF). The SMAF, in keeping with the *Public Service Employment Act*, sets out the PSC's expectations for a well-managed appointment system in a delegated organization, and provides a framework for monitoring of staffing performance at the organizational level. The PSC assesses organizational performance against the SMAF and provides annual feedback to deputy heads.

The PSC:

- Provided deputy heads with an assessment of staffing performance, outlining areas of strength and areas for improvement and provided guidance and support;
- Increased expectations of departments and agencies for their effective management of priority entitlements. Organizations were expected to implement a governance structure, training on roles and responsibilities, support for priority persons and a systematic approach to requesting clearance to staff a position and monitor areas such as time to register or the time to assess a priority person; and
- Through the symposium of November 2012, with more than 120 heads of human resources and staffing advisors in attendance, the PSC provided departments and agencies with detailed information on emerging trends from audits and investigations and the management of priority entitlements, with a view to engaging in a dialogue on how to better clarify performance expectations.

Another source of monitoring is the PSC data analysis capacity. The PSC has undertaken the following activities:

- To lessen respondent burden, enhance data reliability, improve the timeliness of reporting survey findings, the PSC redesigned how it conducts the annual Survey of Staffing in the federal public service and increased the level of survey automation;
- To improve the overall effectiveness of its data monitoring activities, the PSC has been working toward a government-wide approach to data collection on staffing, management and reporting through continuous implementation of a multi-year initiative for a Business Intelligence & Enterprise-wide Data Warehouse. In support of others departments and agencies, the PSC created 11 new Business Intelligence data integration tools, undertook 398 data and information requests and completed data quality assessments for two PSC data sources; and
- The PSC developed the Public Service Resourcing System (PSRS) Databook, INGENIUM organizational self-service tools, Data Services and Analysis Directorate client service standards and quality management frameworks for data and studies. There were more than 9,300 hits on statistical Web pages, such as the Annual Report supplementary tables, the Statistical Information cube and the internal data portal in 2012-13.

Audit

- The PSC completed the fourth year of its seven-year audit cycle that began in 2009. This year, 12 audits and 2 follow-up audits were conducted as identified in the Audit and Studies Plan;
- In addition, the PSC audit program and methodology were made available to organizations through the government Web site GCPEDIA to support transparency. To date, the PSC's page was accessed more than 4,790 times; and
- As the PSC nears the completion of its seven-year audit cycle in 2017, it has begun the process of reviewing its approach and methodologies regarding the conduct of audits. In particular, a review is underway to ensure the PSC audit methodologies are adapted to the size and the level of risk associated with small and micro organizations.

Investigations

- In 2012-13, the PSC received 183 new requests to investigate appointment processes. While this is significantly lower than the 596 new files received in 2011-2012 and the 516 in 2010-2011, it is representative of the overall decrease in hiring and staffing activities within the federal public service for 2012-13; and
- Of the 237 cases completed through investigations in 2012-13, 140 were completed within the standard of 215 days. This represents a compliance rate of 59%, which remains below the expected compliance rate of 80%. The Branch is progressing towards full compliance as it continues to reduce its inventory of cases.

Sub-Program 1.2.1 – Monitoring

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
2,409	2,718	2,548

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
22	22	0

Sub-Program 1.2.2 - Audit and Data Services

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
15,768	16,389	14,685

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
132	112	20

Sub-Program 1.2.3 – Investigations

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
3,147	3,056	2,767

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
29	26	3

Program 1.3.0 – Staffing and Assessment Services

The Staffing and Assessment Services Program develops and maintains systems that link Canadians and public servants seeking employment opportunities in the federal public service with hiring departments and agencies. It provides assessment-related products and services in the form of test development and research, consultation, assessment operations and counseling for use in recruitment, selection and development throughout the federal public service. This activity also includes delivering staffing services, programs and products to all Canadians through client service units located across the country.

Financial resources ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
27,661	27,349	28,854	27,591	(242)

***Note:** The above figures are net of respendable revenue for the provision of assessment and counselling services and products.

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
421	356	65

The following table identifies the expected results of the program, and the indicators that were used to monitor performance.

Expected Result	Performance Indicators	2012-13 Target	2012-13 Actual Results
Expected result 1: Deliver quality selection products and services that meet the needs of federal organizations operating within a more fully delegated staffing environment under the *Public Service Employment Act*	**Performance Indicator 1:** Level of client usage and satisfaction with PSC selection products and services and survey and/or focus group feedback results confirming client needs	**Target 1:** Satisfactory consultation and survey results 90% of the time, stabilize or increase the number of client organizations and stabilize or increase the demand for product and service usage over the previous years; implement a formal requirements methodology for identifying client needs. **Baseline 2010-2011:** Overall satisfaction rate for quality of services – 86%; 107 client organizations; Revenue of $10.9 million.	**Actual result 1:** 12 service standards measured in 2012-13, 10 of which service standards were met at least 95% of the time. Overall increase in demand for second language evaluation (SLE) test orders (from 1,123 in 2011-2012 to 1,161 in 2012-2103). SLE test administration down 20% (from 71,918 in 2011-12 to 57,226 in 2012-13). Use of e-testing up 6% (from 44% in 2011-12 to 50% in 2012-13).

Performance Analysis and Lessons Learned

Progress made in 2012-13 against the key actions planned in support of the PSC's corporate priorities is presented in Section I. Additional performance information for this program is presented below.

The PSC offers recruitment programs as well as mandatory and optional staffing and assessment products and services through its offices located across the country. In 2012-13, it provided services to 107 organizations on a cost recovery basis, generating $8.3M in revenue.

Following the Spending Review 2012 announcement, 20 departments and agencies consulted the PSC for guidance as they undertook their respective Selection of Employees for Retention or Lay-off processes. Organizations sought the PSC's advice regarding assessment strategies for 47 processes, 36 of which used the PSC's Personnel Psychology Centre's assessment products and services to support their workforce management efforts. The expertise of the PSC in assessment accommodation was also sought for 59 cases, ensuring equal opportunity for all candidates to demonstrate they meet the qualifications of an employment opportunity.

Recruitment Programs

- To support departments and agencies in meeting their recruitment needs, the PSC continued to administer **three student employment programs** – the Federal Student Work Experience Program (FSWEP), the Research Affiliate Program (RAP) and the Co-operative Education and Internship Program (CO-OP). These programs are designed to provide students with on-the-job assignments to develop the skills and knowledge required for entry into the workforce, while meeting the temporary needs of managers. The PSC also continued its yearly Post-Secondary Recruitment (PSR) campaign. In addition, the PSC successfully used its on-line testing platform to deliver unsupervised Internet testing during the year that proved to be a cost effective screening strategy. For example, in the 2012 PSR campaign, more than 1,500 applicants were invited to write the unsupervised Internet test.

Assessment Services

- The PSC provided expert guidance and support in the development and implementation of assessment strategies, services and tools for all occupations and levels in the government. In addition, the PSC administered over 15,400 occupational tests and 57,226 SLE tests (including tests in reading, written expression and oral proficiency).

Public Service Resourcing System

- Continued to work closely with the Public Service Resourcing System (PSRS) community in 2012-13. By the end of March 2012, the number of departments and agencies having direct access to the PSRS increased from 51 organizations in 2011-12 to 65 in 2012-13. This number includes the majority of larger *Public Service Employment Act* organizations with direct access to the PSRS, enabling them to manage their staffing internally while benefiting from the PSC's training and support;
- The PSRS posted jobs open to the public as well as those aimed at students and post-secondary graduates. In 2012-13 it handled 311,693 job applications and 1,175 advertisements; and
- In 2012-13, the PSRS was enhanced, providing greater functionality to departments and agencies in the advertising process and reducing their administration time. Changes were also made to reduce potential security risks and privacy breaches and improve communication and transparency with candidates. In conjunction with these improvements, comprehensive training was made available to the human resources community. Designed to accommodate all learning styles, a single Web site was launched with e-training videos and relevant training guides.

Sub-Program 1.3.1 - Staffing Services

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
11,595	12,392	10,679

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
128	129	(1)

Sub-Program 1.3.2 – Assessment

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
8,689	9,669	10,416

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
222	170	52

Sub-Program 1.3.3 – Public Service Resourcing System

Financial resources ($ thousands)

Planned Spending 2012-13	Total Authorities 2012-13	Actual Spending 2012-13
7,065	6,793	6,496

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
71	57	14

Program 2.1.0 – Internal Services

The Internal Services Program enables the PSC to operate more efficiently and effectively. At the PSC, consistent with other government departments and agencies, Internal Services consists of three sub-activity groups: Governance and management support, comprised of governance, communications and legal services; resource management services, including human resource (HR) management, financial management, information management, information technology, travel and other administrative services and asset management services consisting of real property, materiel and acquisition services.

Financial resources ($ thousands)

Total Budgetary Expenditures (Main Estimates) 2012–13	Planned Spending 2012–13	Total Authorities (available for use) 2012–13	Actual Spending (authorities used) 2012–13	Difference 2012–13
29,893	30,234	35,733	32,119	(1,885)

Human resources (FTEs)

Planned 2012-13	Actual 2012-13	Difference 2012-13
242	228	14

The following table identifies the expected results of the program, and the indicators that were used to monitor performance.

Expected Result	Performance Indicators	2012-13 Target	2012-13 Actual Results
Expected Result 1: Sound and effective management practices and support functions for the delivery of the PSC's mandate.	**Performance Indicator 1a:** Unqualified audit opinion on PSC financial statements.	**Target 1a:** The PSC maintains unqualified audit opinion on its 2011-12 financial statements and will develop a strategy for the audit of its 2012-13 financial statements.[x]	Achieved.

Expected Result	Performance Indicators	2012-13 Target	2012-13 Actual Results
	Performance Indicator 1b: Implement an operational risk management framework to guide innovation, ensuring initiatives are aligned with a performance management strategy, subject to timely and relevant performance measurement and quality assurance across all branches of the organization.	**Target 1b:** Continued progress made to strengthen the PSC's and Internal Services performance management in line with Management Accountability Framework (MAF) expectations. Develop and embed performance indicators in key risk management activities.	Developed enterprise-wide risk management processes, including indicators and in-year tracking, resulting in improved MAF scores.
	Performance Indicator 1c: Improve the effectiveness and efficiency of corporate business processes and further integrate human resources (HR) planning, information technology and program and project planning to ensure the optimal deployment of resources to the highest priority areas.	**Target 1c:** Implement mature planning and reporting regimes that ensure the availability of information for organizational decision-making and accountability; improve performance measurement and the PSC's ability to report on expected results for Canadians.	Established a new governance structure to foster greater integration of the PSC agenda and operational direction (creation of an Integration Committee and Resource Management Committee); Streamlined and integrated business planning and related processes; and Updated Performance Measurement Framework (PMF) for use in 2013-14.
	Performance Indicator 1d: Implement and maintain programs and activities, such as the PSC's Strategic Learning Program, in support of a committed and engaged workforce that is critical to the PSC's success in delivering on its mandate, both now and in the future	**Target 1d:** Maintain results of centrally driven performance reports, surveys and other oversight measures: MAF, Departmental Staffing Accountability Report, at an acceptable or higher level of assessment for activities related to HR management.	Achieved. People management and organizational HR support remained a focus for the PSC. This was reflected in the annual MAF assessments: 'Strong' in People management and 'Acceptable' in HR support.

Performance Analysis and Lessons Learned

Progress made in 2012-13 against the key actions planned in support of our corporate priorities is presented in Section I. Additional performance information for this program is presented below.

Spending Review

In 2012-13 the PSC budget was reduced by $2.2 million, with another $2.2 million to be reduced in 2013-2014 and $4.5 million in 2014-2015.

The PSC ensured that reductions did not impact its ability to carry out its mandate and ensured continuous communication with its employees and their representatives throughout the process of reduction.

Streamlined Planning

The PSC used the TBS Management Accountability Framework as a benchmark against which to compare its management practices, which identified strengths and areas that could be improved.

The PSC worked towards a fully integrated business plan to:

- Allow progress to be tracked to the sub-program level;
- Regularly review lower-level operational commitments;
- Track risks based on an enterprise-wide risk management process; and
- Monitor progress towards formally identified corporate priorities.

There were changes to the Performance Measurement Framework used to report on PSC plans and performance in the Main Estimates. It will also ensure that the PSC will be ready to move to the TBS electronic reporting system for the 2013-14 fiscal year.

A new governance structure was established to foster greater integration of the PSC agenda and operational direction by the creation of an Integration Committee and a Resource Management Committee, each chaired by a Vice-President.

Information Technology and Innovations

- Identified and focused on business services and applications systems that align with current PSC direction, mandate and modernization initiatives and the Government of Canada's Information Technology Transformation Agenda;
- Launched a systems application rationalization initiative to consolidate similar systems and eliminate redundant applications in order to introduce further business integration, simplified business processes and a viable IT infrastructure; and
- Enhanced key PSC systems such as the Priority Information Management System, the Public Service Resourcing System and advanced innovations in unsupervised Internet testing and Computer-generated Testing.

Internal Audit

A new Internal Audit Committee membership was established, including the appointment of an external member as Chair.

Evaluation and Audit Reviews

Formal reviews of the evaluation and audit functions found that both meet the policy requirements and all-of-government standard for evaluation and audit, respectively.

Section III: Supplementary Information

Financial Statements Highlights

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of the Public Service Commission's (PSC) financial position and operations. The PSC's unaudited consolidated financial statements are available on-line at: http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/sec03-eng.htm.[xi]

The PSC is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the PSC do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Consolidated Statement of Operations and Departmental Net Financial Position and the Consolidated Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. A reconciliation between authorities used and the net cost of operations is set out in Note 3 of the PSC's consolidated financial statements.

The purpose of this section is to explain the PSC's 2012-13 financial highlights, based on the PSC's consolidated financial statements. In summary, between 2011-12 and 2012-13, the PSC's non-financial assets decreased by $3.8M, its liabilities decreased by $3.8M, its expenses decreased by $7.5M, and its revenues decreased by $3.3M. The variances in each major grouping based on the most significant factors that affected each grouping during the fiscal year are provided on pages 32 and 33, after each table.

Condensed Statement of Operations and Departmental Net Financial Position

Public Service Commission Condensed Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2013 ($ thousands)					
	2012–13 Planned Results	**2012–13 Actual**	**2011–12 Actual**	**$ Change (2012–13 Planned vs. Actual)**	**$ Change (2012–13 Actual vs. 2011-12 Actual)**
Total expenses	127,392	127,759	135,222	(367)	(7,463)
Total revenues	16,081	9,485	12,850	6,596	(3,365)
Net cost of operations before government funding and transfers	111,311	118,274	122,372	(6,963)	(4,098)
Departmental net financial position	(5,455)	(2,414)	(2,352)	(3,041)	(62)

In 2012-13 the PSC's total expenses decreased by $7.5M when compared to the previous fiscal year. This decrease is mainly due to a reduction in employee-related expenses.

When comparing actual total revenues by fiscal year, the decrease of $3.3M in 2012-13 over 2011-12 is attributable to a reduction in demand for staffing activity across federal organizations.

Planned revenues for 2012-13 are overstated when compared to actual revenues because the PSC's full vote netted authority of $14M (plus the employee benefit plan) is factored into the planned amount.

Condensed Statement of Financial Position

Public Service Commission Condensed Statement of Financial Position (Unaudited) As at March 31, 2013 ($ thousands)			
	2012-13	**2011–12**	**$ Change**
Total net liabilities	18,347	22,111	(3,764)
Total net financial assets	6,742	6,743	(1)
Departmental net debt	11,605	15,368	(3,763)
Total non-financial assets	9,191	13,016	(3,825)
Departmental net financial position	(2,414)	(2,352)	(62)

The net liabilities decrease of $3.8M is mainly due to the reduction of the employee future benefits liability, while the non-financial assets decrease of $3.8M is attributable to the transfer of additional assets to Shared Services Canada ($1.4M), adjustments to assets under development ($1.6M) and disposals ($0.5M).

Financial Statements

Financial statements can be found in the publications sections of the PSC Web site, at http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/sec03-eng.htm.[xii]

Supplementary information tables

Electronic supplementary information tables listed in the 2011–12 Departmental Performance Report can be found on the PSC Web site http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/st-ts00-eng.htm.[xiii]

- Greening Government Operations
- Internal audits and evaluations
- Sources of respendable and non-respendable Revenue

Tax Expenditures and Evaluations Report

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[xiv] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Other items of interest

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Additional information

This document is available on the publications section of the PSC Web site http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/index-eng.htm.[xv]

Endnotes

[i] *Report of the Review of the Public Service Modernization Act, 2003*, Recommendation 4.1.

[ii] Treasury Board of Canada Secretariat http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm04

[iii] The above numbers represent the utilization of the authorities on a cash basis. The Financial Statements present the information on an accrual accounting basis.

[iv] Public Accounts of Canada http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[v] Organizations were not given an overall performance rating this year as only five indicators were assessed.

[vi] The difference between planned spending and actual spending is due to an increase in Policy and Program work as a result of the implementation of Spending Review 2012.

[vii] The overall number of staffing actions continued to decline and, therefore, the overall placement drop was anticipated. This demonstrates that this indicator may not be the most adequate as it is contingent on the number of staffing actions done in a given year as opposed to the number of priority persons appointed. Consequently, the PSC has developed a more accurate indicator reported in the results column.

[viii] The SMAF assessment indicator for assessing this result was enhanced significantly between 2011-12 and 2012-13 in response to the implementation of Spending Review 2012. As a result, no comparison is possible.

[ix] The difference between planned spending and actual spending is due to an increase in Policy and Program work as a result of the implementation of Spending Review 2012.

[x] In the winter 2012, the Office of the Auditor General advised that it will no longer conduct financial statement audits of a number of smaller federal departments and agencies classified as being low risk - the PSC being among them. The 2010 government *Policy on Financial Resource Management, Information and Reporting*, in turn, required that a department be able to sustain a "control-based audit of its annual financial statements". Consequently, PSC management identified and assessed its various options for gaining the assurance needed on its financial controls. PSC ultimately elected to have internal audits conducted on internal financial controls on a rotating basis.

[xi] PSC Web site http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/sec03-eng.htm

[xii] PSC Web site http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/sec03-eng.htm

[xiii] PSC Web site http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/st-ts00-eng.htm

[xiv] Department of Finance Web Site http://www.fin.gc.ca/purl/taxexp-eng.asp

[xv] PSC Web site http://www.psc-cfp.gc.ca/abt-aps/dpr-rmr/2012-2013/index-eng.htm