DEPARTMENT OF JUSTICE CANADA

REPORT ON AUDIT OF TIMEKEEPING COMPLIANCE

February 2014

Internal Audit Branch

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STATEMENT OF CONFORMANCE AND ASSURANCE

The Internal Audit Branch has completed the audit of Timekeeping Compliance at the Department of Justice Canada. The objective of the audit was to assess the level of compliance with the *National Timekeeping Protocol* to establish whether adequate and effective practices have been put in place to enable effective resourcing decisions, priority setting and cost recovery practices.

This audit conforms to the *Internal Auditing Standards for the Government of Canada*, as supported by the results of the quality assurance and improvement program.

In our professional judgment, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the accuracy of the conclusion provided and contained in this report.

The conclusion is based on a comparison of the conditions, as they existed at the time of the audit, against pre-established audit criteria that were derived from the Treasury Board of Canada Secretariat's *Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors* (March 2011).

Original signed by

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Cheryl Driscoll CIA, CGAP, CCSA, CRMA, CFE   Date
Chief Audit Executive

EXECUTIVE SUMMARY

Conclusion

1 The *National Timekeeping Protocol* (NTP) is the main framework for timekeeping in the Department of Justice and it includes roles, responsibilities and guiding principles. In addition, the Business Practices Division (BPD) provides support, training and guidance materials for timekeepers and managers.

2 Audit tests have revealed improvements in timekeeping compliance from November 2011 to May 2012, for timekeepers within the Department of Justice. Several initiatives observed in this audit have contributed to improved timekeeping practices. BPD started reporting on timekeeping compliance to senior management. New timekeeping business standards were also put in place as of April 1, 2012 as part of the Cost Recovery Process Improvement project.

3 Improvements are required in roles and responsibilities which represent a high risk for the Department. There is no functional authority for the timekeeping process, which would include setting priorities, monitoring, assessing compliance, and supporting corporate decision making.

4 Recommendations to strengthen internal controls surrounding timekeeping compliance are also required, responding to medium risks. The improvements pertain to: integrating measurable criteria in the NTP; reviewing the method of assessing compliance; monitoring compliance for each Portfolio, Departmental Legal Services Units (DLSU), Region; and, establishing and reporting on management performance indicators and targets.

Background

5 This audit was identified in the *Long-Term Internal Audit Plan 2011-12 to 2013-14*. The objective of the audit was to assess the level of compliance with the NTP, to establish whether adequate and effective practices have been put in place to enable effective resourcing decisions, priority setting and cost recovery practices.

6 The audit included a documentation review, interviews with key personnel and compliance testing with a judgmental sample of 30 timekeepers from the 2011-12 and 2012-13 fiscal years. The audit examined and assessed:
   - the adequacy of the management framework in providing oversight, direction and accountability for the management of timekeeping;
   - compliance with and monitoring of the NTP and related requirements;
   - timekeeping practices in Regional Offices, Portfolios and DLSUs; and,
   - timekeeping information as a corporate resource and its use in supporting performance measurement and mandated initiatives.

1.0   INTRODUCTION

1.1   Background

Timekeeping

7   The Department of Justice uses a variety of tools to plan, manage and report on departmental activities. One of the key tools is iCase, a web-based national application that supports the practice of law and the management and delivery of legal services to Government with the following functions: case management; document management; operational reports and time management. All counsel and paralegals who provide litigation, advisory, and legislative/drafting services, as well as designated policy employees are required to record time in iCase. At the time of the audit, there were 3597 timekeepers in the Department.

8   The Business Practices Division (BPD) of the Office of Strategic Planning and Performance Management, Management Sector has an operating budget of approximately $1.9 M (salary and operations and maintenance). BPD is responsible for, among other activities, the support and maintenance of iCase, departmental authorities for timekeeping such as the *National Timekeeping Protocol* (NTP) and guidance documents that support timekeepers and managers.

9   BPD gathers business requirements related to iCase functionality from emerging departmental priorities. BPD also tracks suggested iCase functionality enhancements from a national network of iCase administrators, and collaborates with the Information Solutions Branch for implementation. iCase administrators also assist BPD in providing timekeepers and departmental managers with iCase training, advice and support on timekeeping. This is supplemented by a variety of reference material, videos and tools.

10   The NTP is the key framework that governs timekeeping practices in the Department. The NTP includes national standards applicable to all timekeepers to support complete and reliable timekeeping information in support of decision making. The NTP also includes a *National Timekeeping Tasks and Activities List* which provides more detailed information for classifying how time is recorded and data standards.

Uses of timekeeping information

11   The Department of Justice recovers costs for the provision of legal services based on a funding model that includes a mix of appropriation (A-Base) and cost recovery from client departments and agencies. The charge-out rates, established and approved by Treasury Board each fiscal year, are applied to all types of legal services including advisory, litigation, and legislative/regulatory drafting. Since 2012-13, revenues from cost recovery account for over a third of the Department's operating budget, with billable hours derived from iCase accounting for 35% of this revenue. Complete, timely and accurate timekeeping is critical in the context of cost recovery and for cash management of the Department.

12 The Department's monthly billing cycle for legal services involves the following steps in iCase: timekeepers review time entered in iCase to ensure accuracy; and, managers or supervisors review and validate timekeeping in iCase. Timekeeping information is uploaded in IFMS-SAP for the preparation of monthly invoices to client departments and agencies.

13 In addition, timekeeping data from iCase is used to support a variety of departmental planning initiatives. This includes annual estimates reporting to Parliament through the *Departmental Performance Reports* and *Reports on Plans and Priorities* as well as supporting Departmental compliance with the Treasury Board *Policy on Management, Resources and Results Structures*.

1.2 Audit Objective and Scope

14 This audit was identified in the *Long-Term Internal Audit Plan 2011-12 to 2013-14*. The objective of the audit was to assess the level of compliance with the NTP, to establish whether adequate and effective practices have been put in place to enable effective resourcing decisions, priority setting and cost recovery practices. The audit team examined and assessed:

- the adequacy of the management framework in providing oversight, direction and accountability for the management of timekeeping;

- compliance with and monitoring of the NTP and related requirements;

- timekeeping practices among the different Regional Offices, Portfolios and DLSUs; and,

- timekeeping information as a corporate resource and its use in supporting performance measurement and mandated initiatives.

15 Documentation and transactions reviewed were from 2011-12 and 2012-13. Transaction testing was limited to assessing compliance with the NTP and supporting departmental authorities. Testing did not assess the integrity of the timekeeping data, that is data accuracy (whether or not inputted data is correct) or data reliability (whether or not the system records and maintains data as intended).

16 The audit team reviewed timekeeping practices at headquarters and in two Regional Offices: Quebec and Atlantic. Six DLSUs were also included: Health Canada; Canadian Security Intelligence Service; Citizenship and Immigration Canada; Industry Canada; Aboriginal Affairs and Northern Development Canada; and, Department of Foreign Affairs and International Trade. Three portfolios were included: Public Safety, Defense and Immigration; Business and Regulatory Law; and, Aboriginal Affairs.

1.3   Risk Assessment

17 The initial risk assessment conducted during the planning phase identified the following potential risks in the management of timekeeping:

- an absence of established effective oversight bodies with a clearly communicated mandate, including clear roles with respect to governance, risk management and control could lead to ineffective management practices;

- a lack of compliance monitoring with the NTP and related requirements could result in inadequate departmental-wide monitoring practices/oversight of timekeeping;

- a lack of necessary training, tools, resources and information to support legal counsel in recording their time in iCase in a consistent and timely manner could result in unreliable timekeeping information;

- inaccurate or untimely timekeeping information could impact the Department's cost recovery process and prevent Portfolios, Sectors and Regions from accurately forecasting and reporting on the costs of the legal services provided; and,

- inaccurate or untimely timekeeping information does not support management needs of mandated initiatives such as those related to cost recovery, and strategic and budget review initiatives.

1.4   Criteria

18 Audit criteria were developed in consideration of the risks identified during the planning phase of the audit and were derived from Treasury Board Secretariat guidance on auditing management frameworks provided in the *Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors* (March 2011).

19 For an overview of the audit criteria, see Appendix A.

1.5   Approach and Methodology

20 The approach and methodology used for the audit followed the *Internal Auditing Standards for the Government of Canada*, which incorporates the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*.

21 A detailed description of the approach and methodology is outlined in Appendix B.

1.6   Good Practices Identified

22 The audit team observed the following areas where management practices were properly designed and applied effectively:

- BPD provided training, tools, resources and information to support both timekeepers and managers in their timekeeping responsibilities. (criterion 2.1)

- BPD was responsible for keeping the NTP and other timekeeping authorities up to date. This responsibility was clearly identified, communicated and understood. There was evidence that

that the review and revision of the NTP and other authorities were regularly undertaken and communicated to timekeepers and managers through the departmental intranet. (criterion 2.2)

23   The audit also identified areas where opportunities exist to strengthen management practices in the administration of timekeeping. These opportunities are discussed in greater detail in section 2.0 of this report.

2.0   FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

2.1   Governance and Strategic Direction

Audit Criterion: An effective governance framework is established and has identified individuals responsible for monitoring the effective discharge of timekeeping responsibilities. (Audit criterion 1.1)

Key Finding: Functional authority for the overall timekeeping process and the integrity of timekeeping information had not been clearly assigned.

24   Governance is understood as the combination of management processes and controls to set strategic direction, objectives and priorities. An effective governance framework requires the identification of key supporting roles and responsibilities as well as a single process owner with the functional authority and ability to make changes.

25   Operational roles and responsibilities regarding timekeeping management were described in the NTP and in other documents available on the Department's intranet site.

26   BPD was functionally responsible for the Department's legal case management system and related tools to support consistent business practices and reporting. BPD was also responsible for timekeeping, including : developing and maintaining tools that support timekeepers and managers in recording and monitoring level of effort; providing information on level of effort to support reporting to central agencies and the public; providing training and self-guided learning tools to iCase users and departmental managers; and developing and documenting business practice standards. BPD also reported to senior management on timekeeping compliance, including departmental compliance levels for timekeeping information recorded in iCase.

27   According to the NTP: "timekeepers were responsible for recording their time in compliance with the NTP"; and managers were responsible for "monitoring the validity and integrity of information recorded by timekeepers in their unit" and ensuring "that timekeepers in their unit complied with the requirements of the NTP." It is not within the BPD's mandate to actively oversee the integrity of timekeeping data.

28 The Management Sector, Strategic Planning and Performance Management was responsible for external reporting. The Management Sector, Finance and Procurement Branch had functional authority for IFMS, the departmental cost recovery processes and financial input to the external reporting process. Those reports and activities constituted some of the principle corporate uses of timekeeping information.

29 BPD, departmental managers and timekeepers were responsible for critical components of the timekeeping processes; however, there was no single stakeholder accountable for the overall process. There was also a gap regarding accountability for Department-wide integrity of iCase timekeeping information, that is data accuracy and reliability. While individual managers could ensure the accuracy of data for their units, they could not be expected to examine comparability across portfolios or regions. As a result, there was a gap in the Department-wide oversight of timekeeping data integrity.

30 Without appropriate corporate governance for timekeeping, the ability to provide strategic direction for timekeeping, such as the departmental long-term and short-term vision, priority setting and corporate planning, was limited. This included ensuring Department-wide integrity of timekeeping information that was used for a variety of key corporate reports and decision-making.

Recommendation and Management Response

1. **It is recommended that the Assistant Deputy Minister, Management Sector establish a process owner (corporate group) with functional authority for the oversight of the timekeeping process and integrity of timekeeping data. (High Risk)[1]**

    Agreed. Accountability for iCase information is a shared responsibility among timekeepers, managers, senior management and the Business Practices Division. The Assistant Deputy Minister Management Sector and Chief Financial Officer will ensure that the Director, Business Practices Division, in collaboration with key stakeholders, develop an accountability framework for the overall timekeeping process and the integrity of timekeeping data. The development of the accountability framework will include reviewing and clarifying business standards, roles and responsibilities, as well as monitoring and reporting requirements taking into consideration changes resulting from future decisions on new case management tools and/or related law practices. The accountability framework will be presented to the Management Committee for approval. The Management Committee is the Department's senior decision-making forum responsible for legal services delivery, horizontal management, operational and accountability issues affecting the Department. **Target completion date:** March 30, 2015.

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[1] The Risk Assessment Guidelines for Audit recommendations are found in Appendix C.

2.2 Monitoring Compliance

Audit Criterion: Compliance with the *National Timekeeping Protocol* and related requirements are monitored regularly resulting in effective departmental wide monitoring practices/oversight over timekeeping. (Audit criterion 1.2)

Audit Criterion: Timekeepers are entering their time in adherence to the National Training Protocol. (Audit criterion 2.3)

Key Findings: The *National Timekeeping Protocol* did not include all measurable elements of compliance that departmental managers and timekeepers are expected to adhere to.

The level of compliance of timekeeping practices improved from November 2011 to May 2012 in a judgmental sample of 30 employees.

Defining compliance

31 The NTP included guiding principles related to, among other elements, timeliness and completeness of timekeeping information: "prescribed time spent in the course of a work period must be recorded" and "time should be recorded on a daily basis or as soon as practically possible thereafter." In 2011, the Deputy Minister and the Associate Deputy Minister communicated to departmental employees the importance of 100% compliance with the NTP to support business operations.

32 There were departmental authorities that provided measurable criteria in support of the NTP principles. The *Timekeeping Compliance Tools Training Manual* defined timekeeping compliance as "hours worked and entered in iCase that are equal to or greater than the number of normal (or expected) hours in a 4-week cycle." The default number of hours for timekeepers was one hundred and fifty hours for four weeks, unless a specific work arrangement had been established for part-time or compressed schedules. For the purpose of this audit, this definition was understood as completeness of information.

33 The Cost Recovery Process Improvement Project (CRPI) also implemented a business rule with measurable timelines by which timekeepers must enter their timekeeping information. Between April 2012 and May 2013, timekeepers were expected to review time entered for the previous month between one and seven calendar days after the month end. This definition was understood as timeliness of information.

34 The NTP defined roles and responsibilities for compliance: timekeepers were responsible for recording their time in compliance with the NTP and managers, to ensure that timekeepers comply with the requirements of the NTP. The NTP could be further strengthened by including an explicit definition of compliance as well as all measurable criteria of compliance by which managers and timekeepers are expected to comply.

Recommendation and Management Response

2. **It is recommended that the Assistant Deputy Minister, Management Sector include measurable criteria for compliance in the *National Timekeeping Protocol*. (Medium Risk)**

   Agreed. Measurable criteria for compliance will form part of the business standards and monitoring and reporting requirements set out in the overall governance framework and will be reflected in an updated *National Timekeeping Protocol*. Both the governance framework and the revised *National Timekeeping Protocol* will be presented to the Management Committee for approval. **Target completion date:** March 30, 2015.

Compliance assessment

35 This audit included an assessment of the timeliness and completeness of timekeeping practices, as defined above, for a judgmental sample of 30 timekeepers for the months of November 2011 and May 2012. Timekeepers at the LA1, LA2 and paralegals were selected from the following organizations:

   - Atlantic Regional Office

   - Quebec Regional Office

   - Citizenship and Immigration Legal Services Unit

   - Health Canada Legal Services Unit

   - Industry Canada Legal Services Unit

36 For both completeness and timeliness of information, results show an improvement in the compliance rates from November 2011 to May 2012.

37 There was an overall 64 percent compliance rate for completeness for November 2011 and a 74 percent compliance rate for completeness for May 2012. All organizational units tested showed a month over month improvement in the number of timekeepers who recorded all of their time.

38 For timeliness, 57 percent of timekeepers had entered all of their time for the month of November 2011 by the 7th calendar day of December 2011, and 67 percent for May 2012 by the 7th calendar day of June 2012. This improvement coincides with the implementation of the CRPI business rule for timeliness. Late timekeeping entries declined significantly from thirteen percent in November 2011 to one percent in May 2012. The percentage of late hours, which had the most notable potential impact on cost recovery, also significantly decreased from thirteen percent in November 2011 to four percent in May 2012.

39 To measure both completeness and timeliness, there were challenges with the information available in iCase. The assessment of completeness was based on timekeeper work arrangements as well as long-term leave. When compared to information from PeopleSoft, the human

resources system that determines pay, there were inconsistencies with the work arrangement information in iCase. Also, none of the long-term leave in PeopleSoft was entered in iCase and there is unclear guidance to timekeepers on whether or not they should include certain types of long-term leave in iCase such as leave without pay for care and nurturing, and family-related illness. Out of the thirty timekeepers examined, there was one inconsistency for a part-time work arrangement; six for long term leave; and four for compressed work arrangements. In total, this represents 37 percent of the timekeepers reviewed.

40   In addition, iCase did not capture the date that timekeepers enter their data, nor the date of the manager's validation for quality control purposes. For the audit test of timeliness, the date that the timekeeping entry was last modified was used. Although there may have been modifications brought to the data after a timekeeper submitted their timeslip (e.g. to the coding or the file structure), it was the only way to measure timeliness.

Monitoring compliance

41   An assessment of timekeeping practices was tabled by BPD to the Executive Committee in October 2012. Monitoring was carried out on both completeness and timeliness and the BPD assessment concluded that there had been an improvement in timekeeping practices. This is consistent with the general findings of this audit.

42   To support the monitoring responsibility of managers for timekeeping information, BPD also implemented a *Timekeeping Compliance Tool* in 2011 that applied to employees in LA positions, and excluded other timekeepers such as paralegals. This online tool allowed timekeepers to view their own timekeeping progress for completeness. Managers can also consult unit timekeeper compliance information on an individual and aggregate basis. Interviewees reported that non-compliance is addressed by individual timekeepers' managers, and that close monitoring is done with non-compliant timekeepers, for example email reminders and one-on-one meetings.

43   The *Timekeeping Compliance Tool* is based on the information in iCase, which may not always have up to date information on timekeepers' leave or work arrangements. In addition, the *Timekeeping Compliance Tool* for timekeepers and managers does not measure timeliness. As such, the Department would benefit from a stronger approach to measuring compliance of timekeeping practices.

44   Compliance of the timekeepers reviewed in this audit has improved from November 2011 to May 2012; however, timekeeper compliance for both completeness and timeliness varied between 57 and 74 percent. This indicates a need for an improved corporate approach to monitoring and reporting on timekeeper compliance, in order to optimize business and workload information as it relates to the provision of legal services and cost recovery.

Recommendation and Management Response

3. **It is recommended that the Assistant Deputy Minister, Management Sector ensure that the established process owner strengthens the departmental approach to timekeeping compliance assessment and monitors and reports on timekeeping compliance for each Portfolio, Departmental Legal Services Unit and Region. (Medium Risk)**

   Agreed. The Assistant Deputy Minister Management Sector and Chief Financial Officer will ensure that requirements for monitoring and reporting on compliance by each Portfolio, Sector, Branch, Region and DLSU and at the departmental level form part of a strengthened accountability framework for the overall timekeeping process and the integrity of timekeeping data. Proper consideration will be given to changes resulting from future decisions on new case management tools and/or related law practices. **Target completion date:** March 30, 2015.

2.3   Results and Performance

Audit Criterion: Timekeeping information is treated as a corporate resource and is readily accessible departmentally to meet the needs of performance measurement and mandated initiatives such as those related to cost recovery. (Audit criterion 2.4)

> **Key Finding:** iCase timekeeping data was not being managed as a corporate resource.

45 Reporting of iCase compliance information to Executive Committee and the use of iCase timekeeping data to support cost recovery and budgeting has increased the awareness of the importance of effective timekeeping overall within the Department. Timekeeping data was also used to support key external departmental reporting requirements in compliance with the Treasury Board *Policy on Management, Resources and Results Structures*.

46 Key elements of the Departmental Performance Measurement Framework relied on timekeeping data from iCase. In 2011-12, nine out of ninety-nine departmental performance indicators were based on timekeeping data. These performance indictors included identifying trends in levels of effort dedicated to various types of files as well as percentage of effort by Portfolio. In 2012-13, there were no departmental performance indicators based on timekeeping data.

47 The *Reports on Plan and Priorities* and the *Departmental Performance Reports* also used timekeeping data. In line with the departmental performance measurement framework discussed above, the *Report on Plans and Priorities* of 2011-12 included performance indicators on levels of effort with iCase timekeeping data, while the 2012-13 version did not. Both versions of the *Departmental Performance Reports* reported on trends in legal services provided based on the number of hours.

48 Customized iCase reports were used by management to track progress and costs, and to assess trends across classes of files. For example, the Aboriginal Affairs Portfolio, which manages over 10,000 active litigation files, used a customized report with timekeeping data to address client departments and agencies concerns regarding increasing demand for legal services.

49 While timekeeping data is used to support a variety of key departmental reporting as outlined above, ownership of the data did not rest at the corporate level but with each unit inputting the data. Since each unit inputted and monitored the information independently, there was no way of ensuring consistency in the data to support the information needs of the Department.

50 In the current government context of improving services and achieving efficiencies, Justice Canada will need to continue to improve the provision of legal services. This includes meeting client department and agency expectations for more detailed information in forecasting and supporting the billing of legal services. Timekeeping information provides valuable information to support both of these objectives.

51 There is an increasing focus across government to rely on departmental financial and non-financial information to support decision making. By not managing timekeeping data as a corporate resource, the Department may risk using inaccurate or incomplete data for strategic decision making and public reporting.

Recommendation and Management Response

4. **It is recommended that the Assistant Deputy Minister, Management Sector ensure that the identified process owner establish, monitor and report on management performance indicators and targets with respect to timekeeping information in line with the Department's priorities. (Medium Risk)**

   Agreed. The Department has recognized the importance of enhancing the availability of meaningful workload information to inform senior management decision making. Several initiatives are underway in this regard, such as increasing utilisation of dashboards, provision of information on level of effort, monitoring and reporting on process optimization measures. The Assistant Deputy Minister Management Sector and Chief Financial Officer, in collaboration with key stakeholders, will ensure that performance indicators and targets and a performance monitoring strategy form part of a strengthened accountability framework for the overall timekeeping process and the integrity of timekeeping data. **Target completion date:** March 30, 2015.

3.0   CONCLUSION

52   Several initiatives have contributed to improving timekeeping practices within the Department of Justice in 2011-12 and 2012-13. In particular, the level of compliance of timekeeping practices with the *National Timekeeping Protocol* has improved since the Business Practices Division began reporting on compliance rates to the Executive Committee. The Cost Recovery Process Improvement project implemented new business standards for timeliness effective April 1, 2012. As well, the Business Practices Division continued to support timekeepers and managers with national training and tools.

53   However, opportunities exist to further strengthen practices for the management of timekeeping data as a corporate resource, specifically as it relates to governance. The Department has not assigned a corporate functional authority for the timekeeping process to provide oversight for the integrity of timekeeping data.

54   Recommendations have also been made that the designated functional authority strengthen internal controls, including: adding measurable criteria of compliance to the *National Timekeeping Protocol*; strengthening the approach to assessing compliance; monitoring timekeeping compliance for each Portfolio, Departmental Legal Services Unit, Region; and, establishing and monitoring management performance indicators and targets for timekeeping information.

Recommended for approval by the Departmental Audit Committee:

_____   _____

Hon. Doug Lewis   Date
F.C.A., Q.C., P.C., L.S.M.
Departmental Audit Committee Chair

Approved by:

_____   _____

William F. Pentney   Date
Deputy Minister

APPENDIX A – AUDIT CRITERIA

The following audit criteria were developed to address specific risks identified in the planning phase. They were derived from Treasury Board Secretariat guidance on auditing management frameworks, the *Audit Criteria related to the Management Accountability Framework: A Tool for Internal Auditors* (March 2011).

Audit criteria and sub-criteria	Results
1.1 **An effective governance framework is established and has identified individuals responsible for monitoring the effective discharge of timekeeping responsibilities.** 1.1.1 An effective oversight body has been established with a clearly communicated mandate that includes roles and responsibility with respect to governance, risk management and control. 1.1.2 There are strategic directions, priorities and operating objectives and changes are communicated to stakeholders in a timely manner. 1.1.3 Roles and responsibilities for corporate oversight are formally defined and communicated for managers, supervisors and employees.	**Not Met**
1.2 **Compliance with the *National Timekeeping Protocol* and related requirements is monitored regularly, resulting in effective departmental wide monitoring practices/oversight over timekeeping.** 1.2.1 Responsibility for monitoring of compliance with the *National Timekeeping Protocol* and related operational requirements is clearly communicated. 1.2.2 The monitoring activities are documented and reported regularly to senior management. Senior management monitors the resulting reporting of compliance and corrective actions are implemented promptly. 1.2.3 Reports to the oversight body include a clear statement that compliance has been maintained or breaches noted.	**Partially Met**
2.1 **BPD is providing the necessary training, tools, resources and information to support timekeepers in their responsibility to record their time in iCase with consistency and in a timely manner.**	**Met**

2.1.1	A suitability comprehensive training and development plan exists that is adequately resourced and actioned.	
2.1.2	Employees have access to sufficient tools, such as, software, equipment, work methodologies and standard operating procedures.	
2.1.3	Key positions and activities have been identified and sufficient back-up exists.	
2.1.4	An information sharing process exists to support the efficient and targeted dissemination of relevant and reliable information to those that need it.	
2.2	**The *National Timekeeping Protocol* and other timekeeping authorities are validated (adequacy and effectiveness), concluded and identified areas of improvement have been addressed adequately.**	**Met**
2.2.1	Responsibility for review and revision to NTP and other timekeeping authorities is clearly identified, communicated and understood.	
2.2.2	Evidence of regular review and/or revision exists and is approved by the required authority.	
2.3	**Timekeepers are entering their time in adherence to the *National Training Protocol.***	**Partially Met**
2.3.1	Timekeeping is coded and processed in an efficient and timely manner by all timekeepers and 100% compliance is ensured.	
2.3.2	Controls are in place to ensure timeliness, accuracy and adequacy of timekeeping coded in iCase (e.g. supervisory review, management approval, attestation, etc.)	
2.4	**Timekeeping information is treated as a corporate resource and is readily accessible departmentally to meet the needs of performance measurement and mandated initiatives such as those related to cost recovery.**	**Partially Met**
2.4.1	Planned results regarding the use of timekeeping information are clearly identified and communicated.	
2.4.2	Performance measurement strategies are in place and applied with results linked to management and staff evaluations.	
2.4.3	Management monitors actual performance against planned results and adjusts course as needed.	

APPENDIX B – APPROACH AND METHODOLOGY

The approach and methodology used for the audit were consistent with the *Internal Audit standards for the Government of Canada* and were aligned with the Treasury Board *Policy on Internal Audit* and related guidelines and procedures.

The planning and on-site examination phases of the audit were carried out between February and November 2012. The planning phase consisted of a review and analysis of relevant documents, interviews with key personnel involved and the development of a preliminary risk assessment. The examination phase consisted of a detailed review and validation of those areas that were identified as having potentially higher risk during the planning phase of the audit.

Interviews were conducted with the following: Director, Business Practice Division; Business Application Manager, Business Practice Division; Director, Planning, Policy Systems and Corporate Accounting; Financial Management Advisor, Chief Financial Officer Branch; Executive Director and General Counsel, Department of Foreign Affairs and International Trade DLSU; Assistant Deputy, Business and Regulatory Law Portfolio/Co-Chair Cost Recovery Implementation Project; Director, Business Management, Business and Regulatory Law Portfolio; Counsel, Aboriginal Affairs and Northern Development Canada DLSU; Senior Counsel, Aboriginal Affairs and Northern Development Canada LSU; Senior General Counsel/ Executive Director, Industry Canada DLSU; General Counsel/Deputy Executive Director, Industry Canada DLSU; Counsel, Health Canada DLSU; General Counsel, Health Canada DLSU; Counsel, Canadian Security Intelligence Service DLSU; Senior General Counsel, Canadian Security Intelligence Service DLSU; Senior Counsel, Civil Litigation & Advisory, Atlantic Regional Office; Regional Director, Civil Litigation and Advisory, Atlantic Regional Office; Director, Business and Regulatory – Advisory, British Columbia Regional Office; and, Director, Business and Regulatory Law – Litigation, British Columbia Regional Office.

In addition, relevant processes and documentation were examined and testing was conducted against the audit criteria. A process map identifying the associated control points of the timekeeping business process was prepared and validated by the Business Practices Division. Compliance testing of a judgmental sample of 30 timekeepers was completed for the months of November 2011 and May 2012.

Based on an analysis of the information and evidence collected, the audit team formulated audit findings, which were validated through discussions with the auditee.

APPENDIX C – RISK ASSESSMENT GUIDELINES

Assessment	Significance Level and Impact
High	**Immediate Management Attention Required** IMPACT: • Weaknesses exist that could impact the Department's financial statements, reputation and/or the Department's goals or objectives. • Weaknesses could impact the Department's efficiency and effectiveness of operations. • Risk to the Department is significant.
Medium	**Monitoring and Mitigation Required** IMPACT: • Weaknesses exist that could impact the entity's financial records, the entity's reputation, the entity's goals or objectives or the efficiency and effectiveness of the entity's operations. • Risk to the Department is medium.
Low	**Improvement Required** IMPACT: • Opportunities are identified that could enhance operations by improving efficiency, effectiveness or control. • Risk to the Department is low.

It should be noted that, in applying the above criteria to a recommendation, Internal Audit Branch takes into consideration the nature, scope, and significance of the audit finding(s), the impact of the recommendation on the organization, and the auditors' professional judgment.

APPENDIX D – ACRONYMNS/ABBREVIATIONS

BPD	Business Practices Division
CRPI	Cost Recovery Process Improvement
DLSU	Departmental Legal Services Unit
NTP	*National Timekeeping Protocol*