



Public Service Commission
of Canada

Commission de la fonction publique
du Canada

PUBLIC
SERVICE
COMMISSION

2013-2014

AUDIT REPORTS



Canada

Information contained in this publication or product may be reproduced, in part or in whole, and by any means, for personal or public non-commercial purposes, without charge or further permission, unless otherwise specified.

You are asked to:

- Exercise due diligence in ensuring the accuracy of the materials reproduced;
- Indicate both the complete title of the materials reproduced, as well as the author organization; and
- Indicate that the reproduction is a copy of an official work that is published by the Government of Canada and that the reproduction has not been produced in affiliation with, or with the endorsement of the Government of Canada.

Commercial reproduction and distribution is prohibited except with written permission from the Government of Canada's copyright administrator, Public Works and Government Services of Canada (PWGSC). For more information, please contact PWGSC at: 613-996-6886 or at: droitdauteur.copyright@tpsgc-pwgsc.gc.ca.

Public Service Commission of Canada
22 Eddy Street
Gatineau, Québec K1A 0M7
Canada

Information: cfp.infocom.psc@cfp-psc.gc.ca

This report is also available on our Web site at www.psc-cfp.gc.ca.

Print: Catalogue No.: SC1-4/2014
ISSN: 1928-6014

PDF: Catalogue No.: SC1-4/2014E-PDF
ISSN: 2290-1191

Printed in Canada

© Her Majesty the Queen in Right of Canada, represented
by the Public Service Commission of Canada, 2014

AUDIT REPORTS

2013-2014

*All of the audit work in this publication was conducted in accordance
with the legislative mandate and audit policies of
the Public Service Commission of Canada.*

Table of contents

Introduction..... 1

Follow-up audit of the Office of the Commissioner of Official Languages..... 7

Follow-up audit of the Parole Board of Canada15

Audit of Public Safety Canada27

Audit of Statistics Canada39

Audit of Veterans Affairs Canada.....51

Follow-up audit of the Royal Canadian Mounted Police.....61

Audit of Employment and Social Development Canada.....71

Introduction

Introduction

- 1.1 The *Public Service Employment Act* (PSEA) gives the Public Service Commission (PSC) exclusive authority to make appointments, based on merit, to and within the public service. The PSEA authorizes the PSC to delegate appointment authorities to the deputy heads of organizations subject to the PSEA. The PSC is ultimately accountable to Parliament for the overall integrity of the staffing system and holds deputy heads accountable for how delegated authorities are exercised in their organizations. As a result, deputy heads and the PSC are both responsible for the overall success of the staffing system.
- 1.2 The PSC has established an oversight framework that provides information on the integrity of the staffing system by examining the different parts of that system. In addition to its regulatory authority and policy-setting function, this framework is comprised of three important oversight mechanisms: monitoring, investigations and audits. The results of these oversight mechanisms, including a summary of audit findings, are presented in Chapter 4 of the PSC's *Annual Report 2013-2014*.
- 1.3 The PSC conducts audits in order to inform deputy heads and Parliament whether and how appointments made across the federal public service respect merit. Audit results contribute to the understanding that deputy heads have of the risks, controls and governance within their respective organizations related to staffing. Audits also help the PSC meet its mandate to report on and support the integrity of the staffing system. Through a systematic approach, the audits also provide the PSC with information on staffing trends and issues, while contributing to system-wide learning and improved performance.
- 1.4 This volume presents the 2013-2014 audit reports and complements the PSC's Annual Report tabled in Parliament. The following section provides information about the PSC's audit mandate, objectives and the methodology used by the PSC in undertaking its audits.



2013-2014 Audit reports

1.5 This year, the PSC completed audits of the following organizations:

- Statistics Canada;
- Veterans Affairs Canada;
- Employment and Social Development Canada; and
- Public Safety Canada.

1.6 The PSC also conducted follow-up audits of the following organizations:

- Parole Board of Canada;
- Office of the Commissioner of Official Languages; and
- Royal Canadian Mounted Police.

Selection of audits

1.7 The PSC Audit Plan outlines the departments and agencies that are to be audited in 2014-2015 and 2015-2016 (refer to Appendix 4 of the PSC's *Annual Report 2013-2014*). To ensure a balanced view of staffing in the federal public service, a mix of organizations is selected based on size and profile of identified risks.

Mandate and authorities

- 1.8 In accordance with the PSC's authorities under the PSEA, Section 17 authorizes the PSC to conduct audits on any matters within its jurisdiction. In addition, Section 18 provides the PSC with the powers of commissioners under Part I of the *Inquiries Act* when conducting these audits.
- 1.9 Section 135 of the PSEA requires deputy heads and employees to provide the PSC with facilities, assistance, information and access to their respective offices, as required, to conduct its audits.

Audit objectives and criteria

- 1.10 The objectives of each of the audits were to determine whether the organization had an appropriate framework, practices and systems in place to manage its appointment activities and to determine if appointments and appointment processes in the organization complied with the PSEA, any other applicable statutory instruments, including the *Public Service Employment Regulations* (PSER), the PSC's Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI) and related organizational appointment policies.
- 1.11 The audit objectives are supported by the following seven audit criteria, drawn from, among others, the PSEA, the PSER and the PSC Appointment Framework. See Table 1 below.



Table 1: Public Service Commission audit criteria

The <i>Public Service Employment Act</i> and the Public Service Commission's delegated authorities
<ul style="list-style-type: none">➤ The organization's sub-delegation instrument is in place, is well managed and accessible across the organization.
Planning for staffing
<ul style="list-style-type: none">➤ The organization established staffing plans and related strategies that are measurable, approved and communicated to employees.
Appointment policies
<ul style="list-style-type: none">➤ The organization has established appointment policies and criteria compliant with the PSEA, any other applicable statutory instruments, including the PSER, and the PSC Appointment Framework.
Capacity to deliver
<ul style="list-style-type: none">➤ Those who have been assigned a role in appointment processes are informed of their roles and responsibilities and have access to tools and the human resources (HR) support to carry out this role.
Monitoring
<ul style="list-style-type: none">➤ The organization has mandatory monitoring in place as outlined in the PSC Appointment Framework, including the ADAI, and adjusts practices accordingly.
Appointments – Merit
<ul style="list-style-type: none">➤ Appointments and appointment processes respect merit.
Appointments – Other requirements
<ul style="list-style-type: none">➤ Appointments and appointment processes respect PSEA requirements, any other applicable statutory instruments, including the PSER, the PSC Appointment Framework, including the ADAI, and related organizational appointment policies.



Audit approach

- 1.12 While conducting its audits, the PSC carries out a number of standard audit activities, such as the following:
- Interviews with human resources (HR) advisors and managers involved in appointment activities, bargaining agent representatives and any other party who is identified as having relevant information;
 - Reviews of organizational documentation regarding plans, policies, programs, communications and reports with respect to the staffing framework; and
 - Examination of appointment process documentation.
- 1.13 The PSC makes use of representative and other sampling approaches when conducting audits. The sampling strategy used for each audit is based on the specific objectives and scope of the audit. Compliance assessments of appointments use representative sampling approaches. Sample sizes for representative sampling are based on maintaining a minimal level of accuracy necessary for gauging the overall compliance rate of appointment processes. All samples maintain a confidence interval no larger than +/-10%, at a confidence level no smaller than 90%, based on a deviation rate no larger than 20%.
- 1.14 In some audits, another sampling approach, referred to as “purposeful sampling”, is used to examine cases which may offer useful information and answer specific questions on performance and opportunities for future learning. However, such a sample is not representative and does not allow extrapolations to be made to cover all appointments during the period covered by an audit.

Audit scope

- 1.15 The audit scope, including the number of appointment activities chosen, is selected for each audit, based on the PSC’s risk assessment of the organization and its operational context, as well as the size of the organization. Furthermore, the audit period, which may range from less than a year to two or more years, can be influenced by various risk factors including, for example, the results of a recent internal audit, changes to senior management or the transformation of the organization’s HR delivery model.

Reliance

- 1.16 When applicable, audit activities may include reliance on the organization’s internal reviews or audits. Prior to establishing audit reliance on the information produced by an organization, the PSC will assess the results to ensure that the work completed by the organization meets the PSC’s audit standards and includes sufficient and appropriate evidence.



After an audit

- 1.17 Once completed, audit reports are forwarded to the deputy head of the organization being audited. Where appropriate, recommendations are included in the audits to help organizations address issues and make improvements to their staffing practices. Two actions generally follow: the deputy head responds to the recommendations and develops an action plan with the support of the PSC; and the PSC determines whether it is satisfied with the response and action plan or whether additional action is required. Depending on the issues raised, the PSC may take additional action ranging from working with the organization to address the issues to imposing additional terms and conditions on delegation to these organizations.
- 1.18 Following the 2013-2014 organizational audits, the deputy heads of departments and agencies audited this year have provided the PSC with action plans which respond to the audit recommendations and the PSC will monitor their implementation through its regular monitoring activities. Based on this monitoring, the PSC may conduct follow-up audits.
- 1.19 The PSC will refer to deputy heads any internal appointment files in which issues have been found, in order that they may take appropriate action in an area of their authority. The PSC will monitor these files to ensure that appropriate action is taken. For external appointments, or if there are indications of fraud or political influence in either internal or external processes, files can be referred to the Investigations Branch of the PSC to determine whether an investigation is warranted.



Follow-up audit of the Office of the Commissioner of Official Languages

Follow-up Audit Conclusion

The follow-up audit objective was to determine whether the Office of the Commissioner of Official Languages (OCOL) had adequately responded to the recommendation made in the audit report published by the Public Service Commission (PSC) in October 2011. Based on our findings, we conclude that the Commissioner of OCOL has adequately addressed the recommendation. Our follow-up audit revealed that the measures put in place by the organization were effective. As a result, all appointments audited were made on the basis of merit and appointment-related decisions were fully supported by sufficient and appropriate information.



Background

- 2.1 The mandate of the Office of the Commissioner of Official Languages (OCOL) is to oversee the full implementation of the *Official Languages Act*, protect the language rights of Canadians and promote linguistic duality and bilingualism in Canada. The Commissioner of Official Languages is appointed by commission under the Great Seal, after approval by resolution of the House of Commons and the Senate, for a seven-year term. The Commissioner reports directly to Parliament.
- 2.2 According to its 2012–2013 Departmental Performance Report, the OCOL had 159 full-time equivalents in its workforce. Most of the employees were working in the National Capital Region, while the remaining employees were working in regional offices across Canada.
- 2.3 In 2011, the Public Service Commission (PSC) conducted an audit of the OCOL and reported that the OCOL performed a monitoring exercise of its appointment activities in 2008, however, recommendations dealing with ongoing monitoring of staffing activities and non-advertised processes were not fully implemented. The PSC also concluded that documentation supporting appointment decisions were not sufficient to conclude whether or not the person appointed met the merit criteria. In addition, the audit reported that most rationales for non-advertised appointments did not demonstrate how the process met the established organizational criteria and was consistent with the values set out in the *Public Service Employment Act* (PSEA). The audit report made the following recommendation to address the identified deficiencies.

“The Commissioner of the Office of the Commissioner of Official Languages should fully address the recommendations from its 2008 Monitoring Exercise, which includes:

- *Having a rationale on file that demonstrates how the non-advertised process meets the established organizational criteria and addresses the guiding values of fairness, access, transparency and representativeness; and*
- *Monitoring the staffing files on an on-going basis and review the appointment-related decisions and supporting documentation against legislation, policies and directives.”*

- 2.4 As a result of the 2011 audit, the OCOL's Appointment Delegation and Accountability Instrument was modified to include an additional condition of delegation. The PSC required that the OCOL submit semi-annual reports (one being through the Departmental Staffing Accountability Report) on the implementation of the 2011 audit recommendation. The OCOL has been submitting the required semi-annual reports to the PSC. This follow-up audit was part of the PSC audit plan for 2013–2014.

Purpose and methodology of the follow-up audit

- 2.5 The follow-up audit covered the period between October 2011 and September 2013. The purpose of this follow-up audit was to determine whether the Commissioner of Official Languages had responded adequately to the recommendation made in the audit report published by the PSC in October 2011. As part of our follow-up audit, we analyzed relevant documentation and audited all 11 appointments carried out by OCOL during the period of October 1, 2012, to September 30, 2013.



Observations

- 2.6 This section presents the recommendation made in the 2011 audit report on OCOL, followed by our findings related to its implementation.

Recommendation from the 2011 PSC Audit

“The Commissioner of the Office of the Commissioner of Official Languages should fully address the recommendations from its 2008 Monitoring Exercise, which includes:

- *Having a rationale on file that demonstrates how the non-advertised process meets the established organizational criteria and addresses the guiding values of fairness, access, transparency and representativeness; and*
- *Monitoring the staffing files on an on-going basis and review the appointment-related decisions and supporting documentation against legislation, policies and directives.”*

Measures were taken to ensure that non-advertised appointment processes were supported by a written rationale that demonstrates how the non-advertised process meets the established organizational criteria and is consistent with the values

- 2.7 In the 2011 PSC audit report on the OCOL, we reported that none of the non-advertised appointments reviewed (14 out of 14) adhered to the OCOL’s Directive on the Choice of Appointment Process: Criteria for Non-Advertised Processes. Nine of the 13 appointments audited did not demonstrate how the choice of a non-advertised process met the established organizational criteria and all 13 appointments audited did not address at least one of the values set out in the PSEA. The OCOL was unable to provide the required written documentation for the remaining appointment.
- 2.8 During our follow-up audit, we found that the Commissioner of Official Languages took measures to ensure that non-advertised processes were supported by a written rationale that demonstrates how the non-advertised process meets the established organizational criteria and is consistent with the values set out in the PSEA.
- 2.9 We found that the OCOL updated its Directive on the Choice of Appointment Process: Criteria for Non-Advertised Processes in 2012 and that it is compliant with the PSEA and the PSC Appointment Framework. We noted that the criteria for non-advertised processes are available to all employees via the organization’s intranet site.



- 2.10 In addition, we found that the OCOL made improvements in 2012 to its electronic template for written documentation for non-advertised processes. This template assists sub-delegated managers in demonstrating which organizational criteria for a non-advertised process is being used and how the choice of a non-advertised process is consistent with the values set out in the PSEA in accordance with the OCOL's directive. The tool is accessible via the organization's intranet site.
- 2.11 In November 2011, the human resources (HR) director presented and discussed with sub-delegated managers the results of the 2011 PSC audit and the requirement to prepare a written rationale that demonstrates how the non-advertised process meets the established organizational criteria and is consistent with the values. In addition, the follow-up audit found that "one on one" sessions took place between the HR advisor and the sub-delegated managers to review the rationale and ensure it demonstrates how the non-advertised process meets the established organizational criteria and is consistent with the values set out in the PSEA.
- 2.12 The OCOL conducted one non-advertised appointment during the follow-up audit scope period. We found that the OCOL applied the measures put in place correctly as there was a written rationale on file that demonstrated how the non-advertised process met the established organizational criteria and was consistent with the values set out in the PSEA.

Monitoring of staffing activities occurred on an ongoing basis, appointment-related decisions were supported with sufficient and appropriate information and made on the basis of merit

- 2.13 The 2011 PSC audit reported that the monitoring exercise of staffing activities conducted by the OCOL in 2008 was found to be adequate and sufficient; however, no additional monitoring of staffing activities had taken place since then. Further, the 2011 audit found that some of the issues identified in the 2008 monitoring exercise persisted. The 2008 OCOL monitoring exercise found that there was a lack of compliance with the PSEA and the PSC Appointment Framework. Similarly, the review of appointments from the 2011 PSC audit also found that information supporting the appointment decisions required improvement since sufficient information was not always available to conclude whether the person appointed met the merit criteria used to make the appointment. The 2011 PSC audit found that merit was not demonstrated in 65% (24 out of 37) of the appointments audited.
- 2.14 As part of this follow-up audit, we found that the Commissioner of Official Languages took measures, including ongoing monitoring of staffing activities, to ensure that appointment-related decisions are supported with sufficient and appropriate information. For instance, we found that the OCOL reviewed and tailored its staffing checklists in 2012 to identify the documentation requirements for the various types of staffing activities. In addition, in July 2011 the OCOL established a Staffing Record Keeping Procedure based on the legislative and appointment framework governing staffing in the public service. It describes the responsibilities, steps and tasks associated with each stakeholder involved in the appointment process. As part of this Staffing Record Keeping Procedure, the manager of HR operations performs a quality assurance check to ensure that the required documentation to substantiate the staffing decision is included in the staffing file.



- 2.15 We also found that the OCOL conducted monitoring of staffing activities on an annual basis since the 2011 PSC audit. These monitoring exercises examined the staffing practices and processes to determine if they complied with the PSEA, the PSC Appointment Framework and related organizational policies and guidelines, and to determine to what extent the required documentation to support the appointment decision is included in the staffing file. For instance, the 2012 OCOL monitoring exercise examined 15 staffing activities undertaken between January 1, 2012, and December 31, 2012, which were selected based on risk factors associated with the PSC appointment policies, mandatory monitoring requirements and the findings from the 2011 PSC audit. According to the results of this monitoring exercise, 100% of the appointments examined were in compliance with the PSEA, the PSC Appointment Framework and related organizational policies and guidelines, and included the required documentation.
- 2.16 As part of our follow-up audit, we examined all 11 appointments within the period from October 1, 2012, to September 30, 2013. Similar to the results from OCOL's 2012 annual monitoring exercise, we found that 100% (11 out of 11) of the appointments audited were made on the basis of merit. In all instances, appointment decisions were supported with sufficient and appropriate information to conclude whether or not the person appointed met the merit criteria used to make the appointment. As a result, we found that the ongoing monitoring of staffing activities performed by the OCOL and measures implemented to ensure that appointment-related decisions were compliant and supported by required documentation were effective.

Conclusion

- 2.17 In 2011, the PSC conducted an audit of the OCOL which reported that the organization performed a monitoring exercise of its appointment activities but noted that the recommendations dealing with ongoing monitoring of staffing activities and non-advertised processes were not fully implemented.
- 2.18 The follow-up audit objective was to determine whether the OCOL had adequately responded to the recommendation made in the PSC October 2011 audit report.
- 2.19 Based on our findings, we conclude that the Commissioner of Official Languages has adequately addressed the recommendation. Our follow-up audit revealed that the measures put in place by the organization were effective. The OCOL implemented measures to ensure that non-advertised processes were supported by a written rationale that demonstrates how the non-advertised process meets the established organizational criteria and is consistent with the values set out in the PSEA. In addition, the ongoing monitoring of staffing activities performed by the OCOL and measures implemented to ensure that appointment-related decisions were compliant and supported by required documentation were found to be effective. As a result, all appointments audited were made on the basis of merit and appointment-related decisions were fully supported by sufficient and appropriate information.



Action taken by the Public Service Commission

The PSC systematically reviews audit information as well as the organization's management response to follow-up audits to determine whether any action should be taken by the PSC. As a result of this review, the PSC found that the Office of the Commissioner of Official Languages has made substantial progress since the 2011 PSC audit and has adequately addressed the audit recommendation. As a result of this follow-up audit, the PSC has removed the additional condition to delegation that it had imposed in 2011. The PSC will continue to monitor the Office of the Commissioner of Official Languages' staffing performance through its regular monitoring activities, including the annual departmental staffing accountability report.

Overall response from the Office of the Commissioner of Official Languages

The Office of the Commissioner of Official Languages (OCOL) is pleased with the findings of the follow-up audit conducted by the Public Service Commission (PSC) with regards to the recommendation and observations in the audit report published in 2011 and agrees with the audit conclusions. We are very proud of these results which were achieved through engagement of managers and the HR Directorate. The results of our annual active staffing monitoring exercises confirm our commitment to excellence in our management practices in staffing. The OCOL will build on this momentum to ensure continuity in excellence of its staffing regime.



Follow-up audit of the Parole Board of Canada

Follow-up Audit Conclusion

In 2010, the Public Service Commission (PSC) conducted an audit of the Parole Board of Canada (PBC) and reported that the PBC did not have an appropriate framework, systems and practices in place to appropriately manage its appointment activities. The follow-up audit objective was to determine whether the PBC had adequately responded to the six recommendations made in the audit report published by the PSC in October 2010.

Based on our audit work, which included review of documentation, interviews and review of a purposeful sample of appointments, we concluded that the Chairperson of the PBC has adequately addressed all six recommendations. Our follow-up audit revealed that the PBC updated policies, defined roles and responsibilities, provided training to sub-delegated managers and human resources advisors, conducted monitoring activities and developed tools to support documentation of appointment decisions.



Background

- 3.1 The Parole Board of Canada (PBC) is an agency within the portfolio of Public Safety Canada. The PBC is an independent administrative tribunal that has exclusive authority under the *Corrections and Conditional Release Act* to grant, deny, cancel, terminate or revoke day parole and full parole. The PBC, as part of the criminal justice system, makes independent decisions on conditional release and record suspension and recommendations regarding clemency.
- 3.2 According to its 2012–2013 Departmental Performance Report, the PBC had 468 full-time equivalent employees in its workforce. The majority of the PBC's employees had an indeterminate status and were working in the National Capital Region; the rest were spread out in five regional offices across Canada. According to the PBC, their human resources (HR) management challenges are: transfer of corporate knowledge between new and departing employees, leadership and management capacity, performance appraisals and training and employment equity.
- 3.3 In 2010, the Public Service Commission (PSC) completed an audit of the PBC, formerly known as the National Parole Board. The PSC found that the PBC did not have an appropriate framework, systems and practices in place to manage its appointment activities. At the time of the audit, the PBC did not have a corporate HR plan, its HR support functions on staffing were insufficient, no monitoring program was implemented and data on appointments was incomplete and inaccurate. Moreover, the PSC found that most of the appointments reviewed did not comply with the *Public Service Employment Act* (PSEA), the *Public Service Employment Regulations* (PSER) and the PSC's Appointment Framework.
- 3.4 The 2010 audit also reported that the level of non-compliance found during the period under review indicated that the sub-delegated managers, HR advisors and regional corporate services managers did not demonstrate a clear understanding of their roles, responsibilities and accountabilities related to staffing. To address this and other audit findings, the PSC audit report included the following six recommendations:



1. *“The Chairperson of the National Parole Board (NPB) should update the mandatory policies and the criteria for non-advertised processes and monitor on-going compliance with both the Public Service Commission and NPB framework.”*
2. *“The Chairperson of the National Parole Board should take the necessary steps to resolve the existing issues concerning the access to, quality of and adherence to appropriate staffing advice provided to hiring managers.”*
3. *“The Chairperson of the National Parole Board should update the document Roles and Responsibilities of Sub-delegated Managers and Human Resources Advisors in the Staffing Process and provide training so that sub-delegated managers exercise their roles and responsibilities appropriately.”*
4. *“The Chairperson of the National Parole Board should implement a management control system for appointment-related decisions with accurate, reliable and complete information on appointments and should monitor appointment activities to inform decision makers of necessary corrective actions.”*
5. *“The Chairperson of the National Parole Board should demonstrate that the choice of a non-advertised appointment process contains a documented rationale. The rationale should demonstrate how the non-advertised process meets the established organizational criteria and addresses all four of the guiding values of fairness, access, transparency and representativeness.”*
6. *“The Chairperson of the National Parole Board should improve compliance by developing assessment tools and methods that fully and fairly assess essential qualifications and other identified merit criteria and that appointment and appointment-related decisions are fully documented.”*

- 3.5 As a result of the 2010 audit, the PBC’s Appointment Delegation and Accountability Instrument (ADAI) was modified to include additional conditions of delegation. The PSC required the PBC to provide semi-annual reports on progress made in implementing the audit recommendations and required that they work with a PSC special advisor to assist in building appointment-related capacity in the organization. In 2012, as a result of the progress the PBC made, the PSC removed the additional conditions of delegation and the Chairperson of the PBC signed a new standard ADAI with the PSC. This follow-up audit was part of the PSC audit plan for 2013–2014.



Purpose and methodology of the follow-up audit

- 3.6 This follow-up audit covered the period between October 2010 and December 2013. The objective of this follow-up audit was to determine whether the PBC had adequately responded to the six recommendations made in the audit report published by the PSC in October 2010. As part of our follow-up audit, we conducted interviews, analyzed relevant documentation and audited eight appointments within the period of April and December 2013.
- 3.7 To review how various recommendations were implemented at the PBC, a purposeful sample of eight appointments was selected randomly (four advertised and four non-advertised). A purposeful sample provides qualitative information that can be used to describe the appointment process and assess the progress made regarding the implementation of controls. The sample does not allow extrapolations to all appointments made during the period covered by this follow-up audit. This sampling method provides qualitative information regarding the implementation of the PSC's audit recommendations. Thus, the review of four non-advertised appointments was used to provide information on the application of the PBC's controls in relation to the fifth recommendation. Then, the review of all eight appointments informed us about the application of the PBC's controls in relation to the second, fourth and sixth recommendations from the PSC's 2010 audit.

Observations

- 3.8 This section presents each of the six recommendations made in the 2010 audit report on the PBC, followed by our observations related to their implementation.

Recommendation 1 from the 2010 PSC Audit

"The Chairperson of the National Parole Board (NPB) should update the mandatory policies and the criteria for non-advertised processes and monitor on-going compliance with both the Public Service Commission and NPB framework."

Mandatory policies and the criteria for non-advertised processes were in place

- 3.9 In the 2010 PSC audit report, we reported that the PBC's Area of Selection Policy and its criteria for non-advertised processes were not being adhered to and required updating. For example, the area of selection used in some appointment processes reviewed in 2010 was not consistent with the organization's policy. As a result, the audit recommended ongoing monitoring to ensure compliance with the PBC's policies.
- 3.10 During our follow-up audit, we found that the Chairperson of the PBC had adequately addressed this recommendation by updating, in June 2011, its *Policy on Area of Selection* and *Policy on Non-advertised Appointment Processes* and in June 2012, the *Policy on Corrective Action and Revocation*. The updated policies contained the minimum provisions required by the PSC and were formally approved, communicated and made available to all employees on the intranet.



- 3.11 We also found that the PBC conducted the mandatory monitoring as per the PSC Appointment Policies, such as acting appointments over 12 months, the appointment of casual workers to term or indeterminate status through non-advertised processes and appointment to the Executive Group through non-advertised processes.

Recommendation 2 from the 2010 PSC Audit

“The Chairperson of the National Parole Board should take the necessary steps to resolve the existing issues concerning the access to, quality of and adherence to appropriate staffing advice provided to hiring managers.”

Sub-delegated managers had the support to carry out their staffing responsibilities

- 3.12 In the 2010 PSC audit report, we reported instances where appropriate staffing guidance was provided but not followed by the hiring manager. In addition, there were appointment processes where staffing guidance provided by HR advisors or regional corporate services managers did not comply with the PSEA, the PSER and the PSC Appointment Framework. Therefore, the staffing advisory function was not effective.
- 3.13 During our follow-up audit, we found that the Chairperson of the PBC had adequately addressed this recommendation by centralizing HR service delivery in its national office in order to ensure consistency in providing HR advice and access to an HR advisor.
- 3.14 In addition, continuous training and coaching were provided to HR advisors. For instance, the follow-up audit found that various in-house training activities were offered between October 2010 and December 2013 in areas such as recourse, Priority Administration and official languages.
- 3.15 We found that sub-delegated managers had access to an HR advisor who had passed the PSC Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC Appointment Framework, including appointment policies, delegation of authority and accountability and the legislative framework. Moreover, our review of a purposeful sample of advertised and non-advertised appointment processes demonstrated that HR advisors provided advice and guidance compliant with the PSEA, the PSER and the PSC Appointment Framework that were followed by the sub-delegated managers.

Recommendation 3 from the 2010 PSC Audit

“The Chairperson of the National Parole Board should update the document Roles and Responsibilities of Sub-delegated Managers and Human Resources Advisors in the Staffing Process and provide training so that sub-delegated managers exercise their roles and responsibilities appropriately.”



Roles, responsibilities and accountability were defined and training was provided

- 3.16 In the 2010 PSC audit report, we reported that the PBC was proposing to use the document “Roles and Responsibilities of Sub-delegated Managers and Human Resources Advisors in the Staffing Process” as its main reference on roles and responsibilities but noted that this document needed to be reviewed and approved by the Chairperson.
- 3.17 During our follow-up audit, we found that the Chairperson of the PBC had adequately addressed this recommendation by updating and approving the document “Roles and Responsibilities of Sub-delegated Managers and Human Resources Advisors in the Staffing Process”. We also found that the document defines the roles and responsibilities of the sub-delegated managers and the HR advisors. The document describes how HR advisors are responsible for providing quality advice to managers on the principles governing appointments and explains the risks and consequences of various options. The sub-delegated managers are responsible for the planning and management of staffing and for making decisions on behalf of the Chairperson of the PBC regarding the appointment process and are accountable for their decisions.
- 3.18 Furthermore, the PBC created “Guidelines on HR Delegation” in June 2012 that lists the training required in order to be authorized to exercise staffing authorities. The PBC maintains a list of sub-delegated managers and information related to the completed training. The review of a purposeful sample of advertised and non-advertised appointment processes found that all sub-delegated managers who had signed an offer of appointment had completed the mandatory training prior to being sub-delegated.

Recommendation 4 from the 2010 PSC Audit

“The Chairperson of the National Parole Board should implement a management control system for appointment-related decisions with accurate, reliable and complete information on appointments and should monitor appointment activities to inform decision makers of necessary corrective actions.”

Monitoring activities were conducted and appointment-related decisions were supported by sufficient and appropriate information

- 3.19 In the 2010 PSC audit, it was reported that the PBC did not have a monitoring program in place to ensure that appointments respected the requirements of the PSEA, the PSER and the PSC Appointment Framework. We also reported that the PBC had challenges with the collection of its appointment-related data. The incompleteness and inconsistencies in the collection of data impacted the quality of the data available for monitoring purposes.



- 3.20 During our follow-up audit, we found that the Chairperson of the PBC had adequately addressed this recommendation by monitoring appointment activities, as per PBC's staffing monitoring plan, and informed decisions-makers of necessary corrective actions. For example, a staffing file review exercise was conducted by an outside HR consultant in December 2012. The objective of this exercise was to determine the extent to which the PBC's staffing processes complied with the PSEA, the PSER, the PSC Appointment Framework and organizational policies. The results were presented to the PBC's Senior Management Committee in February 2013 and eight recommendations were made to address concerns raised by the file review exercise. We found that the recommendations were made to ensure continued progress on appointment compliance. In addition, a number of the recommendations went beyond PSC Appointment Framework requirements in an effort to continue to strengthen PBC appointment practices and, in some cases, implement noteworthy practices. At the time of our follow-up audit, although actions were taken to address the above-mentioned eight recommendations, not all had yet been fully implemented.
- 3.21 Furthermore, we found that the PBC put in place a data quality assurance process that ensures consistency and knowledge transfer of quality control practices regarding data integrity. The PBC's quality assurance process includes the monitoring of data quality by producing data integrity reports on a regular basis.
- 3.22 Our electronic data verification of the PBC's HR Management System (HRMS) during our follow-up audit indicated a high degree of accuracy and completeness. In addition, information from the purposeful sample of advertised and non-advertised appointments audited was accurately reflected in the PBC's HRMS.

Recommendation 5 from the 2010 PSC Audit

"The Chairperson of the National Parole Board should demonstrate that the choice of a non-advertised appointment process contains a documented rationale. The rationale should demonstrate how the non-advertised process meets the established organizational criteria and addresses all four of the guiding values of fairness, access, transparency and representativeness."

The choice of a non-advertised appointment process was supported by a written rationale

- 3.23 In the 2010 PSC audit, it was reported that in 19 out of 21 of the non-advertised appointments, 3 did not have a documented rationale and 16 did not demonstrate how the non-advertised appointment met the established organizational criteria and/or was consistent with the values set out in the PSEA.
- 3.24 During our follow-up audit, we found that the Chairperson of the PBC had adequately addressed this recommendation by ensuring that the choice of the use of a non-advertised process is documented. As indicated previously, in June 2011, the PBC updated its *Policy on Non-advertised Appointment Processes*. Furthermore, the PBC updated its template for non-advertised processes to ensure consistency. The current template outlines the criteria under which a non-advertised appointment could be used as per the PBC *Policy on Non-advertised Appointment Processes*.



- 3.25 During our review of the four non-advertised appointments from our purposeful sample, we found that the updated template was used and completed correctly. The use of the template helped document the choice of a non-advertised appointment process and resulted in demonstrating how the process met the organizational criteria and was consistent with the values set out in the PSEA.

Recommendation 6 from the 2010 PSC Audit

“The Chairperson of the National Parole Board should improve compliance by developing assessment tools and methods that fully and fairly assess essential qualifications and other identified merit criteria and that appointment and appointment-related decisions are fully documented.”

Assessment tools were developed and appointment decisions were documented

- 3.26 In the 2010 PSC audit, it was indicated that information supporting appointment decisions required improvement. For example, we reported that in 31 out of the 36 appointments where merit was not demonstrated, there was no indication that all essential qualifications were assessed.
- 3.27 During our follow-up audit, we found that the Chairperson of the PBC had adequately addressed this recommendation by developing various tools to support sub-delegated managers in assessing merit criteria and in documenting appointment decisions. For instance, the PBC developed a template “The Assessment of Employee against Statement of Merit Criteria and Conditions of Employment” to ensure that the assessment performed by sub-delegated managers evaluated all the essential qualifications and other merit criteria used for the appointment. Also, we found that the PBC reviewed and updated appointment file checklists to ensure proper documentation of appointment and appointment-related decisions. In order to better support merit in some areas, the checklist was not only used to determine if a document was on file but also used to consider its quality such as the validity of second language evaluation results.
- 3.28 In the purposeful sample of advertised and non-advertised appointments that we reviewed, checklists were used and signed and all merit criteria used in the appointment and appointment-related decisions were fully assessed and documented.
- 3.29 In the 2010 PSC audit report, we also reported instances (6 of the 45 appointments where priority consideration was required) where the essential qualifications used to obtain priority clearance from the PSC and those used to make the appointment decision were not the same. In addition, we reported instances where the notifications of persons being considered for appointment or persons being proposed for appointment were not issued.
- 3.30 The review of a purposeful sample of advertised and non-advertised appointments demonstrated that the essential qualifications used to obtain priority clearance and those used to make the appointment were the same and that the notifications were posted in accordance with the PSC’s *Policy on Notifications* and the PBC’s *Policy on Area of Selection*.



Conclusion

- 3.31 In 2010, the PSC conducted an audit of the PBC and reported that the PBC did not have an appropriate framework, systems and practices in place to appropriately manage its appointment activities.
- 3.32 The follow-up audit objective was to determine whether the PBC had adequately responded to the six recommendations made in the audit report published by the PSC in October 2010.
- 3.33 Based on our findings, we concluded that the Chairperson of the PBC has adequately addressed all six recommendations. Our follow-up audit revealed that the PBC updated policies, defined roles and responsibilities, provided training to sub-delegated managers and HR advisors, conducted monitoring activities and developed tools to support documentation of appointment decisions. Our review of the PBC's controls such as the use of a checklist and the use of a non-advertised template demonstrated that the tools were used and resulted in appointment decisions being appropriately supported.



Action taken by the Public Service Commission

The PSC systematically reviews audit information as well as the organization's management response to follow-up audits to determine whether any action should be taken by the PSC. As a result of this review, the PSC found that the Parole Board of Canada has made substantial progress since the 2010 PSC audit and has adequately addressed the audit recommendations. The PSC will continue to monitor the Parole Board of Canada's staffing performance through its regular monitoring activities, including the annual departmental staffing accountability report.

Overall response from the Parole Board of Canada

It is with great pride that I acknowledge the results of the Public Service Commission's (PSC) 2014 Follow-up Audit of the Parole Board of Canada (PBC). It recognizes our accomplishments and progress made in implementing all six recommendations made by the PSC in its initial audit of our organization in 2010.

These results would not have been possible without the commitment of our staff, Human Resources advisors and sub-delegated managers alike. As the PBC invested in its Human Resources capacity, the organization operated a cultural change which is reflected in the way managers now engage Human Resources advisors in their daily activities.

I would like to thank the PSC in granting my personal request for assistance in completing the review of our staffing policies and in developing a staffing monitoring framework. I would particularly like to thank Josée Beaudry, formerly of the PSC, for her personal involvement in achieving these goals. She became part of our human resources team. She understood the specifics of the PBC and went way beyond simply making recommendations for our consideration. I also want to recognize the support provided by the different sectors of the PSC, which from a client perspective, now work in a better integrated fashion.

I trust the PBC now has the framework, systems, and practices in place to ensure that our appointment decisions demonstrate respect for merit and appointment values.

We remain committed to continuous improvement.



Harvey Cenaiko
Chairperson



Audit of Public Safety Canada

Audit Conclusion

We concluded that most of the elements of the Public Safety Canada's appointment framework were in place but some improvements were required. Public Safety Canada had put in place a sub-delegation instrument that was accessible to all employees and bargaining agents. Related controls were established but were not always effective in ensuring that sub-delegated managers met the conditions of sub-delegation prior to exercising their staffing authorities. We found that the mandatory Public Service Commission (PSC) appointment policies and criteria were established and contained the provisions required by the PSC. Roles and responsibilities were defined and communicated to managers and human resources professionals; however, they were not always carried out as intended. Finally, some monitoring activities were undertaken but not to a sufficient extent. We were informed that Public Safety Canada did not conduct the mandatory monitoring as outlined in the PSC Appointment Framework, as it chose to focus on managing priority entitlements and other activities related to Spending Review 2012, the Common Human Resources Business Process and implementing the results- and risk-based staffing approach during the period covered by the audit.

We also concluded that merit was met in 67% (20 out of 30) of the appointments, was not demonstrated in 27% (8 out of 30) and was not met in 6% (2 out of 30); the main reasons for merit not being demonstrated were inadequate assessment tools or the assessment material used to appoint could not be found by Public Safety Canada. Finally, we found that persons with a priority entitlement may not have always received proper consideration.



Audit of Public Safety Canada

- 4.1 This audit covers Public Safety Canada's appointment activities for the period between December 1, 2012 and December 31, 2013. The objectives of the audit were to determine whether Public Safety Canada had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes in Public Safety Canada complied with the *Public Service Employment Act* (PSEA), any other applicable statutory instruments, including the *Public Service Employment Regulations* (PSER), the PSC Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI), and related organizational appointment policies.
- 4.2 Public Safety Canada was created in 2003 to ensure coordination across all federal departments and agencies responsible for national security and the safety of Canadians. The *Department of Public Safety and Emergency Preparedness Act 2005* and the *Emergency Management Act 2007* set out the essential roles for the organization. Its mandate is to keep Canadians safe from a range of risks such as natural disasters, crime and terrorism.
- 4.3 Public Safety Canada is a medium-sized organization that had approximately 1 095 full-time equivalent employees during fiscal year 2012-2013. Approximately 12% of these employees work in regions outside of the National Capital Region. Public Safety Canada has five offices representing the Atlantic, Quebec, Ontario, the Prairies and British Columbia and the North.
- 4.4 Public Safety Canada carried out 82 appointments during the period covered by the audit. As part of our audit, we conducted interviews with human resources (HR) professionals and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 30 appointments.
- 4.5 Public Safety Canada reported that, in October 2012, as part of an organizational HR initiative, they began to phase in a results- and risk-based staffing approach to ensure that staffing focuses on outcomes and people, while maintaining the integrity of the staffing regime. This approach reinforces the role of HR advisors as business partners who help managers to achieve their objectives and to understand policy and process so that they make risk-informed decisions. The level of involvement of senior management in the staffing action increases with the level of risk identified in the course of the appointment process.
- 4.6 Public Safety Canada reported that they were in the early stages of implementing their results- and risk-based staffing approach during the period covered by the audit.
- 4.7 While implementing this approach, Public Safety Canada also underwent a structural reorganization and, as a result, the departmental staffing plan for the period covered by the audit required Departmental Management Committee approval for selected staffing actions on a monthly basis. Therefore, the audit team did not audit whether Public Safety Canada established staffing plans and related strategies and whether these were measurable, approved and communicated to employees.



Observations on the Appointment Framework

The *Public Service Employment Act* and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but related controls were not always effective

- 4.8 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 4.9 During the period covered by the audit, the deputy head of Public Safety Canada formally accepted the delegation of appointment authorities by the Commission and had full delegated authority through the signing of the ADAI.
- 4.10 The deputy head had established a delegation policy and an Instrument of Delegation of Human Resources Authorities to sub-delegate appointment and appointment-related authorities to managers; these documents were accessible to all employees. In order to be sub-delegated, the individual had to be in a managerial position, have the approval of their superior, have financial delegation, complete the required staffing training, receive a sub-delegation letter from the deputy head and sign it to confirm their acceptance of the sub-delegated authorities.
- 4.11 We found that the list of sub-delegated managers used by HR professionals to verify whether an individual was sub-delegated appointment authority was not always accurate. For instance, of the 20 sub-delegated managers who signed the 30 offers of appointment within the audit sample, we found that Public Safety Canada was unable to provide evidence that three of these managers had successfully completed the staffing training and one manager was not delegated financial authorities prior to being sub-delegated appointment authorities, as required by the organisation. We also found one appointment for which the sub-delegated manager signed the offer of appointment without the appropriate level of sub-delegation. **Refer to recommendation 1 at the end of this report.**



Appointment policies

Mandatory appointment policies and criteria were established and contained the provisions required by the PSC

- 4.12 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, any other applicable statutory instruments, including the PSER and the PSC Appointment Framework.
- 4.13 We found that the mandatory appointment policies and criteria were in place and contained the provisions required by the PSC. These policies and criteria, along with other staffing-related policies, were accessible and were communicated to all employees, as well as bargaining agents.

Capacity to deliver

Roles and responsibilities were defined, but were not always carried out as intended

- 4.14 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 4.15 We found that the deputy head defined the roles and responsibilities of sub-delegated managers within the results- and risk-based staffing approach and that these managers had access to tools and to an HR advisor who passed the PSC Appointment Framework Knowledge Test. This test is designed to evaluate the knowledge of all parts of the PSC Appointment Framework, including appointment policies, delegation of authority as well as the legislative framework.
- 4.16 Consistent with the objectives of the *Public Service Modernization Act*, under the results- and risk-based staffing approach, Public Safety Canada managers were expected to exercise their authority and HR advisors were to work as business partners who help managers to achieve their objectives and to understand policy and process requirements so that they make risk-informed decisions. As part of this approach, HR advisors, in discussion with hiring managers, were to provide a risk assessment for each staffing action in order to determine what mitigation strategies could be put in place to address the related staffing risk. If an HR advisor expresses reservations or concerns with a course of action proposed by the hiring manager, the HR advisor will work with the hiring manager to mitigate the risk associated with the action and would increase the level at which the risk is assessed, thus enabling a discussion and engagement at a higher level of management to resolve the situation.



- 4.17 We found that these roles and responsibilities were not always carried out as intended. For example, HR advisors did not always follow up with managers to determine whether their advice was taken into consideration, which is one of the factors considered when performing the risk assessment of the staffing action. In 7 out of 16 cases where the HR advisor provided advice compliant with the PSC Appointment Framework, we found that this advice was not followed by the hiring manager or the Assessment Board. As the HR advisor did not follow up to determine whether the advice was taken into consideration, the associated risk assessment was not adjusted as required by the results- and risk-based approach and, as a result, did not enable a discussion with senior management, as intended.
- 4.18 In addition, we found that in 27% (8 out of 30) of the appointments, either the HR advisors did not provide a risk assessment for the appointment process or it was not provided before the offer of appointment was issued, as the results- and risk-based staffing approach required them to do in order to determine what mitigation strategies can be put in place. **Refer to recommendation 1 at the end of this report.**

Monitoring

Some monitoring activities were undertaken but not to a sufficient extent

- 4.19 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework, including the ADAI, and adjust practices accordingly.
- 4.20 We were informed that Public Safety Canada did not conduct the mandatory monitoring, as outlined in the PSC Appointment Framework as it chose to focus on managing priority entitlements and other activities related to Spending Review 2012, the Common Human Resources Business Process and implementing the results- and risk-based staffing approach during the period covered by the audit. The mandatory monitoring requirements include, for example, monitoring acting appointments of over 12 months and monitoring staffing activities through file reviews, internal audits or other control mechanisms, to ensure that appointment decisions are made on the basis of merit and compliant with legislative and policy requirements. As of April 2014, in response to our audit observations, we were informed that Public Safety Canada had completed a review of 2011–2013 staffing activities and that these results were presented to senior management.
- 4.21 Public Safety Canada used staffing file checklists to assist HR advisors and sub-delegated managers in ensuring that important information to fully demonstrate that the appointment was made on the basis of merit is available and the reasons for the appointment decisions are articulated. We found that the use of checklists throughout the appointment processes was inconsistent and did not always achieve the intended results. For example, information that was initially missing from Public Safety Canada's appointment files included proof of education, assessment materials, language evaluation results and articulation of the reasons for the selection of appointees.

- 4.22 Public Safety Canada and the PSC need to have access to reliable information on the organization's appointment information system and individual appointment processes. This expectation is emphasized in Public Safety Canada's results- and risk-based staffing approach, which requires that HR advisors assign a risk level to staffing actions and to record it in their Human Resources Management System (HRMS) to allow reporting to senior management on staffing trends and support decision-making, as needed.
- 4.23 Under Public Safety Canada's results- and risk-based staffing approach, accurate information on risk levels is important to support senior management in making risk-informed decisions to address potential staffing issues in a timely manner. We found, however, that the risk level for only 30% (9 out of 30) of these appointments was adequately recorded in HRMS and available to managers. **Refer to recommendation 1 at the end of this report.**

Observations on compliance

Merit was met in two-thirds of the appointments

- 4.24 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any asset qualifications, operational requirements and organizational needs identified by the deputy head.
- 4.25 We found that merit was met in 67% (20 out of 30) of the appointments, not demonstrated in 27% (8 out of 30) and not met in 6% (2 out of 30).
- 4.26 We found that seven out of the eight appointments where merit was not demonstrated were made from collective processes that used inadequate assessment tools or the assessment material used to make the appointment could not be found by Public Safety Canada. Four of the appointments resulted from three processes where the assessment tool was inadequate. For example, some appointments used qualifications that were not included in the assessment tool and, as a result, were not assessed; in other appointments, the assessment material did not require a separate assessment for each qualification used to appoint. We noted that, in these four cases, in accordance with the Public Safety Canada's sub-delegation instrument, the determination and use of assessment methods were sub-delegated to individuals who were not required to complete any formal training in order to exercise these authorities.
- 4.27 Finally, we found that merit was not met in two appointments. In one appointment, the hiring manager indicated that all asset qualifications were used to make the appointment; however, we found that the Assessment Board report indicated that the appointee did not meet any asset qualifications. In the second appointment, the appointee did not meet the established pass mark for two qualifications used to make the appointment. The Appendix includes tables detailing our observations concerning merit for the appointments audited. **Refer to recommendation 1 at the end of this report.**



Persons with a priority entitlement may not have always received proper consideration

- 4.28 The PSEA and the PSER provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with a priority entitlement and must also obtain a priority clearance from the PSC before making an appointment.
- 4.29 During the period covered by the audit, Public Safety Canada had established a list of internal persons with a priority entitlement who were to be considered prior to other persons with a priority entitlement when proceeding with an indeterminate appointment. We found that Public Safety Canada was able to demonstrate that in all but one of the 19 indeterminate appointments audited, internal persons with a priority entitlement were considered.
- 4.30 In the audit sample, 29 out of 30 appointments required priority clearance from the PSC. We found that there were six appointments that were non-compliant with the PSC's *Policy on Priority Appointments*. For example, we found that in one case, the offer of appointment was signed before the priority clearance was granted. In another case, additional essential qualifications, such as "knowledge of Canadian media environment" were used in the priority clearance requests which were not part of the qualifications used to make the appointment. We also found that there were significant differences in both essential qualifications and position requirements used in some requests for priority clearance and those used to make the appointment. Such situations could have resulted in persons with a priority entitlement not being appropriately considered. **Refer to recommendation 2 at the end of this report.**

Recommendations

1. The deputy head of Public Safety Canada should ensure that:
 - Managers meet the conditions of sub-delegation prior to exercising their staffing authorities;
 - Roles and responsibilities are carried out as intended; and
 - Monitoring activities are conducted and that control mechanisms are implemented to ensure that appointment decisions are documented and are compliant with legislative, regulatory and policy requirements.
2. The deputy head of Public Safety Canada should ensure that sub-delegated managers give proper consideration to persons with a priority entitlement before making an appointment.



Conclusion

- 4.31 We concluded that most of the elements of Public Safety Canada's appointment framework were in place but some improvements were required. Public Safety Canada had put in place a sub-delegation instrument that was accessible to all employees and bargaining agents. Related controls were established but were not always effective in ensuring that sub-delegated managers met all the conditions of sub-delegation prior to exercising their staffing authorities. We found that the mandatory PSC appointment policies and criteria were established and contained the provisions required by the PSC. Roles and responsibilities were defined and communicated to managers and HR professionals; however, they were not always carried out as intended. Finally, some monitoring activities were undertaken but not to a sufficient extent. We were informed that Public Safety Canada did not conduct the mandatory monitoring as outlined in the PSC Appointment Framework, as it chose to focus on managing priority entitlements and other activities related to Spending Review 2012, the Common Human Resources Business Process and implementing the results- and risk-based staffing approach during the period covered by the audit.
- 4.32 We also concluded that merit was met in 67% (20 out of 30) of the appointments, was not demonstrated in 27% (8 out of 30) and was not met in 6% (2 out of 30); the main reasons for merit not being demonstrated were inadequate assessment tools or the assessment material used to appoint could not be found by Public Safety Canada. Finally, we found that persons with a priority entitlement may not have always received proper consideration.



Action taken by Public Service Commission

The PSC systematically reviews audit information as well as an organization's management response and associated action that it has taken or will take in response to the audit results and recommendations, in order to determine whether any response is warranted on the part of the PSC. As a result of this review, the PSC is satisfied with Public Safety Canada's management response and the actions it has taken or has committed to take in response to the audit results and recommendations. The PSC will monitor the implementation of Public Safety Canada's action plan and its staffing performance through its regular monitoring activities, including the annual Departmental Staffing Accountability Report. The PSC supports innovation and encourages all organizations to streamline staffing in a manner consistent with the PSEA and PSC regulations and policies. The PSC looks forward to working with Public Safety Canada as it continues to implement its human resources initiative.

Overall response by Public Safety Canada

Public Safety Canada has reviewed the Public Service Commission audit report and accepts its findings and recommendations. We appreciate the insight provided by the audit regarding our internal staffing control mechanisms and administrative practices and will use the recommendations as opportunities to further improve our existing framework. We are strongly committed to addressing the audit findings and recommendations. A rigorous action plan has been developed, and we have already begun to take action to improve our staffing practices. Public Safety Canada supports the principle that all staffing decisions must be based on merit; that the staffing values must be respected, and that compliance must be ensured with legislative, regulatory and policy requirements in all appointments and appointment-related decisions.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	20 (67%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	2 (6%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	8 (27%)
Total appointments audited		30 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

Reasons for merit not being met or demonstrated*	Number of incidences
Appointee did not meet one or more essential qualifications (experience, knowledge, competencies, personal suitability)	1
Appointee did not meet the official language proficiency	0
Appointee did not meet the education/occupational certification or qualification standard	0
Appointee did not meet the additional qualifications (asset, operational requirements and organizational needs) used to make the appointment	1
The essential qualifications (experience, knowledge, competencies, personal suitability) of the appointee were not fully assessed	8
The official language proficiency of the appointee was not fully assessed	1
The education/occupational certification or qualification standard were not fully assessed for the appointee	0
The additional qualifications (asset, operational requirements and organizational needs) used to make the appointment were not fully assessed	0

Source: Audit and Data Services Branch, Public Service Commission

* In some cases, more than one reason applies to an appointment.



5

Audit of Statistics Canada

Audit Conclusion

We concluded that most of the elements of the Statistics Canada (StatCan) appointment framework were in place but that some improvements were required. StatCan had put in place a sub-delegation instrument; however, related controls were not always effective. We found that roles and responsibilities were defined and communicated. We noted that mandatory appointment policies and criteria were in place but were not fully compliant. Finally, we found that some monitoring activities took place but the quality of evidence supporting appointment-related decisions needed improvement.

We also concluded that merit was met in 97% (33 out of 34) of the appointments audited. We found that information on appointment processes was sometimes incomplete or inaccurate, which could have had an impact on the decision of potential applicants to apply or persons in the area of selection to avail themselves of their recourse rights. Finally, we noted that persons with a priority entitlement may not have always received proper consideration.



Audit of Statistics Canada

- 5.1 This audit covers the appointment framework of Statistics Canada (StatCan) for the period from October 1, 2012, to September 30, 2013, as well as appointment activities conducted between April 1, 2013, and September 30, 2013. The objectives of the audit were to determine whether StatCan had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes in StatCan complied with the *Public Service Employment Act* (PSEA), any other applicable statutory instruments, including the *Public Service Employment Regulations* (PSER), the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI), and related organizational appointment policies.
- 5.2 StatCan is a large organization headed by the Chief Statistician of Canada. As of December 31, 2013, StatCan's workforce was comprised of 4 496 full-time equivalents (FTEs); most were of indeterminate status. The majority of StatCan's employees were working in the National Capital Region, with the remainder employed in the 10 regional offices across Canada.
- 5.3 Under the *Statistics Act*, StatCan is required to "collect, compile, analyze, abstract and publish statistical information relating to the commercial, industrial, financial, social, economic and general activities and condition of the people". StatCan has two main objectives: to provide statistical information and analysis about Canada's economic and social structure and to promote sound statistical standards and practices.
- 5.4 StatCan's statistical program is funded in part by cost recovery activities. A large portion of these spendable revenues is from federal organizations to fund specific statistical projects. As indicated in the Canada's Economic Action Plan 2012, StatCan has a reduction target of \$33.9 million by 2014-2015. In addition, given the financial pressures on federal clients, the organization reported to the PSC that it will be experiencing a further loss of revenues from these sources, estimated at \$20 million. StatCan's Report on Plans and Priorities 2013-2014 forecasted a decrease in the number of FTEs over the next three years.
- 5.5 StatCan carried out 114 appointments during the period covered by our audit. As part of our audit, we conducted interviews with human resources (HR) staff involved in appointment activities, analyzed relevant documentation and audited a representative sample of 34 appointments.



Observations on the Appointment Framework

The *Public Service Employment Act* and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place but related controls were not always effective

- 5.6 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 5.7 In 2011, an ADAI was signed with the PSC, granting the Chief Statistician delegated appointment and appointment-related authorities. The Chief Statistician subsequently established an official sub-delegation instrument entitled “Instrument of Delegation of Human Resources Authorities”. The ADAI and the sub-delegation instrument have been communicated and made accessible to employees on StatCan’s intranet site.
- 5.8 As per the ADAI, the authority to revoke appointments may only be exercised by the deputy head. We found that StatCan’s sub-delegation instrument is silent on who can revoke appointments, yet the instrument indicated that authorities not specifically mentioned in the instrument will be exercised by the Chief Statistician or delegated to the Director General of HR Branch. There were no incidences of revocation during the period covered by our audit but the lack of clarity in the sub-delegation instrument, as to who can exercise this accountability, could create confusion in the interpretation of the authority to revoke an appointment. However, the lack of clarity in the instrument was mitigated by the fact that the StatCan *Policy on Advertised/Non-Advertised Appointment Processes, Area of Selection, and Corrective Action* specifies that the Chief Statistician has the authority to revoke appointments. In May 2014, StatCan indicated that they were in the process of reviewing the instrument of sub-delegation in order to add the section on revocation to further mitigate this issue.



- 5.9 We also noted that the Chief Statistician had established conditions to be met by managers prior to being sub-delegated appointment and appointment-related authorities. These conditions included being appointed to a director level position or higher and completing the StatCan staffing delegation course.
- 5.10 We found that StatCan maintained a list of sub-delegated managers. This list was used by HR advisors to ensure that the manager signing an offer of appointment met the requirements to be sub-delegated and therefore was authorized to make the appointment. However, the audit found that in 44% (15 out of 34) of appointments reviewed, offers of appointment were signed by nine managers who were either not at the required level or StatCan was unable to provide evidence that they had completed the mandatory training. In May 2014, StatCan indicated that they were in the process of updating the sub-delegation controls. **Refer to recommendation 1 at the end of this report.**
- 5.11 We also found that StatCan had established a staffing approval process for different types of staffing actions which required review or approval from a variety of levels within the organization, including committees such as the HR Committee, the Senior Personnel Review Committee or the Senior Appointment Committee. We found that for most of the appointments reviewed, the required level of approval was documented.

Planning for staffing

Staffing plans and related strategies were established

- 5.12 Organizational staffing plans and related strategies describe organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing plans and related strategies that are measurable, approved and communicated to employees.
- 5.13 StatCan developed an Integrated Business and Human Resources Plan 2012–2013 to 2014–2015 (IBHRP), which was communicated to employees on the intranet site. The IBHRP, which included strategies to support each of the staffing priorities, was approved by the Chief Statistician in February 2013.
- 5.14 During the period covered by our audit, StatCan had not completed any monitoring of the results of its staffing plans and related strategies. This monitoring was completed and the results were presented to StatCan's HR Committee in January 2014.



Appointment policies

Mandatory appointment policies and criteria were in place, but not fully compliant

- 5.15 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, any other applicable statutory instruments, including the PSER and the PSC Appointment Framework.
- 5.16 We found that StatCan put in place the mandatory appointment policies as well as criteria for the use of non-advertised appointment processes under one policy entitled *Policy on Advertised/Non-Advertised Appointment Processes, Area of Selection, and Corrective Action*. This policy was communicated and made accessible to employees on StatCan's intranet site.
- 5.17 However, the policy was not fully compliant with the requirements of the PSC Appointment Framework as it excluded the application of a national area of selection for student employment programs. This could have had a negative impact on access to job opportunities for students. For example, participants in the Federal Student Work Experience Program would not have had access to all of StatCan's job opportunities across Canada.
- 5.18 Moreover, this policy's definition of "public service" included organizations that are not part of the definition found in the PSEA. More specifically, the definition included organizations of Schedule II of the *Financial Administration Act*, whose employees are not considered to be in the area of selection for processes advertised internally to the public service. As a result, applicants could have been included in StatCan processes by error. In May 2014, StatCan indicated that they were in the process of updating their policy.
- 5.19 We also found that for 9% (3 out of 34) of the appointments reviewed, the area of selection on the advertisement was narrower than what was required by StatCan's policy on area of selection; this resulted in potential applicants being excluded from the appointment process. **Refer to recommendation 2 at the end of this report.**



Capacity to deliver

Roles and responsibilities were defined and communicated

- 5.20 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes are informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 5.21 We found that roles and responsibilities were defined, documented and communicated through various organizational documents such as the ADAI, the instrument of sub-delegation and the *Policy on Advertised/Non-Advertised Appointment Processes, Area of Selection, and Corrective Action*. All of these documents were available to employees through StatCan's intranet site.
- 5.22 We also found that sub-delegated managers had access to an HR advisor who passed the PSC Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC Appointment Framework, including appointment policies, delegation of authority and accountability and the legislative framework. In addition, various staffing tools were made available to support managers, such as a template and guide for articulating the reasons for the appointment decision.

Monitoring

Some monitoring activities took place but the quality of evidence supporting appointment-related decisions needed improvement

- 5.23 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework, including the ADAI, and adjust practices accordingly.
- 5.24 We found that StatCan established a Staffing Monitoring Plan and Schedule 2012–2013, which included the mandatory monitoring required by the PSC Appointment Framework. Such monitoring activities included acting appointments of over 12 months, appointments of casual workers to term or indeterminate status through non-advertised processes, appointments to the EX Group through non-advertised processes, as well as the use of the Public Service Official Languages Exclusion Approval Order (PSOLEAO).
- 5.25 As per StatCan's staffing monitoring plan, all mandatory monitoring was to be completed by March 2013 and reported to senior managers. Although the use of the PSOLEAO was presented to StatCan's Senior Personnel Review Committee in September 2013, the remaining mandatory monitoring activities had not yet been completed by the end of the audit period. This could have affected the Chief Statistician's ability to adjust staffing practices accordingly.



- 5.26 As intended in StatCan's Staffing Monitoring Plan and Schedule 2012-2013, StatCan conducted a Monitoring of Staffing Files and Electronic Information exercise, which included a review of the staffing action codes used for each of the appointments monitored. The results of the monitoring exercise, as well as associated recommendations, were presented to the Assistant Chief Statistician of Corporate Services in February 2013.
- 5.27 To address the recommendations included in the monitoring exercise, StatCan developed a Staffing Program Action Plan which was to be implemented by winter 2013. We found that most actions were in fact implemented. For example, training on the proper usage of staffing action codes was provided to HR advisors in July 2013.
- 5.28 In order to determine the reliability of StatCan's electronic information, we conducted an analysis of StatCan's HR database, including the staffing action codes used. We found the HR data was both complete and accurate.
- 5.29 As identified in its Staffing Program Action Plan, StatCan developed a new template to be completed by managers for non-advertised appointment processes. We found that this template was used for the two non-advertised appointment processes we reviewed.
- 5.30 StatCan created staffing checklists to assist HR advisors and sub-delegated managers in documenting appointment decisions. These checklists were found in most appointment files reviewed. However, our audit revealed that the checklists were not always effective in ensuring the quality of the evidence supporting the appointment-related decisions. Moreover, information on appointments and appointment processes was at times incomplete or inaccurate, as detailed in the following paragraphs. **Refer to recommendation 3 at the end of this report.**

Observations on compliance

Merit was met in 97% (33 out of 34) of the appointments audited

- 5.31 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any asset qualifications, operational requirements and organizational needs identified by the deputy head.
- 5.32 We found that merit was met in 97% (33 out of 34) of the appointments audited. However, it was not demonstrated in 3% (1 out of 34) of them. In this instance, StatCan was unable to provide proof that the person appointed met the education requirements used for the appointment. The Appendix includes tables detailing our observations concerning merit for the appointments audited.



Persons with a priority entitlement may not have always received proper consideration

- 5.33 The PSEA and the PSER provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements and must also obtain a priority clearance from the PSC before making an appointment.
- 5.34 As part of our sample, 32 appointments reviewed required a priority clearance before proceeding with an appointment. In 11 of these priority clearance requests, StatCan identified conditions of employment (for example: willingness to work overtime) which were not listed as such on the advertisement. This could have resulted in persons with a priority entitlement not being given proper consideration. **Refer to recommendation 4 at the end of this report.**

Information on appointment processes was sometimes incomplete or inaccurate

- 5.35 As part of our sample, 31 appointments reviewed required the managers to document the reasons for the appointment decision. However, we found three cases where there was no articulation of the reasons for the appointment decision. In order to ensure that the selection for appointment is fair and transparent, managers are expected to document the reasons for the appointment decisions.
- 5.36 We also found that in five of the appointment processes, representing 21% (7 out of 34) of the appointments reviewed, the English and French versions of the advertisement or the Statement of Merit Criteria (SoMC) were not identical. For example, in one instance the essential qualifications “thoroughness and reliability” were included in the English version of the SoMC, but were not included in the French version. We also found that in three of the appointment processes, representing 32% (11 out of 34) of the appointments reviewed, the advertisement and notice of consideration indicated that the operational requirements would be used for all appointments whereas StatCan confirmed they were not used in any of the appointments. For example, one of the operational requirements identified was: “Mandatory shift work”.
- 5.37 Inaccurate information on an advertisement or SoMC could have had an impact on the decision of potential applicants to apply or persons in the area of selection to avail themselves of their recourse rights. **Refer to recommendation 3 at the end of this report.**

Evidence of the required oath or solemn affirmation was sometimes not provided

- 5.38 As required by the PSEA, the effective date of appointment for a person being newly appointed to the public service is the later of the date that is agreed to in writing by the sub-delegated manager and the appointee and the date on which the appointee takes and subscribes the oath or solemn affirmation. Not having evidence that the oath or solemn affirmation was subscribed to may mean that the appointment does not meet the legislative requirements.



- 5.39 We found that for six appointments where the person was required to subscribe to an oath or make a solemn affirmation, StatCan was unable to provide evidence that this was taken on or before the date of the appointment identified in the offer of appointment. In four of these cases, StatCan was unable to provide the document for the appointment and in two cases the oath or solemn affirmations provided were not dated. This lack of control could have resulted in persons being appointed without having met the legal requirement of the PSEA to take and subscribe the oath or solemn affirmation. **Refer to recommendation 3 at the end of this report.**

Recommendations

1. The Chief Statistician of Statistics Canada should ensure that managers meet the conditions of sub-delegation before exercising appointment and appointment-related authorities.
2. The Chief Statistician of Statistics Canada should review the organization's *Policy on Advertised/Non-Advertised Appointment Processes, Area of Selection, and Corrective Action* to ensure it is compliant with the PSC Appointment Framework. The Chief Statistician of Statistics Canada should also ensure the policy is respected in appointment processes.
3. The Chief Statistician of Statistics Canada should put in place control mechanisms to ensure that:
 - Managers document the reasons for the appointment decision articulating why the appointee was chosen;
 - The information on appointment advertisements or on notifications of consideration is accurate and clear for potential applicants and to persons in the area of selection who may wish to avail themselves of their recourse rights; and,
 - When applicable, the appointee has subscribed to the oath or made a solemn affirmation prior to or on the date of the appointment.
4. The Chief Statistician of Statistics Canada should ensure that each request for priority clearance includes accurate information.

Conclusion

- 5.40 We concluded that most of the elements of StatCan's appointment framework were in place but that some improvements were required. StatCan had put in place a sub-delegation instrument; however, related controls were not always effective as not all managers who signed an offer of appointment met the conditions of sub-delegation. We found that roles and responsibilities were defined and communicated. We noted that mandatory appointment policies and criteria were in place but were not fully compliant. Finally, we found that some monitoring activities took place, but the quality of evidence supporting appointment-related decisions needed improvement.



5.41 We also concluded that merit was met in 97% (33 out of 34) of the appointments audited. We found that information on advertisements or Statements of Merit Criteria was at times incomplete or inaccurate, and therefore could have had an impact on the decision of potential applicants to apply or persons in the area of selection to avail themselves of their recourse rights. Finally, we noted that persons with a priority entitlement may not have always received proper consideration.

Action taken by the Public Service Commission

The PSC systematically reviews audit information as well as an organization's management response and associated action that it has taken or will take in response to the audit results and recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Statistics Canada's management response and the actions it has taken or has committed to take in response to the audit results and recommendations. The PSC will monitor the implementation of Statistics Canada's action plan and its staffing performance through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Overall response by Statistics Canada

Statistics Canada strives for excellence in all of its staffing activities and values the insight provided by the Public Service Commission's audit report. Statistics Canada agrees with the audit findings contained within the report and welcomes the opportunity to further improve upon its overall staffing framework based on the recommendations provided. To reinforce the importance of the audit findings, all Statistics Canada employees will be informed of the results of the audit. In addition, all Statistics Canada sub-delegated managers will receive a message from the Chief Statistician outlining his expectations further to the audit.

An action plan has been developed with measures designed to address the audit findings, some of which are already underway. The thorough and timely implementation of this action plan is a priority for the agency. Statistics Canada is confident that the measures taken will further strengthen the agency's staffing framework and will improve compliance with all legislative, regulatory, and policy requirements.

Statistics Canada is proud of its Human Resources Management Governance Structure which greatly contributes to its strong staffing framework. The multiple committees that form the governance structure actively oversee high-risk staffing actions and contribute to strategic and sound staffing decision making, in addition to compensating for certain weaknesses identified in the audit report.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	33 (97%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	1 (3%)
Total appointments audited		34 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

Reasons for merit not being met or demonstrated	Number of incidences
Appointee did not meet one or more essential qualifications (experience, knowledge, competencies, personal suitability)	0
Appointee did not meet the official language proficiency	0
Appointee did not meet the education/occupational certification or qualification standard	0
Appointee did not meet the additional qualifications (asset, operational requirements and organizational needs) used to make the appointment	0
The essential qualifications (experience, knowledge, competencies, personal suitability) of the appointee were not fully assessed	0
The official language proficiency of the appointee was not fully assessed	0
The education/occupational certification or qualification standard were not fully assessed for the appointee	1
The additional qualifications (asset, operational requirements and organizational needs) used to make the appointment were not fully assessed	0

Source: Audit and Data Services Branch, Public Service Commission



Audit of Veterans Affairs Canada

Audit Conclusion

We concluded that Veterans Affairs Canada (VAC) had an appropriate framework, practices and systems in place to manage its appointment activities. A sub-delegation instrument was developed and communicated. Staffing plans and related strategies were in place, monitored and communicated. We also noted that roles and responsibilities were defined and communicated. Furthermore, VAC's mandatory appointment policies and criteria were established and adhered to. Finally, monitoring activities were undertaken but improvement in the data used is required.

We also concluded that merit was met in 100% (30 out of 30) of audited appointments. However, we found that persons with a priority entitlement may not have always received proper consideration and that information on appointments was not always communicated to persons entitled to be notified.



Audit of Veterans Affairs Canada

- 6.1 This audit covers Veterans Affairs Canada (VAC) appointment activities for the period between July 2012 and September 2013. The objectives of the audit were to determine whether VAC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes in VAC complied with the *Public Service Employment Act*, (PSEA), any other applicable statutory instruments, including the *Public Service Employment Regulations* (PSER), the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI), and related organizational appointment policies.
- 6.2 The Minister of Veterans Affairs is responsible for the care, treatment or re-establishment in civil life of any person who served in the Canadian Forces or merchant navy or in the naval, army or air forces or merchant navies of Her Majesty, of any person who has otherwise engaged in pursuits relating to war, and of any other person designated by the Governor in Council, and the care of their dependents and survivors. VAC's mission is to provide exemplary, client-centred services and benefits that respond to the needs of veterans, their other clients and their families, in recognition of their services to Canada and to keep the memory of their achievements and sacrifices alive for all Canadians.
- 6.3 As of December 31, 2012, VAC's workforce was comprised of 3 535 full-time equivalents. The majority of VAC's employees are located in Prince Edward Island and Quebec.
- 6.4 VAC made 95 appointments during the period covered by our audit. As part of our audit, we conducted interviews with human resources (HR) professionals and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 30 appointments.

Observations on the Appointment Framework

The *Public Service Employment Act* and the Public Service Commission's delegated authorities

An instrument of sub-delegation was in place

- 6.5 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.



- 6.6 We found that the deputy head had determined the terms and conditions, as well as the training, to be met by managers to exercise their appointment and appointment-related authorities prior to being sub-delegated. The deputy head put in place an official sub-delegation instrument that is compliant with the ADAI that is a signed agreement between the President of the PSC and the deputy head of VAC. This document and others describing roles and responsibilities are posted on the VAC intranet site and are accessible to all employees.
- 6.7 The deputy head established control mechanisms to ensure that terms and conditions of sub-delegation are met. These mechanisms include a departmental standardized process to track sub-delegated managers and the training taken to meet the terms and conditions of sub-delegation. Although some errors were found in the tracking list, they did not represent a significant risk, given that during our audit of 30 appointments, we found that all offers of appointment were signed by sub-delegated managers with the appropriate level of sub-delegation.
- 6.8 In October 2012, VAC also implemented a control on staffing processes. VAC's sub-delegated managers are required to submit HR requests for discussion and approval by a senior management committee. During our audit of 30 appointments, we found that when required, all staffing requests received approval through this senior management committee.

Planning for staffing

Staffing plans and related strategies were in place and communicated to employees

- 6.9 Organizational staffing plans and related strategies describe organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing plans and related strategies that are measurable, approved and communicated to employees.
- 6.10 We found that VAC's 2010–2013 Integrated Business and Human Resources Plan was communicated via the organization's intranet and included strategies to address its staffing needs. VAC had established a strategy of recruitment and reallocation of resources to address the need to attract and retain the right talent to the organization. We found that VAC's staffing plans and related strategies are measurable. Furthermore, we found that VAC monitored the results of its staffing plans and related strategies and adjustments were made, as required.



Appointment policies

Mandatory appointment policies and criteria were established and adhered to

- 6.11 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, any other applicable statutory instruments, including the PSER and the PSC Appointment Framework.
- 6.12 We found that VAC put in place the mandatory appointment policies for area of selection, corrective action and the criteria for the use of a non-advertised appointment process and that they are compliant with the PSC Appointment Framework. VAC's mandatory policies were communicated and accessible to all employees on their intranet site.
- 6.13 We found that all 23 advertised appointments from our sample complied with VAC's *Area of Selection Policy*. Furthermore, for internal advertised processes, VAC's policy identifies different geographical areas, depending on the group and level of the position being advertised. In all instances, this requirement was adhered to.
- 6.14 VAC developed criteria for the use of a non-advertised appointment process. We found the criterion "...call back of a former employee to perform the same or similar work when the employee had previously qualified in an advertised appointment process" was used in three out of seven non-advertised appointments audited. VAC was unable to demonstrate that the appointee in each of these cases had previously qualified in an advertised process in order to ensure compliance with their own criteria. In response to our audit observations, VAC modified the three aforementioned non-advertised documents to identify the proper criterion.

Capacity to deliver

Sub-delegated managers were informed of appointment-related responsibilities and had the support to carry them out

- 6.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 6.16 We found that those who have been assigned a role in VAC's appointment processes were informed of their responsibilities and had the support to carry them out, primarily through mandatory in-house training provided to managers and through various staffing tools and templates accessible through the organization's intranet.



- 6.17 Furthermore, we found that sub-delegated managers had access to an HR advisor who had passed the PSC Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC Appointment Framework, including appointment policies, delegation of authority and accountability and the legislative framework. VAC also developed a Staffing Certification Program for HR advisors that includes defined roles and responsibilities, mandatory courses, appointment review for specific staffing processes, recommended training activities and assessment by a trainer from VAC.
- 6.18 During our audit of appointments, we noted that HR advisors at VAC provided advice and guidance on staffing. In the audit of appointment processes, we found evidence of advice or guidance that was compliant with the PSC Appointment Framework.

Monitoring

Monitoring activities were undertaken but data errors had an impact on Veterans Affairs Canada's capacity to produce accurate reports

- 6.19 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework, including the ADAI, and adjust practices accordingly.
- 6.20 We found that VAC conducted monitoring through reviews of appointments. Results and recommendations coming from these monitoring activities were reported to senior management. A recurring recommendation was to ensure that HR advisors used and completed a standardized checklist. During the conduct of our audit, we found that a checklist was used in 29 out of 30 appointments.
- 6.21 The mandatory monitoring, as per the PSC Appointment Policies, such as acting appointments over 12 months, appointments of casual workers to term or indeterminate status through non-advertised processes and appointments to the Executive Group through non-advertised processes were conducted.
- 6.22 However, we found inconsistencies in the reported data and errors in VAC's HR management system. For example, one type of error was that a staffing action would have two different descriptions, such as casual and indeterminate. The data extracted from VAC's HR management system is used to inform senior management and the PSC on the health of their staffing environment. In November 2013, VAC began implementing actions to address the data quality issues found. **Refer to recommendation 1 at the end of this report.**



Observations on compliance

Merit was met in all of the appointments audited

- 6.23 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any asset qualifications, operational requirements and organizational needs identified by the deputy head.
- 6.24 We found that merit was met in 100% (30 out of 30) of appointments audited. The Appendix includes tables detailing our observations concerning merit for the appointments audited.

Persons with a priority entitlement may not have always received proper consideration

- 6.25 The PSEA and the PSER provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements and must also obtain a priority clearance from the PSC before making an appointment.
- 6.26 We found one instance where there were differences between the essential qualifications used for the appointment decision and those used for the priority request. In two other cases, there were differences in the conditions of employment in the priority request and those used to make the appointment that could have had an impact on the proper consideration of persons with priority entitlements. Although conditions of employment are set by the employer, persons with a priority entitlement are referred to positions based on their willingness to accept conditions of employment related to travel, overtime and shift work. As such, it is of concern to the PSC when they are not applied correctly. **Refer to recommendation 2 at the end of this report.**

Information on appointments was not always communicated to persons entitled to be notified

- 6.27 The PSEA requires that the name of the person being considered for each appointment be provided to all persons in the area of selection who participated in an advertised internal appointment process and all persons in the area of selection in a non-advertised internal appointment process.



- 6.28 We found that, in one internal advertised process, the Notification of Consideration and the Notification of Appointment or Proposal of Appointment were never issued. Therefore, the recourse period for the persons entitled to be notified was never closed. We also reviewed three appointments, resulting from two appointment processes, where VAC was unable to provide evidence that the persons entitled were notified and those eliminated from consideration were offered informal discussion. **Refer to recommendation 3 at the end of this report.**

Recommendations

1. The deputy head of Veterans Affairs Canada should ensure that the information captured in its human resources management system is accurate and complete for each appointment and appointment activity.
2. The deputy head of Veterans Affairs Canada should ensure that the essential qualifications and conditions of employment used for the appointment decision and those used for the priority clearance request are the same.
3. The deputy head of Veterans Affairs Canada should put in place control mechanisms to ensure that information on appointments is clearly communicated to persons entitled to be notified.

Conclusion

- 6.29 We concluded that Veterans Affairs Canada had an appropriate framework, practices and systems in place to manage its appointment activities. A sub-delegation instrument was established and communicated. Staffing plans and related strategies were in place, monitored and communicated. We also noted that roles and responsibilities in staffing were defined and communicated. Furthermore, VAC's mandatory appointment policies and criteria were established and adhered to. Finally, monitoring activities were undertaken but improvement in the data used is required.
- 6.30 We also concluded that merit was met in 100% (30 out of 30) of audited appointments. However, we found that persons with a priority entitlement may not have always received proper consideration and that information on appointments was not always communicated to persons entitled to be notified.



Action taken by the Public Service Commission

The PSC systematically reviews audit information as well as an organization's management response and associated action that it has taken or will take in response to the audit results and recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Veterans Affairs Canada's management response and the actions it has taken or has committed to take in response to the audit results and recommendations. The PSC will monitor the implementation of Veterans Affairs Canada's action plan and its staffing performance through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Overall response by Veterans Affairs Canada

The Department welcomes the recommendations as opportunities to further improve its existing staffing framework, practices and systems. Following the recommendations of the PSC, VAC has developed a comprehensive action plan and is committed to improving its practices, including more fulsome monitoring of electronic staffing information and the issuance of guidance within Human Resources (HR) on specific staffing topics. A number of measures have already been implemented or are underway. Consultations with key stakeholders have taken place during the development of the action plan to ensure that the HR Division is fully engaged in the successful implementation of the recommendations.

VAC is committed to achieving excellence in all aspects of its staffing framework, practices and systems. The Department works diligently to ensure that appointments are made in accordance with legislative and policy requirements, and are reflective of the guiding values.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	30 (100%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	0 (0%)
Total appointments audited		30 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

Reasons for merit not being met or demonstrated	Number of incidences
Appointee did not meet one or more essential qualifications (experience, knowledge, competencies, personal suitability)	0
Appointee did not meet the official language proficiency	0
Appointee did not meet the education/occupational certification or qualification standard	0
Appointee did not meet the additional qualifications (asset, operational requirements and organizational needs) used to make the appointment	0
The essential qualifications (experience, knowledge, competencies, personal suitability) of the appointee were not fully assessed	0
The official language proficiency of the appointee was not fully assessed	0
The education/occupational certification or qualification standard were not fully assessed for the appointee	0
The additional qualifications (asset, operational requirements and organizational needs) used to make the appointment were not fully assessed	0

Source: Audit and Data Services Branch, Public Service Commission



Follow-up audit of the Royal Canadian Mounted Police

Follow-up Audit Conclusion

The current follow-up audit objective was to determine whether the Royal Canadian Mounted Police (RCMP) had adequately responded to the recommendations made in the audit report published by the Public Service Commission (PSC) in May 2008. Based on our findings, we conclude that the Commissioner of the RCMP has adequately addressed all five recommendations.

Our follow-up audit found that actions were taken to clarify circumstances under which civilian members and temporary civilian employees will be appointed under the *Public Service Employment Act* (PSEA). A staffing management framework has been established and implemented. A monitoring system has also been implemented as well as planning for public service staffing activities. Based on our findings, the measures implemented to ensure that staffing decisions respect merit and the expectations set out in the PSEA were adequate.



Background

- 7.1 As Canada's national police force, the Royal Canadian Mounted Police (RCMP) was established in 1873 and is organized under the authority of the *Royal Canadian Mounted Police Act*. It is headed by the Commissioner, who reports to the Minister of Public Safety Canada. The RCMP's mandate is multi-faceted and its responsibilities include preventing and investigating crime; maintaining peace and order; enforcing laws; contributing to national security; ensuring the safety of state officials, visiting dignitaries and foreign missions and providing vital operational support services to other police and law enforcement agencies within Canada and abroad.
- 7.2 According to its 2012–2013 Departmental Performance Report, the RCMP had 29 669 full-time equivalents in its workforce, which includes regular and civilian members as well as public service employees appointed under the PSEA. The RCMP's workforce is comprised of almost 6,000 employees appointed under the PSEA of which nearly half work in the National Capital Region or in British Columbia.
- 7.3 In 2008, the Public Service Commission (PSC) completed an audit of the RCMP. The PSC found that the RCMP had not established and implemented an effective staffing management framework. In addition, the audit reported that the RCMP did not have an effective monitoring system to oversee risk areas in order to take corrective action when necessary. Human resources (HR) planning was also found to be weak. The audit concluded that the RCMP was not effectively managing its public service staffing activities since most of the appointments examined did not comply with the PSEA and the PSC Appointment Framework or did not respect the values set out in the PSEA. To address this and other audit findings, the PSC audit report included the following five recommendations:

1. *"The RCMP should appoint its civilian employees under the PSEA and clarify the circumstances under which civilian members and temporary civilian employees are appointed pursuant to the RCMP Act."*
2. *"The RCMP Commissioner must establish and implement an effective staffing management framework, ensure that all individuals involved in the staffing process receive appropriate training to carry out their assigned responsibilities and are held accountable."*
3. *"The RCMP Commissioner must take action to ensure that staffing decisions respect merit and the values of fairness, transparency, access and representativeness."*
4. *"The RCMP Commissioner must implement a monitoring system that will assess progress achieved on the basis of planned results and actively monitor areas at risk and take corrective action where necessary."*
5. *"The RCMP Commissioner must establish and implement human resource planning for public service employees that is integrated with the RCMP's business plans."*



- 7.4 As a result of the 2008 audit, the RCMP's Appointment Delegation and Accountability Instrument (ADAI) was modified to include five conditions of delegation in addition to the standard instrument. In June 2011, as a result of the progress made by the RCMP in implementing the audit recommendations, the PSC approved the removal of three of the five additional conditions of delegation. However, the PSC still required the RCMP to provide semi-annual reports on progress made in implementing the recommendations and to continue to work with a PSC special advisor. In September 2013, the Commission approved the removal of the remaining two additional conditions of delegation and the RCMP Commissioner signed a new standard ADAI with the PSC. This follow-up audit was part of the PSC audit plan for 2013–2014.

Purpose and methodology of the follow-up audit

- 7.5 The objective of the follow-up audit was to determine whether the RCMP had adequately responded to the five recommendations made in the audit report published by the PSC in May 2008. This follow-up audit covered the period between May 2008 and September 2013. As part of our methodology, we analyzed relevant documentation and conducted interviews. In addition, we reviewed a representative sample of 40 appointments from the 340 appointments carried out by the RCMP during the period from April 1, 2013, to September 30, 2013.
- 7.6 With regard to recommendation 5 of the 2008 audit, the follow-up audit did not assess the integration of HR planning with the RCMP's business plans, as this aspect of planning is no longer part of the PSC audit methodology.

Observations

- 7.7 This section presents each of the five recommendations made in the 2008 PSC audit report on the RCMP, followed by our observations related to their implementation.

Recommendation 1 from the 2008 PSC Audit

"The RCMP should appoint its civilian employees under the PSEA and clarify the circumstances under which civilian members and temporary civilian employees are appointed pursuant to the RCMP Act."



Actions were taken to clarify circumstances under which civilian members and temporary civilian employees will be appointed under the PSEA

- 7.8 In the 2008 PSC audit report, we reported that circumstances under which civilian employees and temporary civilian employees were appointed needed to be clarified, as RCMP officials were unable to demonstrate the existence of objective criteria for determining whether to hire civilian employees under the *RCMP Act* or the PSEA.
- 7.9 During our follow-up audit, we found that the Commissioner of the RCMP had adequately addressed this recommendation. In 2009, the RCMP established the Category of Employee Project that set out a national process for the review of positions within the RCMP. We found that as part of this project, new definitions and criteria were established for each category of employee, including regular members, civilian members and public servants and that these were communicated to employees. In addition, a National Category Review Committee was established to review and identify appropriate employee categories for positions within the RCMP, and provide an accountability framework to track the implementation of changes to approved categories.
- 7.10 Furthermore, the *Enhancing Royal Canadian Mounted Police Accountability Act*, which received Royal Assent on June 19, 2013, includes provisions to deem civilian members, at a date to be determined by the Treasury Board, to be persons appointed under the PSEA. In the future, only regular members will be hired under the *RCMP Act*.

Recommendation 2 from the 2008 PSC Audit

“The RCMP Commissioner must establish and implement an effective staffing management framework, ensure that all individuals involved in the staffing process receive appropriate training to carry out their assigned responsibilities and are held accountable.”

An appropriate staffing management framework was in place

- 7.11 In the 2008 PSC audit report, we reported that the RCMP had implemented a staffing management framework but it was not operating as designed. Responsibility for staffing was sub-delegated to staffing advisors but hiring managers with limited training and knowledge of the appointment framework were, in most cases, directing staffing. In addition, the hiring managers were offered the opportunity to attend staffing information sessions along with other employees but were not required to do so.
- 7.12 The follow-up audit found that the RCMP Commissioner had adequately addressed this recommendation by establishing and implementing a staffing management framework, including measures relating to sub-delegation to ensure that those involved in the staffing process receive appropriate training and are held accountable.



- 7.13 In September 2010, the RCMP established its organizational Staffing Management Accountability Framework which defines and clarifies the roles and responsibilities for delegated appointment-related authorities. The RCMP Commissioner approved in December 2011 an Instrument of Sub-Delegation of PS Staffing Authorities that complies with the ADAI and includes the conditions to be met by officials prior to exercising staffing authorities. For example, sub-delegated persons must commit in writing to respect the conditions of the ADAI by signing a sub-delegation commitment agreement and must complete mandatory training prior to exercising staffing authorities. In December 2011, the RCMP identified the mandatory training requirements for the exercise of public service staffing authorities.
- 7.14 The RCMP also put in place supporting tools relating to the sub-delegation process such as a document describing the various levels of sub-delegation and a list identifying individuals with sub-delegated public service staffing authorities. In addition, we found Guidelines for Managing Sub-delegated Appointment and Appointment-related Authorities were established to support the implementation of the ADAI and to ensure accountability for sub-delegated authorities.
- 7.15 In the 40 appointments audited, we found that the offers of appointment had been signed by a sub-delegated person with the appropriate level of sub-delegation. In addition, we found that 19 of the 19 sub-delegated persons who signed offers of appointment had signed a sub-delegation commitment agreement prior to exercising their appointment and appointment-related authorities.
- 7.16 Depending on the sub-delegated person's position, the mandatory training requirements included the completion of external and/or in-house training. Given the extent and informality of the in-house training, the RCMP was unable to provide, for the most part, supporting evidence that sub-delegated persons had completed the in-house training requirements. However, we found that the RCMP was able to provide evidence that 19 of the 19 sub-delegated persons had completed the mandatory requirements which included the external and/or in-house training.

Recommendation 3 from the 2008 PSC Audit

"The RCMP Commissioner must take action to ensure that staffing decisions respect merit and the values of fairness, transparency, access and representativeness."

Merit was met in all appointments audited and decisions were consistent with the values

- 7.17 In the 2008 PSC audit report, we found that 86% of appointments examined did not comply with the PSEA, the PSC Appointment Framework or did not respect the values set out in the PSEA. In addition, we reported that in 50% of the appointments examined, key information was missing to support the appointment decision.



- 7.18 We found that the Commissioner of the RCMP took action to address adequately this recommendation. For example, several staffing tools were developed for the staffing community and sub-delegated managers in order to standardize the approach to documenting staffing files such as a guide for writing rationales for non-advertised appointments, guides for writing narrative assessments and documentation of right fit as well as templates for offers of appointment and staffing checklists. A “staffing tool box” was also established and made available on a shared drive, to provide a nationally-accessible repository to public service HR advisors in order to standardize the application of staffing tools.
- 7.19 In addition, we found that the RCMP developed and held a variety of learning activities for the staffing community such as monthly conference calls and smart shops. Bulletins were also issued on staffing-related topics and are accessible on the staffing community’s shared drive for future reference. Furthermore, a staffing certification program for HR advisors was implemented in 2012 and includes two key components: the acquisition of specialized knowledge and the demonstration of skills and abilities.
- 7.20 As part of our follow-up audit, we examined a representative sample of 40 appointments. We found that 100% (40 out of 40) of the appointments audited were made on the basis of merit. In addition, we found that all non-advertised processes were supported by a written rationale that demonstrates how the process met the established organizational criteria and is consistent with the expectations set out in the PSEA.
- 7.21 Furthermore, we found that the reasons for the appointment decision for advertised appointments were documented in all advertised appointments audited where this was required. We also found that the staffing files included a staffing checklist in 38 of the 40 appointments audited. In May 2014, the RCMP provided signed copies of the missing checklists as a corrective measure.
- 7.22 The RCMP obtained the required priority clearance before proceeding with an appointment process in all appointments audited. We found that in all appointments audited, the position requirements used to obtain priority clearance and to make the appointment decision were the same and that in 93% (37 out of 40) of the appointments audited, the essential qualifications used to obtain priority clearance and to make the appointment decision were the same. Persons with a priority entitlement were referred by the PSC in 80% (32 out of 40) of appointments examined. In one of these appointments, the organization was unable to provide evidence to demonstrate whether the persons with a priority entitlement had been considered.

Recommendation 4 from the 2008 PSC Audit

“The RCMP Commissioner must implement a monitoring system that will assess progress achieved on the basis of planned results and actively monitor areas at risk, and take corrective action where necessary.”



A monitoring system was in place to monitor staffing activities and allowed for corrective action

- 7.23 In the 2008 PSC audit report, we reported that the RCMP's monitoring system did not adequately identify problems and allow for corrective measures to be taken on a timely basis. The system lacked a monitoring framework for staffing risks and data integrity issues were identified in the RCMP's HR management information system. Consequently, those responsible for monitoring were unable to identify appointments that did not comply with the PSEA.
- 7.24 During our follow-up audit, we found that the Commissioner of the RCMP had adequately addressed this recommendation by implementing a monitoring system in order to oversee staffing activities and allow for corrective measures.
- 7.25 We found that in 2010, the RCMP Commissioner established an Oversight and Investigations Unit which is responsible for monitoring staffing activities and investigations of appointment processes. Guidelines on Recourse and Redress Mechanisms were also developed to inform employees of the organizational redress and recourse mechanisms in place and to ensure that complaints received about public service appointment processes are treated effectively and consistently.
- 7.26 In January 2011, the RCMP approved a Public Service Staffing Monitoring and Reporting Framework. The RCMP also established Staffing Monitoring Plans for fiscal years 2011–2012, 2012–2013 and 2013–2014 that outlined the elements to be monitored, including PSC mandatory monitoring requirements and risk areas identified by the organization.
- 7.27 We found that several monitoring exercises of staffing activities were conducted, some corrective measures were taken and results were reported to senior management. For example, the RCMP conducted a targeted monitoring exercise in 2012 of staffing activities in one Division which identified deficiencies, including issues relating to merit, documentation, priority consideration and appropriate levels of sub-delegation. As a result of these findings, corrective measures were applied, including the development of a performance management plan to address deficiencies. A follow-up monitoring exercise of staffing activities was conducted by the RCMP in 2013. While some improvement had been demonstrated, it was recommended that remedial measures remain in place to allow for continued improvement in all areas of more complex staffing activities.
- 7.28 Furthermore, the electronic data verification of the RCMP's HR management system performed during our follow-up audit indicated a high degree of accuracy and completeness.

Recommendation 5 from the 2008 PSC Audit

"The RCMP Commissioner must establish and implement human resource planning for public service employees that is integrated with the RCMP's business plans."



Planning for public service staffing activities took place

- 7.29 In the 2008 PSC audit report, we reported that the absence of a corporate HR plan for public service employees meant that there were neither national staffing objectives nor a coordinated staffing strategy to fill vacancies in critical positions.
- 7.30 We found that the Commissioner of the RCMP had adequately addressed this recommendation by implementing measures relating to planning for public service staffing activities. More specifically, the RCMP developed and approved public service staffing strategies for 2011–2014. We found that the RCMP monitored the implementation of its 2011–2012 staffing strategies, resulting in the development and approval of both a mid-term report and a final report for 2011–2012 that were reported to senior management. These reports compared actual to planned results and made recommendations to ensure that staffing strategies continue to align with organizational priorities.
- 7.31 In addition, we found that the RCMP developed and approved public service staffing priorities and related strategies for 2012–2014, based on an environmental analysis of key factors and challenges, including performance measures. The RCMP also developed public service staffing strategies for 2013–2015, although these were not yet approved at the time of this follow-up audit.

Conclusion

- 7.32 In 2008, the PSC tabled an audit of the RCMP and reported that the RCMP did not effectively manage its public service staffing activities since most appointments examined did not comply with the PSEA and the PSC Appointment Framework or did not respect the values set out in the PSEA.
- 7.33 The objective of the follow-up audit was to determine whether the RCMP had adequately responded to the recommendations made in the audit report published by the PSC in May 2008.
- 7.34 Based on our findings, we conclude that the Commissioner of the RCMP has adequately addressed all five recommendations from the 2008 PSC audit report. Our follow-up audit found that actions were taken to clarify the circumstances under which civilian members and temporary civilian employees will be appointed under the PSEA. An appropriate staffing management framework has been established and implemented, including measures relating to sub-delegation. Furthermore, we found that a monitoring system has been implemented to oversee staffing activities and allow for corrective action, as needed. Based on our findings, the measures implemented to ensure that staffing decisions respect merit and the expectations set out in the PSEA were adequate. Finally, we found that planning for public service staffing activities took place.



Action taken by the Public Service Commission

The PSC systematically reviews audit information as well as the organization's management response to follow-up audits to determine whether any action should be taken by the PSC. As a result of this review, the PSC found that the Royal Canadian Mounted Police has made substantial progress since the 2008 PSC audit and has adequately addressed the audit recommendations. The PSC will continue to monitor the Royal Canadian Mounted Police staffing performance through its regular monitoring activities, including the annual departmental staffing accountability report.

Overall response from the Royal Canadian Mounted Police

The Royal Canadian Mounted Police concurs with the findings of the Public Service Commission's follow-up Audit of its public service staffing practices and decisions. We believe the positive results of the audit to be a true reflection of the RCMP's efforts to uphold the integrity of our public service staffing activities.



Audit of Employment and Social Development Canada

Audit Conclusion

We concluded that most of the elements of Employment and Social Development Canada's (ESDC) appointment framework were in place. ESDC had put in place a sub-delegation instrument that was accessible to all employees and bargaining agents. Related controls were established but did not always produce the intended result of ensuring that sub-delegated managers met all the conditions of sub-delegation prior to exercising their staffing authority. Roles and responsibilities were defined and communicated to managers and human resources (HR) professionals. However, there were opportunities for improvement in how these roles and responsibilities were carried out. Finally, we found that the monitoring of staffing activities was not always effective.

We also concluded that merit was met in 85% (38 out of 45) of the appointments, was not demonstrated in 13% (6 out of 45) and not met in 2% (1 out of 45). Furthermore, we found that the information on appointment processes was not always accurate and clear and that evidence of the required oath or solemn affirmation was sometimes not available. Finally, we found that persons with a priority entitlement may not have always received proper consideration.



Audit of Employment and Social Development Canada

- 8.1 This audit covers ESDC appointment activities for the period between December 1, 2012 and November 30, 2013. The objectives of the audit were to determine whether ESDC had an appropriate framework, practices and systems in place to manage its appointment activities and whether appointments and appointment processes in ESDC complied with the *Public Service Employment Act* (PSEA), any other applicable statutory instruments, including the *Public Service Employment Regulations* (PSER), the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI), and related organizational appointment policies.
- 8.2 As outlined in its 2014-2015 Report on Plans and Priorities, the mission of ESDC is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians' quality of life. ESDC delivers a range of programs and services that affect Canadians throughout their lives through three business lines: Employment and Social Development, Labour Program and Service Canada.
- 8.3 ESDC carried out 1 087 appointments, excluding acting appointments during the period covered by the audit. As part of our audit, we conducted interviews with human resources (HR) professionals and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 45 appointments.
- 8.4 The organization reported that during the period covered by the audit, ESDC underwent a significant transition during which it managed the cumulative impact on its programs, service and workforce as it implemented budget reductions related to the Spending Review 2012, the strategic review of 2010 and the government-wide operating budget freeze. In light of the resulting adjustments that took place across the organization, ESDC redirected its HR focus to manage the workforce adjustment exercise. To this effect, ESDC relied on senior management committees, namely the Vacancy Management Committees, to approve each indeterminate appointment request instead of following its established staffing plan for the period covered by the audit. Consequently, the audit team did not audit whether ESDC established staffing plans and related strategies and whether these were measurable, approved and communicated to employees.



Observations on the Appointment Framework

The *Public Service Employment Act* and the Public Service Commission's delegated authorities

A sub-delegation instrument was in place, but related controls did not always produce intended results

- 8.5 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads, who in turn may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 8.6 During the period covered by the audit, the deputy head of ESDC was granted delegated appointment and appointment-related authorities through an ADAI provided by the PSC.
- 8.7 The deputy head had established an instrument to sub-delegate appointment and appointment-related authorities to managers; this instrument was accessible to all employees and bargaining agents. In order to be sub-delegated at a certain level, the individual had to be in a managerial position, have financial delegation, report to a supervisor with a higher delegation level, complete the required staffing training, receive a sub-delegation letter from the deputy head and sign it to confirm their acceptance of the sub-delegated authorities.
- 8.8 We were informed that, prior to June 2012, ESDC did not monitor its requirement that sub-delegated managers report to a supervisor with a higher delegation level. As a result, ESDC was not able to provide evidence that this condition was met for managers who had been sub-delegated before that date and had signed 78% (35 out of 45) of offers of appointment.
- 8.9 ESDC required the approval of its Vacancy Management Committees for all indeterminate appointments. We found that ESDC demonstrated that this required approval was obtained for all appointments audited.



- 8.10 We also found that ESDC maintained a list of sub-delegated managers. This list was used by HR advisors to ensure that the manager signing an offer of appointment was authorized to make the appointment. We found that 44 offers of appointment within the sample of 45 appointments audited were signed by sub-delegated managers. In the remaining case, ESDC was unable to provide evidence to support that the manager accepted the sub-delegation.
- 8.11 Also, we found that when managers were appointed on a temporary basis to a higher managerial position, a higher sub-delegation level was granted by the deputy head but there was no control to ensure that the sub-delegation was rescinded after this period ends. Thus, managers were still granted staffing authorities higher than the ones allowed by their original position. In May 2014, ESDC indicated that the sub-delegation process will be amended to address this issue. **Refer to recommendation 1 at the end of this report.**

Appointment policies

Mandatory appointment policies and criteria were established and compliant

- 8.12 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects other appointment policies that organizations develop to be compliant with the PSEA, any other applicable statutory instruments, including the PSER and the PSC Appointment Framework.
- 8.13 We found that ESDC had put in place mandatory policies for area of selection, corrective action and revocation as well as criteria for the use of non-advertised appointment processes. We found that ESDC consulted with stakeholders, including senior officials, HR representatives and bargaining agents.
- 8.14 These appointment policies and criteria were compliant with the PSEA, the PSER and the PSC Appointment Framework; they were communicated to all employees, as well as bargaining agents and they were available on the organization's intranet site.

Capacity to deliver

Roles and responsibilities were defined, but were not always carried out as intended

- 8.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.



- 8.16 We found that roles and responsibilities were defined, documented and communicated through various organizational documents such as: the ADAI, the instrument of sub-delegation, the organizational appointment policies and the agreements of sub-delegation of appointment and appointment-related authorities. All of these were available to employees through ESDC's intranet site. We also found that sub-delegated managers had access to an HR advisor who passed the PSC Appointment Framework Knowledge Test. This test is designed to evaluate the knowledge of all parts of the PSC Appointment Framework, including appointment policies, delegation of authority as well as the legislative framework.
- 8.17 Furthermore, ESDC required its HR advisors to follow additional staffing-related training in order to effectively support the sub-delegated managers throughout the appointment process. However, ESDC was not able to provide evidence that this requirement was met as the organization had not been monitoring whether the training was completed. **Refer to recommendation 1 at the end of this report.**
- 8.18 In addition, various staffing tools were available to support managers, such as the staffing process flow chart that specified that the HR advisor's role is to review the offer of appointment prior to sending it to the manager for sign-off. However, we found that the review of the offer of appointment by the HR advisor was not always effective as it did not always set out all the conditions of the appointment. In 44% (20 out of 45) of appointments, the offers of appointment did not specify all the conditions of appointment, such as successful completion of Citizen Services Officer training; willing and able to lift 10-23kg; and willing and able to work variable hours, including working evenings, weekends and/or shift work and/or part-time or full-time hours based on operational requirements. According to the *PSC Policy on Selection and Appointment*, the offers of appointment must clearly set out all the conditions of the appointment in order to provide selected candidates all information necessary to make an informed decision to accept or reject the offer. **Refer to recommendation 2 at the end of this report.**

Monitoring

Some monitoring activities took place, but they were not always effective

- 8.19 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC Appointment Framework, including the ADAI, and adjust practices accordingly.



- 8.20 We were informed that ESDC redirected some of its monitoring efforts to focus on the development and implementation of a workforce management strategy to manage the workforce adjustment exercise during the period covered by the audit. At the same time, ESDC reported that it was implementing a new HR structure that included re-assigning the staffing monitoring function to the same division responsible for other corporate staffing functions within the organization.
- 8.21 We found that ESDC conducted monitoring of acting appointments of over 12 months. However, the organization did not conduct the other mandatory monitoring required by the PSC Appointment Framework, namely monitoring of appointments of casual workers to term or indeterminate status through non-advertised processes and appointments to the executive group through non-advertised processes.
- 8.22 We also found that the organization undertook monitoring of its staffing activities, including a review in 2012-2013 of 100 appointments, as well as used staffing file checklists to ensure that important information to demonstrate merit was available to support appointment decisions. In addition, ESDC's internal audit team conducted an assessment of the organization's staffing framework based on information found in the Departmental Staffing Accountability Report submissions to the PSC.
- 8.23 The main recommendations resulting from ESDC's monitoring activities included: requiring documentation of HR challenge function, ensuring all elements of the Statement of Merit Criteria (SoMC) are properly and individually assessed and, finally, that documents requiring the signature of sub-delegated managers are accurate and placed on the appointment file.
- 8.24 We found, however, that actions were not always taken to effectively address these recommendations. For instance, ESDC's appointment files did not always include proof of education, assessment material, language evaluation results and articulation of the reasons for the selection of appointees. As a result, in our sample, important information to demonstrate merit was missing in five appointments.
- 8.25 We also found that the information available at ESDC on its appointment information system and its individual appointment activities was not always complete and reliable. For example, the length of acting appointments recorded in the organization's HR database was not always properly calculated. Thus, the organization could not determine whether these appointments should have been subject to an assessment of merit, or whether they required a rationale to demonstrate how a non-advertised process meets the organization's criteria for this type of appointment process and is consistent with the values set out in the PSEA. We were informed that the organization has taken steps to ensure that the data quality issues are addressed. **Refer to recommendation 2 at the end of this report.**



Observations on compliance

Merit was met in most of the appointments

- 8.26 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head, and, if applicable, any asset qualifications, operational requirements and organizational needs identified by the deputy head.
- 8.27 We found that merit was met in 85% (38 out of 45) of the appointments. However, it was not demonstrated in 13% (6 out of 45) of appointments and not met in 2% (1 out of 45) of appointments.
- 8.28 Merit was not met in an external advertised term appointment as the appointee did not meet the educational requirement for the position as established by ESDC.
- 8.29 Merit was not demonstrated in six appointments: In five appointments, this was due to missing important information to fully demonstrate that the appointment was made on the basis of merit, such as proof of education and assessment material and, in one appointment, some of the essential qualifications were not assessed. The Appendix includes tables detailing our observations concerning merit for the appointments audited. **Refer to recommendation 2 at the end of this report.**

Persons with a priority entitlement may not have always received proper consideration

- 8.30 The PSEA and the PSER provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with a priority entitlement and must also obtain a priority clearance from the PSC before making an appointment.
- 8.31 We found that 16% (7 out of 45) of appointments did not respect the PSC requirements that are designed to ensure that persons with a priority entitlement are appointed ahead of all others if they are found qualified. For instance, in one case the required priority clearance number was not obtained by the organization from the PSC and for two appointments, the persons with a priority entitlement referred by the PSC were assessed after the issuance of the offer of appointment. For four other appointments, there were significant differences in either the essential qualifications or the condition of appointment or tenure used in the request for priority clearance and those used to make the appointment decision. Such situations could have resulted in persons with a priority entitlement not being appropriately considered. **Refer to recommendation 3 at the end of this report.**



Information on appointment processes was not always accurate and clear

- 8.32 We found that in 24% (11 out of 45) of the appointments, inaccurate or unclear information on the appointment processes was provided to either or both persons with a priority entitlement and applicants. For example, the English and French versions of the advertisement or the SoMC were not aligned. In one instance, the essential qualifications included eight abilities and personal suitability factors in the English version, but the French version identified these eight abilities and personal suitability factors as asset qualifications. Inaccurate or unclear information on an advertisement or SoMC could have an impact on the decision of potential applicants to apply or avail themselves of their recourse rights. **Refer to recommendation 2 at the end of this report.**

Evidence of the required oath or solemn affirmation was sometimes not available

- 8.33 As required by the PSEA, the effective date of appointment for a person being newly appointed to the public service is the later date that is agreed to in writing by the sub-delegated manager and the appointee and the date on which the appointee takes and subscribes the oath or solemn affirmation. Not having evidence that the oath or solemn affirmation were taken and subscribed to may mean that the appointment does not meet the legislative requirements.
- 8.34 We found that for 6 out of 28 appointments where the person was required to take and subscribe the oath or solemn affirmation, ESDC was unable to provide evidence that either the oath or solemn affirmation was taken or subscribed on or before the date of the appointment identified in the offer of appointment. A lack of sufficient control could result in persons being appointed without having met the legal requirement of the PSEA to take and subscribe the oath or solemn affirmation. **Refer to recommendation 2 at the end of this report.**



Recommendations

1. The deputy head of Employment and Social Development Canada should ensure that the organization is able to demonstrate that managers meet the conditions of sub-delegation before exercising appointment-related authorities and that human resources advisors meet the organization's established training requirements in order to effectively support managers throughout the appointment process.
2. The deputy head of Employment and Social Development Canada should ensure that:
 - Offers of appointment set out all the conditions of appointment;
 - Data on appointment activities is complete and reliable;
 - Information on job advertisements is accurate and clear for potential applicants;
 - Appointees have taken and subscribed the oath or solemn affirmation prior to or on the date of the appointment, when applicable; and
 - Effective monitoring occurs to ensure that appointments are compliant and there is sufficient evidence to demonstrate that appointments are made on the basis of merit.
3. The deputy head of Employment and Social Development Canada should ensure that sub-delegated managers give proper consideration to persons with a priority entitlement before making an appointment.

Conclusion

- 8.35 We concluded that most of the elements of ESDC's appointment framework were in place. ESDC had put in place a sub-delegation instrument that was accessible to all employees and bargaining agents. Related controls were established but did not always produce the intended result of ensuring that sub-delegated managers met all the conditions of sub-delegation prior to exercising their staffing authority. Roles and responsibilities were defined and communicated to managers and HR professionals. However, there were opportunities for improvement in how these roles and responsibilities were carried out. Finally, we found that the monitoring of staffing activities was not always effective.
- 8.36 We also concluded that merit was met in 85% (38 out of 45) of the appointments, was not demonstrated in 13% (6 out of 45) and not met in 2% (1 out of 45). Furthermore, we found that the information on appointment processes was not always accurate and clear and that evidence of the required oath or solemn affirmation was sometimes not available. Finally, we found that persons with a priority entitlement may not have always received proper consideration.



Action taken by the Public Service Commission

The PSC systematically reviews audit information as well as an organization's management response and associated action that it has taken or will take in response to the audit results and recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Employment and Social Development Canada's management response and the actions it has taken or has committed to take in response to the audit results and recommendations. The PSC will monitor the implementation of Employment and Social Development Canada's action plan and its staffing performance through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Overall response by Employment and Social Development Canada

Employment and Social Development Canada (ESDC) is in agreement with the findings and recommendations of this report and acknowledges that the facts presented are accurate.

The Department takes its delegated authorities seriously and works hard to ensure that appointments are made in accordance with legislative, regulatory and policy requirements as well as the Public Service Employment Act core and guiding values.

ESDC is committed to continuously improving its staffing regime and to addressing the issues raised in the audit in a timely and effective manner. To this end, a comprehensive Management Action Plan that addresses the recommendations outlined in this report has been developed and the Department has already begun to take action.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements.	38 (85%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified.	1 (2%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements.	6 (13%)
Total appointments audited		45 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

Reasons for merit not being met or demonstrated*	Number of incidences
Appointee did not meet one or more essential qualifications (experience, knowledge, competencies, personal suitability)	0
Appointee did not meet the official language proficiency	0
Appointee did not meet the education/occupational certification or qualification standard	1
Appointee did not meet the additional qualifications (asset, operational requirements and organizational needs) used to make the appointment	0
The essential qualifications (experience, knowledge, competencies, personal suitability) of the appointee were not fully assessed	4
The official language proficiency of the appointee was not fully assessed	0
The education/occupational certification or qualification standard were not fully assessed for the appointee	2
The additional qualifications (asset, operational requirements and organizational needs) used to make the appointment were not fully assessed	3

Source: Audit and Data Services Branch, Public Service Commission

* In some cases, more than one reason applies to an appointment.



