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# AUDIT REPORT

HUMAN RESOURCES MANAGEMENT

Audit Services Division

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Approved by Chief Public Health Officer  
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Canada 

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## Executive Summary

1. The internal audit of the Agency's human resources management (HRM) was carried out in accordance with the Agency Risk-Based Audit plan supported by a detailed audit program designed to address those areas of human resources management considered to be of greatest importance to the success of the Agency. The audit examined human resources management as a managerial responsibility and as a staff function. Structured interviews were conducted with thirty-four senior managers and nine human resources management specialists. A survey of the Human Resources Directorate (HRD) staff was conducted. Key areas of human resources management including staffing and staff performance management were examined in detail.
2. The Public Health Agency of Canada (PHAC) was created in 2004 subject to the human resources management framework of legislation, policies and guidelines applicable to a government department of the Public Service. At that time it was decided that human resources support services were to be provided by Health Canada in the regions in accordance with Memorandums of Understanding (MOUs), and Agency HRD specialists located in Ottawa and Winnipeg. The Agency was expected to rely on the Health Canada human resources management policy framework and information systems. While these decisions were expedient, they did not anticipate changes to the legislation and to the accountability structure applicable to human resources management. To some extent this has also detracted from the establishment of an HRD with roles, responsibilities and accountabilities anchored in policy. An Agency human resources management policy framework is important to the determination of the size, capacity and deliverables of HRD, and to clarifying managerial roles and responsibilities with respect to HRM.
3. The Agency has a delegated authorities system for human resources management. HRD has also identified its reporting requirements to central agencies. HRD has developed plans and priorities aligned with the priorities of the Agency. We noted that the plans and priorities of HRD are not subject to approval. HRD is not required to produce an annual report on its activities.
4. HRD has been striving to meet the human resources (HR) service and support requirements of managers including those in key growth areas of the Agency. While this effort clearly deserves recognition, there is evidence that HRD is not yet structured or positioned to meet the HR service and support requirements of the Agency in a consistent and efficient manner. In general, HRD operates in a reactive mode because it lacks the capacity, policy framework, systems and processes required to work effectively in partnership with management. This situation is exacerbated by high employee turnover in HRD and a shortage of HR specialists resulting in reliance on short-term solutions. In addition, many PHAC managers are new and only have a cursory understanding of the shared roles and

responsibilities for human resources management because they have not been adequately trained. Further, managers have not been provided with the information and managerial tools required to fulfill their HR management roles and responsibilities and rely on external HR support.

5. Human Resources Planning (HRP) is a government priority and a key component of the Management Accountability Framework (MAF). The Agency recently developed a preliminary Integrated Human Resources Plan (IHRP) which included information on its current employees and also identified shortages/staffing requirements. While this plan identifies available options such as collective staffing, it does not identify all of the important HR issues and concerns facing the Agency such as a lack of job classification expertise, inadequate human resources information, and the high use of casuals, terms and acting appointments. Furthermore, the IHRP does not set out a detailed action plan along with identified priorities, a description of the work to be performed, the results expected, the timeframes and the names of those responsible and accountable for reporting on progress and results and the managerial training and tools required.
6. The Agency is required to carry out its staffing activities in accordance with applicable legislative requirements and its Staffing Managerial Accountability Framework (SMAF). This audit examined a sample of the more than 1,400 Agency appointments made in 2007. This sample excluded all staffing activities such as casual appointments that were not subject to the requirements of the *Public Service Employment Act (PSEA)*. The sample included appointments to executive positions and other occupational groups.
7. The examination of staffing revealed that staffing units are under constant pressure to provide a large number of Agency managers with the services, support and guidance important to the expedient staffing of their vacant jobs. In many cases, the managers involved are not clear about their staffing roles and responsibilities and the documentation requirements of the applicable staffing process. This combination of managerial uncertainty and pressure to move quickly sometimes results in the staffing process moving faster than the paper work with the expectation that the required documentation will catch up in time. While this approach helps to avoid delays that could contribute to the loss of good candidates or client dissatisfaction, it also results in some appointments being made before all of the required documentation requirements are met. In addition, while checklists are being used to maintain awareness of the status of the staffing documentation, the high volume of staffing activity reduces the time available (or priority) to follow-up with requests or reminders for any missing documentation.
8. Overall, advertised appointment processes were better documented than non-advertised processes. There was no evidence of any deliberate attempt to circumvent the requirements of the PSEA including Official Languages requirements and Agency security requirements. In some cases the rationale for using a non-advertised process was inadequate or missing. In some instances the

candidate assessment information was incomplete or inadequate. The signed statement of impartiality was sometimes missing and in many cases there was no evidence of reference checks having been carried out where required. Staffing files were sometimes difficult to find and in a number of instances, the staffing files could not be located.

9. We examined the performance management process applicable to senior managers in the Agency. This examination included a review of the process applicable to executive and exclude MD-MOF5s eligible for pay at risk. We found that the process for this group is designed and applied in a manner that meets the requirements of pay for performance and that performance assessments are based on performance agreements. In most cases however, the Agency template is not used as intended thereby reducing assurance that the priorities of the Clerk and the Agency are being adequately addressed. These performance agreements, usually developed by the manager and discussed with the supervisor, were not in a standardized format and key and ongoing commitments were not always described in measurable terms. Many of the performance assessments did not contain a narrative assessment in support of the rating. The performance management process applies to all of those in executive and excluded MD-MOF 5 positions, but excludes almost all of the 31 interchange-in participants, even though many are in key positions.

## **Conclusion**

10. The Agency, established less than four years ago, has made substantial progress in building its capacity. However, to minimize the risk that the Agency will not have the qualified people required to fulfill its mandate significant capacity building remains to be done. The effectiveness of this capacity building, subject to the people management framework of legislation, policies, guidelines applicable to a public service department will depend on a number of factors including:
  - a human resources function with the capacity to provide the leadership, guidance, services and support important to good people management practices;
  - managers with the knowledge and tools required to carry out their people management roles and responsibilities in a complete and timely manner; and
  - executive leadership that continues to reinforce the importance of effective people management practices as a high level Agency priority subject to accountability for the results desired.

## Background

11. The Public Health Agency of Canada (PHAC) was created in 2004 with a mandate to strengthen health protection, reduce risks to public health and help Canadians to live healthier lives. To address this mandate PHAC developed its vision and established a direction based on leadership, capacity, synergy and knowledge and, started the process of building the Agency subject to the human resources management framework of legislation, policies and guidelines applicable to public service departments. Many of the requirements associated with applicable legislation, including the *Public Service Staff Relations Act* and the *Public Service Employment Act* along with the related Management Accountability Framework (MAF) and Staffing Managerial Accountability Framework (SMAF), require managerial support from human resources specialists. The adequacy of this support from HR specialists is critical to the building of the Agency in an efficient and effective manner and meeting the requirements of delegated authority and accountability, as well as government priorities related to human resources management.
12. When the Agency was established it was decided that human resources support services would be provided by Health Canada in the regions under the terms of Memorandums of Understanding (MOUs). There would also be a HRM service/support function including a small group of HR specialists in Ottawa and Winnipeg. This small group was previously providing HR services including pay and benefits services at the branch level in Health Canada. It was also decided that the Health Canada HRM policy framework would prevail. While these decisions were expedient, they were not based on a human resources plan addressing all of the human resources management implications including a service delivery model that was capable of meeting the demands of a new Agency expected to grow rapidly for a number of years. Since its inception the number of Agency's employees has increased from 1400 to approximately 2,200. More than half of the Agency's employees are located in the National Capital Region (NCR). The remainder are mainly employed at laboratories in Winnipeg and Guelph and in regional offices across the country. Almost half of the Agency's employees are professionals, many in occupational shortage areas that challenge retention and recruitment. To a large extent, the success of the Agency depends on its ability to attract and retain the staff required.
13. The Human Resources Directorate (HRD) provides human resources management services and support to Agency managers in the National Capital Region and Winnipeg, as well as the Ontario Region. In other regions, staffing services and support are provided by Health Canada under the terms of a Memorandum of Understanding (MOU). This service arrangement is currently under review in the Québec Region.
14. Since the Agency's inception, the HRD has been endeavouring to build its capacity

while providing services and support to managers as well as meeting the central agency's reporting requirements, using the information system that belongs to Health Canada. While the number of people in HRD has increased, capacity building has been slow because of a shortage of human resources management specialists, the requirement to repatriate some services from Health Canada, and high employee turnover attributed in part to a move from Ottawa to Gatineau and back to Ottawa in the last year. At present, more than half of the employees in HRD have been with the Agency for less than one year and a significant number are not yet fully trained in their field. To cope with this situation, HRD has hired coaches to work with new staff, and it also relies on temporary help and overtime. At present, HRD is pursuing an initiative to out-source job classification because of a serious shortage of job classification specialists in the Public Service. In the meantime, the work load continues to exceed HRD capacity.

## Introduction

15. In May 2007, the Agency's Executive Committee approved the Agency Risk-Based Audit Plan (2007-2010). This plan identified human resources management as an audit project for 2007/2008.
16. In February 2008, the Human Resources Management Audit Plan was approved with a focus on those areas of human resources management considered to be of greatest importance to the success of the Agency, including the definition and delineation of roles and responsibilities for human resources management, human resources planning, staff performance management and staffing. The staffing component of the audit which covered staffing processes applicable to executive and other occupational groups during 2007 was based on legislative requirements including competency and representativeness and the staffing values of fairness, access and transparency.
17. The audit criteria, sub-criteria, methodology, audit program, survey questionnaire, interview templates and file review templates were developed in December of 2007 and formed the basis for the approved Audit Plan. Interviews with managers and HR specialists were conducted in Ottawa, Gatineau and Winnipeg mainly in their respective offices and sometimes in a convenient board room. Interviews with managers at other locations were carried out by teleconference. Overall the 34 managers interviewed had a total of 208 employees reporting directly to them. Twenty (20) of these managers had six (6) or more individuals reporting directly to them. Furthermore, because of the senior level of many managers interviewed, the number of employees indirectly reporting to them represented nearly the entire population of the Agency.

## Audit Objectives

18. To determine and document the extent to which human resources management systems, practices and processes contribute to the Agency's ability to meet its objectives and priorities in an effective and efficient manner, to assess the adequacy of the staffing documentation and to identify any opportunities for improvement in areas important to the successful management of the Agency.

## Scope of Audit

19. As planned, the internal audit of human resources management took an Agency-wide approach that examined the activities of the Human Resources Directorate (HRD) as well as those of senior managers within the Agency.
20. The examination of performance agreements and assessments included the executive/ excluded MD-MOF 5 population eligible to receive pay for performance.
21. The staffing files examined were selected from two Agency lists of staffing processes that took place between January 1 and December 31, 2007. One list was for 35 executive/excluded MD-MOF 5 appointments and; the other list was for 426 appointments to other occupational groups and levels. These two lists covered advertised and non-advertised staffing processes subject to the *Public Service Employment Act*.
22. This Internal Audit was not designed to reach conclusions with respect to: the adequacy of the management of organizational design; job classification; career development; pay and benefits; staff relations, occupational health and safety; Official Languages administration and the human resources information systems.

## Approach and Methodology

23. The audit was conducted in accordance with the Treasury Board Secretariat's *Policy on Internal Audit* and the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing*, except that no external assessment was performed to demonstrate that PHAC's internal audit function was in compliance with the IIA Standards and Code of Ethics.
24. Audit criteria and sub-criteria were determined based on applicable legislation, policy and generally accepted management practices and used to develop an audit program (appendix A). This program identified the performance expectations and the method for determining the extent to which these performance expectations



were being met. The methods included documentation review, detailed file review, interviews with managers and human resources management specialists. In addition a separate audit program was developed for the review of executive performance management agreements and assessments. We also developed a staffing file review template, based on legislative requirements, for the examination of staffing files.

25. A list of senior managers responsible for the management of most of the Agency's workforce was requested and used as the basis for interviews. We interviewed 34 senior managers in total. The interview questions were based on the audit sub-criteria and were structured to facilitate a roll-up of the results. The interviews with 9 human resources management specialists were based on the sub-criteria applicable to their roles and responsibilities. These interviews were documented for use in the aggregate.
26. In addition to these interviews, a questionnaire was developed for a survey of the staff of the Human Resources Directorate (HRD). The survey questions were based on the criteria and sub-criteria established for the audit. The results of this survey were reviewed, analysed and consolidated for reporting in the aggregate. This survey was also intended to be used in support of sub-criteria related to bench-marking.

## Audit Findings

### **Criterion #1: Human Resources management roles, responsibilities and accountabilities are clearly defined.**

27. The Human Resources Directorate (HRD) has an up-to-date set of organizational charts and recent job descriptions for their senior (unit head) positions. For positions below this level, the HRD survey indicated that 43% of the respondents did not know if their work was consistent with their job description and 57% did not know when their job description was last updated. There was no mention of concern about potential job classification issues within the function.
28. HRD employees are expected to have performance agreements or objectives against which their performance is assessed. The HRD survey indicated that 60% of respondents have performance objectives against which their performance is assessed. This percentage is reasonable considering that 48% of HRD survey respondents have been with the Agency for less than one year. Performance objectives (key and ongoing commitments) were established for those in executive positions in HRD during the 2006-07 fiscal year based on roles and responsibilities including the management of the function. In general, their key commitments were implicitly aligned with the Agency's priority "to develop and enhance the Agency's internal capacity" to meet its objectives and central agency reporting requirements. These performance objectives served as the basis for their performance

- assessment and rating. (Three incumbents in key positions were not with the Agency in 2006-07).
29. We noted that the Director General's HRD performance agreement for April 2007 to March 2008 identified ongoing and key commitments linked to the priorities of the Agency and Government. This performance agreement represents a significant component of accountability for the work of the HRD.
  30. In October 2007, an HRD plan identified priorities related to changes in human resources management in the Public Service such as the (EC) conversion, *Public Service Labour Relations Act* and a human resources accountability framework. This document also links HRD priorities with Agency and government priorities. This plan is used for internal HRD management purposes. However, there is no evidence that it was approved by the PHAC Human Resources Committee (HRC) or the Executive Committee (EC) or that there was a requirement for reporting related to these priorities.
  31. In April, 2008 HRD produced a document that identifies all of the Agency's yearly HRM related reporting requirements. This document provides senior management with an overview of the nature and extent of the reporting required of HRD, which they may not have been aware of, given that HRD is not required to prepare an annual report on its activities including reporting to central agencies. The requirement for such an annual report would increase awareness of their work, keep senior management better informed of the Agency's HR activities and strengthen HRD accountability.
  32. HRD completed an Agency report on Human Resources Indicators for the 2006/07 fiscal year. This report, dated September 2007 provides demographic and other information important to human resources planning including the identification of certain human resources management priorities such as Official Languages. We were told that the 2007-08 report is about to be finalized.
  33. HRD has yet to establish a rationale for the number and kinds of staff required. HRD is aware of the average ratio of HR staff to total employees in Public Service departments and maintains staffing levels in pay and benefits in line with public service averages for this function. HRD has prepared various business cases related to its capacity but there was no evidence of benchmarking or capacity assessment based on both current and projected deliverables. Consequently, the Agency lacks a clear understanding of the extent to which this function has the capacity to deliver the services and support required. As part of this Internal Audit, a survey of HRD employees was conducted requesting information required for benchmarking purposes. However, the survey response rate, which was less than 50%, was insufficient for this purpose. A subsequent attempt to obtain this information using a simplified one page questionnaire was also unsuccessful.

34. The HRD survey indicated that 40% of the respondents attend conferences or workshops to maintain awareness of developments in their field. We also noted that senior members of HRD participate in a variety of interdepartmental committees. However, HRD does not have a structured approach to maintaining awareness of HRM trends, developments and best practices in the areas of human resources planning, training, staffing and performance evaluation.
35. While HRD has taken numerous initiatives to establish HR policies, procedures, guidelines, the Agency lacks a complete and up to date set of HRM policies. Presently, the Agency does not have a planned approach to the development of a suite of human resources management policies suited to the requirements of the Agency. What currently exists is a combination of Health Canada HR and central agencies policies, collective agreement requirements, draft PHAC policies, guidelines, branch administrative procedures, etc. Without a complete set of PHAC HRM policies, roles and responsibilities for human resources management are not clear and accountability is weak. The managers interviewed indicated that roles and responsibilities for matters such as human resources planning require clarification. The HRD survey also indicated that 79% of the respondents believe the roles and responsibilities related to the HR function are not clearly understood. While HRD is aware of the requirement for a complete set of up-to-date HR policies, this function is not structured in a manner that facilitates the development of such a set of HR policies. For example, each of the HRD divisions has a policy development role, but there is no overall responsibility for maintaining a complete and up-to-date set of HR policies within the Agency.
36. Delegated authority for HR management has been established. A human resources delegation and accountability instrument was approved by the Chief Public Health Officer (CPHO) on May 7, 2007. This document sets out the delegated HRM authorities applicable to the Agency.
37. HRD does not systematically monitor compliance with the requirements of delegated staffing authority. While we found checklists on the staffing files, they were not always being used to ensure that managers were providing all of the required documentation. Staffing documentation represents evidence that the requirements of the *Public Service Employment Act (PSEA)* are being met. In the absence of full staffing documentation, the Agency lacks assurance that it is meeting the requirements of the PSEA and delegated authority. We were informed of recent initiatives to correct areas of staffing documentation in need of improvement.
38. **Conclusion:** The roles and responsibilities of the human resources management of HRD have been evolving rapidly as the Agency establishes itself as an independent entity that is responsible and accountable for all aspects of people management. In this respect, the initial decision to rely on Health Canada's HR policy framework, while expedient, has detracted considerably from the establishment of a human resources management function with clearly defined roles, responsibilities and

accountabilities grounded in policy. The Agency has delegated authorities for human resources management. HRD has established priorities and the DG-HRD has ongoing and key commitments aligned with the Agency's priorities. The plans and priorities of HRD are not subject to approval by management and there was no evidence of benchmarking or capacity assessment based on current and projected deliverables. In addition, we noted that the monitoring and reporting requirements important to managerial accountability and the accountability of HRD have yet to be determined.

### **Recommendations**

39. HRD should continue to develop its human resources management policies and guidelines. These policies should clearly define and delineate managerial and functional roles, responsibilities and accountability, and include effectiveness evaluation criteria. Monitoring and reporting requirements should also be identified.
40. The HRD should have an approved strategic plan, including all of their initiatives and activities in support of the achievement of the Agency's plans and priorities. There should be reporting against the requirements of this plan.
41. An HRD capacity assessment should be conducted based on current and projected deliverables, legislative and policy requirements, client expectations and cost considerations.

### **Opportunities for improvement**

42. HRD should develop an Agency specific manager's handbook to help them fully address their human resources management roles and responsibilities. This manager's handbook should describe human resources management responsibilities in practical terms and include the tools and templates, or their source, as well as contact points for information and assistance.

### **Criterion #2: The Human Resources function is positioned to provide functional leadership, and work in partnership with senior management in the attainment of Agency objectives and priorities.**

43. The Agency has a Human Resources Committee (HRC) that is chaired by the Deputy Head. The HRC has terms of reference and a membership list. The DG HRD is an EX Officio member of this committee and acts as secretary. While the Senior ADM responsible for HRD function is a member of both the Agency's Executive Committee (EC) and the Human Resources Committee (HRC), the EC membership does not include a representative of HRD to help ensure that the HR implications of its decisions are identified and taken into account.
44. The HRC maintains minutes of meetings to record decisions and monitors progress with respect to matters of ongoing importance to the Agency. Input to HRC is

provided mainly by HRD in consultation with managers and other committees. We noted that the HRC has not yet established sub-committees or working groups to provide input in support of HR management decisions related to HR policy, procedures and guidelines. A number of senior managers interviewed indicated that such a committee structure could be useful.

45. The Agency has established six priorities in support of its strategic direction. One of these priorities is "to develop and enhance the internal capacity of the Agency to meet its mandate". A number of managers identified their HR related commitments such as HR planning, staffing and training under this priority.
46. High employee turnover in HRD is an impediment to its effectiveness. Many of the managers interviewed stated that HRD contacts were constantly changing. This perception was validated by HRD unit heads and the HRD survey showing that 48% of respondents have been with the Agency for less than one year. While the DG HRD has identified commitments related to capacity building, maintaining desired staffing levels has been problematic. High employee turnover is partly attributed to a move from Ottawa to Gatineau and back to Ottawa within a year; and a general shortage of HR specialists in the Public Service. In response to this situation, HRD has been using coaches to train new staff as well as experienced temporary staff. HRD is also arranging to out-source job classification because it has not been able to find qualified candidates to work in this area.
47. The shortage of HR specialists in the Public Service requires increased emphasis on staff retention initiatives. HRD is aware of this shortage and the importance of retention to continuity and the preservation of corporate memory. While there was some evidence of effort undertaken to address this issue, a viable solution has yet to be identified. A number of managers interviewed expressed concern about the high turnover in HRD.
48. We found that HR representatives have meetings with most of the senior managers we interviewed on a regular or as required basis. These meetings were mainly conducted to review and discuss the status of their HR staffing plans and activities. Some managers stated that meetings only occurred at their request. Managers were not aware of a staffing tracking/reporting system available to them.
49. There was no evidence of a job review cycle aimed at maintaining assurance that job classification levels are correct within the Agency as a whole and that the Agency has a complete and accurate set of approved organizational charts.
50. With respect to the adequacy of support available to managers in carrying out their HR activities, we found that although many managers were aware of staff shortages and inexperienced staff in HRD, 40% rated the adequacy of this support as being poor. A number of managers interviewed indicated that they do not hesitate to contract out HR related work when required. While such initiatives may benefit the managers concerned, they contribute to hidden HR support costs and potential

inconsistencies in HR practices in the Agency. We found examples whereby procedures with respect to staffing, telework and overtime were developed and applied in isolation. We also noted that a number of managers made a point of explaining that support from Agency pay and benefits was excellent.

51. The Agency does not have standardized HR service delivery models. HR services and support is provided by the Agency HRD and in certain regions by Health Canada through MOUs. The Agency was recently required to repatriate HR services provided by Health Canada in Quebec and Toronto. MOUs with Health Canada are currently in place to provide HR support to other Regions of the Agency. The existence of the MOUs with Health Canada continues to raise concerns about the adequacy of services, inconsistency in HR practices and managerial accountability. In Winnipeg, the HR function now reports directly to HRD and functionally to the Laboratory. We noted that because HR practitioners are not generally co-located with management, information exchange requires more travel and is generally limited to arranged meetings.
52. HRD does not have service delivery standards and would find the implementation of such standards difficult given current circumstances. The HRD specialists in Winnipeg identified performance standards for the provision of HR services but these are not being met because of staff shortages. Elsewhere in the HRD, there was no evidence of client service standards or performance indicators being used. There was also no evidence of client surveys. Feedback from managers was regarded as the main means for gauging client satisfaction. This finding is not unexpected given the backlog of staffing and classification work and high staff turnover in HRD. Sixty-six (66%) of the managers interviewed indicated that they did not have adequate professional support.
53. The managers interviewed were asked to identify their top three HR priorities. All identified staffing in the top three. Job classification was identified as a priority by 54% and human resources planning and training was identified as a priority by 41%. A review of executive performance agreements indicated that 50% contained commitments related to staffing. Forty-four percent (44%) contained commitments related to human resources planning and 59% contained commitments related to training and development.
54. Sixty-two percent of the managers interviewed require Personal Development Plans (PDPs) for their staff but do not roll up the results to form a training plan. There was no evidence of an Agency training or conference plan. We also found that where PDPs are required there was no follow-up to ensure that identified training needs were being met. Many of the managers stated that it was up to the employee to identify the training desired and in some cases, they expected their staff to take about five days of training.
55. The HRD survey and interviews with managers indicated that managerial and functional roles and responsibilities for HR management are not clearly understood

by Agency managers and HRD specialists. For example, 79% of HRD survey respondents believe that managers are not fully aware of their roles and responsibilities. The interviews indicated that managerial roles and responsibilities are not clear in the areas of human resources planning (58%), staffing (33%) and training (29%).

56. Managerial training required for delegated authority has been provided. Agency records for 2006-07 indicated that almost all of the senior managers and executives in the Agency completed the training required for delegated authority. Our interviews during the first few months of 2008 indicated that all but one met the requirements of delegated authority. The Agency has trained 196 managers on the new *Public Service Employment Act (PSEA)* since December 2005. Of the senior managers and executives interviewed, 58% completed training on the new PSEA. We also noted that 8% of the managers interviewed have been trained on the Managerial Accountability Framework.
57. Forty-two percent of the senior managers and executives interviewed identified HR planning as a priority. We also found that forty-four percent of the performance agreements for executives included commitments related to HR planning. However, we found no evidence of a common understanding of human resources planning or a process to facilitate a consistent, structured and integrated approach aimed at aligning HR planning practices and priorities with the plans and priorities of the Agency.
58. The managers interviewed were not always adequately trained and equipped to carry out their human resources management roles and responsibilities related to human resources planning, staffing and training. Twenty percent of managers did not have a clear understanding of their responsibility for staff performance management. Approximately one-third of the executives interviewed have not had human resources management training, 28 percent stated that they do not have the HR skills required and 96 percent indicated that they lacked the tools required for effective HR management.
59. The need for adequate managerial training and tools is important to effective HR management. It is also significant because of the nature and extent of the HR related activities being carried out in the Agency. We found that EX and excluded MD-MOF 5 performance agreements included human resources management objectives and priorities as follows:

HR Planning	44%
Official Languages	50%
Conflict of Interest	13%
Values and Ethics	59%
Agency Transition	37%
Training and Development	59%
Staffing	50%

60. The interview results confirmed this finding and identified additional HR commitments including health and safety and employment equity. In brief, managers devote a significant proportion of their time to human resources management activities.
61. **Conclusion:** Human Resources Directorate is currently unable to meet the HR service and support requirements of the Agency in a consistent and efficient manner. In general, HRD operates in a reactive mode because it lacks the capacity, policy framework, systems and processes required to work effectively in partnership with management. This situation is exacerbated by high employee turnover within HRD and a shortage of HR specialists resulting in the need for training and reliance on short-term solutions. In addition, many of the Agency's managers are new employees to the Agency. These new managers only have a cursory understanding of the shared roles and responsibilities for human resources management because they have not been adequately trained. Furthermore, managers have not been provided with the information and managerial tools required to fulfill their HR management roles and responsibilities and rely on external HR support.

## **Recommendations**

62. HRD needs to identify and address those factors contributing to its high employee turnover as part of a recruitment and retention strategy.
63. HRD should put in place, mandatory training to ensure that managers are trained and equipped to carry out their human resources management roles and responsibilities.
64. The Executive Committee should play a more proactive role with respect to human resources management policies, practices and functions. The membership of the Executive Committee of the Agency should be reviewed against common practices found in the private and public sectors.
65. In the longer-term, HRD should establish a service delivery model including service delivery standards for key functions such as pay, classification and staffing.

## **Opportunities for improvement**

66. In the longer-term HRD should establish a job classification review cycle.
67. HRD should determine and draw from the full range of external resources available to address the classification and staffing backlog and then adequately support those managers in areas of priority and high employee growth areas.
68. In addition to input provided by the Management Committee (MC), Human



Resources Committee (HRC) should consider sub-committees and working groups to provide input in support of HR management decisions related to HR policy procedures and guidelines.

69. The opportunity to co-locate HRM specialists with managers should be considered when circumstances permit.

**Criterion #3: The Public Health Agency of Canada has appropriate integrated human resources planning and training processes and strategies in place.**

70. The Agency developed its first Integrated Human Resources Plan (IHRP) for 2008-2009 in April 2008. This integrated plan describes the current human resources management situation, identifies Agency staffing requirements as a whole and proposes future direction with respect to such matters as collective staffing. HRD is aware that, while this plan is a good beginning, there is a need for increased emphasis on the identification of HR priorities and strategies aligned with the plans and priorities of the Agency i.e., surveillance. HRD is also aware that the HR plan should identify staffing shortages as the basis for authority for the use of non-advertised staffing processes under the PSEA. During the period covered by the internal audit, the Agency did not have an approved Integrated HR Plan in place.
71. Eighty six percent (86%) of the senior managers interviewed identified human resources planning as a matter of high importance to the Agency's future success. The remaining 14% identified HR planning as being of medium importance. Forty-four percent (44%) of the executives and excluded MD-MOF 5s performance agreements for 2006-07 included commitments related to HR planning. In addition, we found isolated examples of HR planning initiatives such as a competency capacity assessment. Two of the managers interviewed expressed concern about a lack of succession planning as it relates to their position.
72. The Agency does not have a training plan. The integrated Human Resources Plan explains that, because of time constraints, no attempt was made to analyze personal learning plans and develop an Agency training. Interviews with senior managers indicated that 96% do not have a training or conference plan for their staff. While 55% stated that they have PDPs, all but one senior manager stated they do not know if employee training needs are being met. One manager was developing a multi-year training plan. In Winnipeg, the training required to maintain International Standards Organization (ISO) certification is being provided. The records related to ISO training are kept in Winnipeg and are not part of a centralized system.
73. In the course of conducting this internal audit we encountered a number of inadequacies with respect to human resources management information. For example, at the outset, it was almost impossible to get a complete and accurate set of organizational charts or employee lists, staffing activity reports and files by staffing process, etc. At present, the Agency relies on the Health Canada Human

Resources Information System (HR Advantage) which is clearly not meeting all of Agency's information needs for HR management purposes.

74. The senior managers interviewed, rated the adequacy of HR information as follows: inadequate 47%, adequate 19%, good 14%, very good 14% and excellent 6%. While a number of managers indicated that information was available on request, the majority indicated that better information was required for human resources planning purposes, including demographic information, information on training, Official Languages and competencies. In addition, a number of managers indicated a need for better information on the status of their HR activities. We noted that HR Advantage is meeting the needs of the pay system, but that it is sometimes difficult to get ad hoc reports quickly. Concern was also expressed that Official Languages records are not centralized.
75. The Agency lacks expertise in the area of job classification, which has contributed to staffing delays. We were told that HRD is currently pursuing an outsourcing agreement to address this matter. This approach is not unreasonable considering that there is a recognized shortage of job classification expertise in the Public Service. Many of the senior managers interviewed expressed concern about job classification and staffing delays. In a number of cases, managers stated that this contributes to delays and work not being done. While the Integrated Human Resources Plan identifies the classification backlog, it does not deal with job classification as an important issue that needs to be addressed as a matter of priority. In addition, it does not deal with the extensive use of casuals, temporary staff and acting appointments that have the potential to detract from the Agency's stability.
76. Staff shortages are apparent though-out the Agency. The Integrated Human Resources Plan identifies 761 positions that will need to be staffed. Of this number, 283 are in the ES group. The senior managers interviewed indicated that staffing shortages contribute to an inordinate use of acting situations, temporary help, casuals and contract staff. In this respect, we found that in 2007, the Agency employed 450 casuals and made almost 200 acting appointments. In addition there were 62 contracts for temporary help amounting to \$2,210,616 and 15 contracts for human resources related professional services amounting to \$208,058. Nevertheless, almost all of the managers in areas of growth stated that staff shortages result in work being delayed or not performed.
77. As previously mentioned, the Agency has an inordinate number of acting appointments. Acting appointments are not expected to be long term. However, we found that there are 32 employees who have been acting for more than one year. Two acting appointments date to 2004 and five to 2005.
78. At the time of the audit, the Agency employed about 190 term employees. Forty-two were appointed in 2006 and have had a number of extensions beyond their initial term appointment. Three have term extension dates that will take them

beyond three years, and a large proportion has term extensions dates that will take them to within a few months of three years. Because term employees are automatically converted to indeterminate after three years, it is important for the Agency to ensure that term appointments are not being used to replace the indeterminate staffing process and that the term employees who have been with the Agency for more than two years have skills and abilities suited to longer term requirements of the Agency.

79. While a requirement of the *Public Service Employment Act (PSEA)*, the Agency has not developed a comprehensive HR staffing plan to deal with its heavy volume of staffing activities. For example, while emphasis is being placed on collective staffing, the Agency has yet to identify the range of options available to assist with its staffing requirements.
80. **Conclusion:** The Agency has developed a preliminary Integrated Human Resources Plan which includes information on the Agency's current employees as well as staff shortages/staffing requirements. While this plan identifies available options such as collective staffing, it does not identify all of the important HR issues and concerns facing the Agency such as a lack of job classification expertise, inadequate human resources information, and the high use of casuals, along with terms and acting appointments. Furthermore, it does not set out a detailed action plan along with identified priorities, a description of the work to be performed, results expected and the time frames and the names of those responsible and accountable for reporting on progress and results. In addition, the action plan does not address the need to ensure that the managers involved are appropriately trained and have the required tools.

## Recommendations

81. HRD should ensure that the Agency's Integrated Human Resources Plan identifies and addresses all of the important HR issues and concerns facing the Agency such as the inordinately high use of temporary employment measures.
82. HRD should facilitate the use of Personal Development Plans (PDPs) as input to the development of a consolidated training and conference plan that identifies common needs and cost-effective options.

## Opportunities for improvement

83. HRD with input from managers should determine the human resources information requirements for planning and day-to-day management and take steps to ensure that complete, accurate and timely information is available to meet these requirements.

**Criterion #4: Staffing practices in the Agency are carried out in a manner that meets all of the applicable legislative requirements as well as the requirements of the Agency's Staffing Managerial Accountability Framework.**

84. The *Public Service Employment Act (PSEA)* provides the Public Service Commission (PSC) with the authority to establish policies applicable to Public Service appointments and corrective action. These policies are binding for Deputy Heads in exercising their authorities under the PSEA. The nature, extent and conditions applicable to these delegated authorities are governed by the Staffing Managerial Accountability Framework (SMAF).
85. The primary responsibility for staffing in the Agency rests with the Chief, Public Health Office (CPHO). Under a system of sub-delegated authority, managers are responsible for carrying out specific staffing activities and making their selection decisions. The HRD staffing officers are expected to provide the services and support necessary to ensure that the applicable legislative requirements and conditions of delegated staffing authority are being met. The effectiveness of this collaborative approach depends on managers having the required knowledge, skills and tools. It also depends on the capacity of the staffing services and support function and the availability of managers to carry out their responsibilities in a timely manner.
86. As part of our internal audit of human resources management within the Agency, we asked managers questions about the nature and extent of their staffing activities and their perceptions about the importance of staffing to the future success of the Agency. Without exception, the senior managers interviewed identified staffing as a priority that is important to the future success of the Agency. In addition, when reviewing executive performance agreements we found that fifty percent of the executives and excluded MD-MOF 5s have performance agreements that include ongoing or key commitments related to staffing.
87. Many of the managers interviewed were not clear about their roles and responsibilities with respect to staffing. In many cases, these managers are new to the Public Service or Agency and indicated that they would benefit from training and related tools. A number stated that a manager's handbook would be useful.
88. We developed a staffing file review template identifying all of the key documentation requirements applicable to staffing under the new PSEA. Using this template, we reviewed the staffing files and recorded all of the pertinent findings related to the key documentation requirements. The staffing file is the main source of information indicating how merit and the associated values of competency, non-partisanship, representativeness, fairness, equity of access and transparency were respected in the selection and appointment process.
89. The staffing files examined were selected from two Agency lists of staffing processes that took place between January 1 and December 31, 2007. One list

was for 35 executives and excluded MD-MOF 5 appointments and the other was for 426 appointments to other occupational groups and levels. These two lists covered advertised and non-advertised staffing processes subject to the requirements of the *Public Service Employment Act*.

90. From the list of 35 executives and excluded MD-MOF 5 appointments we examined 14 staffing files. From the list of 426 staffing processes applicable to other groups and levels we examined 57 staffing files. The sample for other groups and levels was based on statistical sampling methodology with a confidence level of 95% and a deviation of not more than plus or minus ten percent. A number of the requested staffing files or appropriate substitute files could not be located. Although this adjustment to the nature and extent of the sample is a concern, mainly as it relates to record keeping, we remain confident that the files examined adequately identify the trends and patterns of staffing practices in the Agency. Therefore, we examined a total of seventy-one (71) staffing files.
91. The staffing unit was asked to review the results of each staffing file examined and to provide any missing information that may not have been placed on the staffing file. This approach was intended to ensure that the staffing unit was aware of, and in agreement with, the results of each staffing file examined.
92. During the 2007 calendar year, in addition to 35 executives and excluded MD-MOF 5 appointments, the Agency made 1,419 appointments including casual appointments, acting appointments for less than four months and deployments.
93. During the period covered by the internal audit, the Agency, as a whole, did not have a planned approach to staffing in place. However, many of the managers interviewed have staffing commitments and plans for their area of responsibility. In 2007 the HRD produced an Agency human resources report which included demographic and other information related to staffing including employment equity and Official Languages. However, there is no evidence of an Agency staffing plan with clearly established priorities. Such a plan is expected to link staffing to the business plans of the Agency and identify staffing shortage areas, areas of growth and other concerns that if not properly addressed, have the potential to detract from the effectiveness and efficiency of the Agency.
94. In April 2008, the Agency completed an Integrated Human Resources Plan that focused on the Agency's staffing requirements. This plan identified the planned staffing activities of the Agency as a whole and proposed future direction with respect to such matters as collective staffing. HRD is aware that while this plan is a step in the direction of a more pro-active approach to staffing, there is a need, as identified in the Staffing Managerial Accountability Framework, for increased emphasis on the identification of staffing priorities and strategies that are aligned with the plans and priorities of the Agency. In this regard, the Agency is also expected to have staffing strategies that maintain competence, minimize skill shortages, and facilitate the renewal of Agency staff.

95. Essential qualification requirements were stated and met for all internal advertised, and external advertised processes. Two executive deployment files did not contain the essential qualification requirements and a job description. For staffing processes applicable to other appointments, we found that essential qualification requirements and a job description or both were not on file for four acting appointments of more than four months, one priority appointment, and one term to indeterminate appointment.
96. All executive staffing files included a statement of merit criteria (SoMC) and a job description. Two other staffing files did not contain a SoMC and eleven (11) other files did not contain a job description. The job description is expected to serve as the basis for the SoMC. In the absence of a job description the appropriateness of the SoMC could not be assessed.
97. The 71 staffing files examined contained a language profile. In one instance, the successful candidate's language test results were out of date. In this case, the language test results of the successful candidate had expired and there was no evidence of retesting having been scheduled. We noted that in two cases there was a change to the language profile that had been documented and approved.
98. Security clearance requirements were determined and met for all internal advertised, internal non-advertised and external non-advertised appointments. For one external non-advertised appointment (Executive Interchange-in) the security clearance document was not on the staffing file.
99. In one case, there was no rationale in support of an external non-advertised appointment process. This external appointment process was for a term position of one year. In three other cases where a non-advertised external staffing appointment process was used, the rationale justifying the non-advertised external appointment process was on file.
100. In all but three cases we were able to determine that the area of competition was in keeping with Agency policy. In three cases we were unable to assess if this requirement was met because the poster was not on the staffing file. In most cases, the area of competition was national in scope within the Agency or the Public Service. In general, except for shortage areas, the area of competition was sufficiently broad to result in a pool of qualified candidates. One advertised staffing process, national in scope, was unproductive.
101. For executive appointments, there was no evidence of priority consideration for one internal advertised process and three internal non-advertised processes. For all other staffing processes we found that priority consideration applied where required. From a fairness and equity of access perspective, it is important that employees who are affected by priority conditions have the assurance that they will

be given consideration for appointment.

102. The rationale for one executive appointment using a non-advertised process was not in evidence. For other non-advertised appointments, there were 8 staffing files, mainly acting appointments which did not contain a rationale. In some cases where a rationale was on file, the rationale did not provide enough information to adequately justify the decision taken to use the non-advertised appointment process. It is important that the rationale explains how this process is based on full consideration of the Agency's requirements and the employees' capacities and career interests.
103. The screening process was documented for all internal and external advertised appointment processes. Overall, the documentation on file supported the screening process. However, we noted that in most cases the screening process was done by one person. In two cases the screening board report was not signed.
104. There were no evidence of confirmation of the impartiality of board members on half of the executive files and three of the other staffing files. This documentation is important to assurance that board members are not in a conflict of interest situation.
105. The evidence that board members are qualified and meet the language requirements was not apparent for two internal advertised processes applicable to executive staffing. Under the new PSEA, language requirements are essential. It is also essential to demonstrate that the board members have the language proficiency level required to assess the candidate in his or her official language of choice.
106. With respect to executive appointments candidate assessment results were on file for all but one internal non-advertised process and one external non-advertised appointment process. In the case of the external non-advertised appointment process, the individual chosen had an employment history with the Agency. For other staffing files, there were eight instances, mainly acting appointments, where a written rationale did not demonstrate that the non-advertised process met the established criteria and appointment values.
107. Reference checks were not always conducted. For instance, there was no evidence that reference checks were carried out for one internal advertised executive appointment process. As well, for acting appointments, there was no evidence of reference checks on any of the files. For one internal advertised process there was a single reference check. In two cases, board members provided reference information for candidates they assessed. In such cases the process should ensure that board members are not in a potential or perceived conflict of interest situation. Reference checks are an integral and required part of the selection process.

108. For one executive appointment process and 11 other appointment processes, we were unable to assess if board members were at a higher classification level and had the necessary competencies to ensure fair and complete candidate assessment. For all other appointment processes, the board members did not indicate their position level and title on the board report. For one executive appointment the staffing officer participated as a board member.
109. Notices of appointments were posted in every case except one. There was no evidence of a notice of appointment applicable to an appointment of an individual in an established shortage area.
110. Letters of Offer were made by an individual with delegated authority and included a reminder of the conflict of interest requirements. We noted that for four (4) other acting appointments the letter of offer was issued almost at the end of the acting period.
111. **Conclusion:** The review of the staffing files revealed that the staffing function is under pressure to provide a large number of Agency managers with the services, support and guidance important to expedient staffing. There was no strategic approach to staffing and in many cases managers were not clear about their staffing roles and responsibilities, and the documentation requirements of the applicable staffing process. This combination of managerial uncertainty and pressure to move quickly sometimes results in the staffing process moving faster than the paper work with the expectation that the required documentation will catch up in time. While this approach helps to avoid delays that could contribute to the loss of good candidates or client dissatisfaction, it also results in some appointments being made before all of the required documentation requirements are met. Further, while checklists are being used to maintain awareness of the status of the staffing documentation, the high volume of staffing activity reduces the time available (or priority) to follow-up with requests or reminders for any missing documentation.
112. There was no evidence of any deliberate attempt to circumvent the requirements of the PSEA including Official Languages requirements and Agency security requirements. There were a few cases, mainly acting appointments for a period of four months or more, where the rationale for the appointment was missing or inadequate. In general, we found that advertised appointment processes were better documented than non-advertised appointment processes. The signed statement of impartiality was missing on 12 of the staffing files examined and in many cases there was no evidence of reference checks. Staffing files were sometimes difficult to find and in a number of instances, the staffing files could not be located.



## **Recommendations**

113. HRD should develop an Agency strategic staffing plan based on its Integrated Human Resources Plan.
114. HRD should ensure that managers and its staffing officers are fully aware of their respective responsibilities for having the required documentation on the staffing file. The staffing file constitutes the main source of evidence that merit and the staffing values have been respected in the staffing process.
115. HRD should provide managers with the training and tools required (forms, templates and other information) to enable them to fully address their roles and responsibilities with respect to staffing documentation.
116. HRD staffing officers and assistants should be using staffing checklists as intended and identify and request any missing documentation in a timely manner, and staffing files should be monitored for compliance.
117. HRD should ensure that their staffing filing system is improved to the point where the Agency has adequate assurance that there is a staffing file in support of every appointment decision.

## **Opportunities for improvement**

118. HRD needs to develop guidelines and documentation requirements applicable to acting appointments for periods of more than four months. This information needs to be made available to all managers.

## **Criterion #5: Performance agreements and assessments hold managers and staff accountable for the achievement of Agency objectives and priorities.**

119. We found that all of the executives and excluded MD-MOF 5s eligible for performance pay had performance agreements that served as the basis for their performance assessment and rating. While the performance agreements document includes sections designed to identify commitments linked to the priorities of the Clerk of the Privy Council and those of the Agency they were seldom used. In all but seven performance agreements, these two sections were either left blank or the link was not specifically identified. However, our review found that in all but one case the performance agreement included at least one key commitment that was linked to Agency priorities and, in 23 of the 48 agreements, there were commitments linked to at least three of the six Agency priorities. Seventy-five percent of the performance agreements contained key commitments that were specific and measurable. Thirty-seven percent of the performance agreements contained ongoing commitments that were specific and measurable. Sixteen percent contained some ongoing commitments that were specific and measurable and the remaining 47% of the ongoing commitments were input based using words

such as participate, foster and promote.

120. Of the three senior managers interviewed who were not eligible for performance pay, two did not have a performance agreement. Furthermore, with one exception, there is no evidence that interchange-in participants, being paid indirectly by the Agency, were subject to a performance-agreement review process.
121. Fifty-six percent of the managers interviewed stated that they use performance objectives and evaluation to help ensure that their staff has performance objectives in support of their own objectives. We did not explore the extent to which such performance objectives are linked to Agency priorities.
122. We found that most senior managers prepare their own performance agreement. A number indicated that they would prefer a process which involves increased discussion with their manager. Many described the process as one that starts at the top and cascades down. A set of standard, cascading, ongoing and key commitments were developed for 2008-09 performance agreements.
123. In all of the 48 performance agreements reviewed, there was at least one ongoing commitment related to the six Agency plans and priorities.
124. In fifty percent of the performance agreements the key commitments were more specific and measurable than the ongoing commitments.
125. All of the completed performance assessments contained a performance rating. However, thirty-one percent of the performance assessments did not have a narrative summary in support of the rating or a list of achievements that represented strong justification for the rating decision. Two performance assessments were not signed by the supervisor. In both cases, pay for performance applied.
126. Only fifty percent of the performance agreement/assessments included personal development plans.
127. All of the performance ratings for executives and excluded MD-MOF5s eligible for performance pay were subject to review by a review committee.
128. All of PHAC executives and excluded MD-MOF5s in receipt of pay for performance had a completed assessment with a rating consistent with that stated on the assessment document.
129. **Conclusion:** The executives and excluded MD-MOF5 performance rating review process is specifically designed to meet the requirements of pay for performance and is not applicable to other occupational groups including almost all of the thirty-one interchange participants-in even though many are in key jobs. The Agency has a Performance Management Program (PMP) template, but because it is seldom

used as intended, there is limited assurance that the priorities of the Clerk of the Privy Council and the Agency are being adequately defined and addressed. In addition, there is no review of the extent to which the performance agreements are linked to such priorities. Many of the performance agreements did not contain a narrative assessment in support of the performance rating.

130. Most managers develop their own performance agreements and discuss them with their supervisor. Performance agreements were not in a standardized format and key and ongoing commitments were not always described in measurable terms. This variance reduces assurance that the same yardstick is being used to assign performance ratings and make pay decisions.

### **Recommendations**

131. HRD should remind managers of the requirement to use the performance agreement template to show how their ongoing and key commitments are linked to Agency and Government priorities.
132. HRD should review all performance assessments to ensure that there is always a narrative assessment in support of the performance rating.
133. HRD should provide managers with direction and guidance to ensure that their ongoing and key commitments are more specific and measurable.

### **Opportunities for improvement**

134. HRD instructions related to the development of performance agreements and performance assessments should remind and encourage the joint preparation of these documents.

## Appendix A: Audit Criteria

We expected to find the following with regard to the Agency:

135. Human Resources management roles, responsibilities and accountabilities are clearly defined;
- a. The roles, responsibilities and performance expectations for the staff of the HRM function are clearly defined and serve as the basis for performance evaluation.
  - b. There is a rational basis for the size (number and kinds) and structure of the HRM function including client expectations, cost considerations, service standards, make or buy options, productivity levels and other performance indicators such as client satisfaction.
  - c. The HRM function maintains awareness of HRM developments in the Public Service and other agencies (mainly as it relates to the *Public Service Modernization Act*) and uses benchmarking as a basis for continuing improvement.
  - d. Accountability structures (governance) are in place including periodic reporting on the objectives, work and accomplishments of the function.
  - e. The Agency has a suitable framework of human resources management systems policies and practices related to human resources planning, staffing, training and development, performance management and evaluation, ethical behaviour (conflict of interest guidelines) and occupational health and safety.
136. The Human Resources function is positioned to provide proactive functional leadership, and work in partnership with senior management in the attainment of Agency objectives;
- a. The senior management team includes a representative of the HR function and has input to the determination of Agency objectives and priorities.
  - b. HR committees are in place, including representatives of key operational areas of the Agency and the HRM function.
  - c. The objectives and priorities of the HRM function are based on the strategic and operational plans and objectives of the Agency as well as the overall roles and responsibilities of the function.
  - d. Management is satisfied with the services (standards), support and advice received from HR specialists.
  - e. The HRM function conducts periodic staff surveys, and seeks input from committees and management in the determination of their performance objectives and priorities as well for performance evaluation.
  - f. The HRM function maintains HR policies that delineate managerial and functional roles and responsibilities in areas such as staffing, human resources planning, training, and job classification. Managers are aware of their HR responsibilities and have the necessary training, tools and support

- g. required to ensure that these are adequately addressed.
  - g. Managerial performance expectations include Agency human resources management objectives and priorities.
135. The Public Health Agency of Canada has appropriate integrated human resources planning processes and strategies in place;
- a. The Agency has an approved HR plan that is integral to the business planning process.
  - b. The Agency has a reliable human resources management information system that meets managerial information needs and human resources planning requirements.
  - c. The HR plan includes factual and timely information on current and future Agency staff requirements
  - d. HR planning issues are identified along with a planned course of remedial action including periodic reporting on progress.
  - e. The Agency has a training and development plan as well as a conference plan in support of Agency requirements including those identified in the HR plan.
  - f. Staff resource levels (competencies and capacities) are considered to be appropriate to current/projected workloads.
  - g. Planning for staffing (based on the HR plan), including recruitment, hiring and promotional processes has been established to maintain approved staffing levels.
136. Staffing practices in the Agency are carried out in a manner that meets all of the applicable legislative requirements as well as the requirements of the Agency's Staffing Managerial Accountability Framework.
- a. The Agency has a planned approach to staffing based on its integrated business plans.
  - b. The Agency has an instrument of delegated authority and managers have completed the necessary training.
  - c. Staffing files are maintained and staffing documentation checklists are used to ensure that documentation is complete and adequate.
  - d. Essential qualification requirements are stated and met for all internal and external advertised staffing processes
  - e. Persons with priority status are considered when required.
  - f. Areas of selection are consistent with the Agency's staffing policy and results in a pool of qualified candidates.
  - g. There are adequate rationales in support of non-advertised appointment processes.
  - h. Candidate assessments are fully documented based on the statements of merit criteria including competency, representativeness and the staffing values of fairness, access and transparency.
  - i. Selection board members meet the requirements of impartiality and are

- qualified to assess the candidates.
  - j. Notices of appointments are posted as required.
  - k. letters of offer of employment are made by individuals with delegated authority and include a reminder of the conflict of interest requirements.
137. Performance agreements and assessments as well as the learning plan hold managers and staff accountable for the achievement of Agency objectives and priorities.
- a. High level Agency objectives and priorities are determined annually and subsequently communicated to all senior employees before the objective setting process begins.
  - b. Executive and managerial staff as well as senior specialists in key operational areas have clearly defined and measurable performance objectives/expectations that are aligned with Agency objectives and priorities.
  - c. Individual executive and managerial/senior specialists' staff performance expectations include operational requirements, developmental objectives, applicable legislation, including Official Languages and a reminder of the need for compliance with the Code of Conduct.
  - d. Performance evaluations are completed on time, based on pre-determined performance objectives/expectations and include specific examples of accomplishments and areas in need of improvement.
  - e. Where pay at risk is applicable, performance evaluations are subject to review for ratings consistency and to ensure that they represent a sound and consistent basis for pay at risk decisions.

## Appendix B: Management Action Plan

Recommendations	Management Response	Officer of Prime Interest	Target Date
<p><b>We recommend:</b> <b>Human Resources management roles, responsibilities and accountabilities</b></p> <p>39 HRD should continue to develop its human resources management policies and guidelines. These policies should clearly define and delineate managerial and functional roles, responsibilities and accountability, and include effectiveness evaluation criteria. Monitoring and reporting requirements should also be identified.</p> <p>40 The HRD should have an approved strategic plan, including all of their initiatives and activities in support of the achievement of the Agency's plans and priorities. There should be reporting</p>	<p>Human Resources Directorate (HRD) has developed all the staffing policies and is currently reviewing some of them including the instrument of HR delegation. As we have repatriated services from Health Canada (HC), we are in the last phase of developing our human resources framework and policies. The review of existing policies and the development of new ones will take into account the need to delineate managerial and functional roles, responsibilities and accountability and will include effectiveness evaluation criteria and monitoring requirements.</p> <p>The HRD is finalizing its business plan. This plan will be link to the Agency's plans and priorities. It will be presented to the PHAC Human Resources Committee for approval.</p>	<p>Director of Planning, Recruitment, Accountability and Labour Relations</p> <p>Director General, HRD</p>	<p>March 2009</p> <p>September 2008</p>

Recommendations	Management Response	Officer of Prime Interest	Target Date
<p>against the requirements of this plan.</p> <p>41 An HRD capacity assessment should be conducted based on current and projected deliverables, legislative and policy requirements, client expectations and cost considerations.</p>	<p>HRD will report periodically on progress related to this plan. The on-going and key commitments of the DG HR and the Directors of HR will be in line with this business plan.</p> <p>Based on its business plan, HRD is reviewing its structure and will conduct a workload and a capacity assessment taking into account current and projected deliverables, legislative and policy requirements, clients' expectations and cost considerations.</p>	<p>Director General, HRD</p>	<p>September 2008</p>
<p><b>The Human Resources functions</b></p> <p>62 HRD needs to Identify and address those factors contributing to its high employee turnover as part of a recruitment and retention strategy.</p>	<p>The Human Resources community in the whole Public Service (PS) faces this same problem and a plan of action at the PS level is being developed through the Human Resources Council. It is greater than just the Agency, as the PE community can move very fast from one department to another. The situation was worst for PHAC as HRD had to move twice in a 9 months period in two different provinces. As we are settling in to the Carling location, we have recruited</p>	<p>Director General, HRD</p>	<p>A recruitment and retention strategy will be prepared by December 2008</p>



Recommendations	Management Response	Officer of Prime Interest	Target Date
<p>63 HRD should put in place, mandatory training to ensure that managers are trained and equipped to carry out their human resources management roles and responsibilities.</p> <p>64 The Executive Committee should play a more proactive role with respect to HRM policies, practices and functions. The membership of the Executive Committee of the Agency should be reviewed against common practices found in the private and public sectors.</p> <p>65 In the longer-term, HRD should establish a service delivery model including service delivery standards for key functions such as pay, classification and staffing.</p>	<p>more than 10 new employees in the first two months of this fiscal year, we are participating in the PS wide recruitment process and will develop our recruitment and retention strategy to address all factors contributing to high employee turnover.</p> <p>Mandatory training for managers already exists under the PS Learning Policy. PHAC HRD will develop a tailored-made mandatory training workshop on HR management.</p> <p>The Agency is currently undertaking a review of its governance structure and the concern identified by this recommendation will be addressed. In addition it will be recommended that the Director General Human Resources be a member of the PHAC Executive Committee.</p> <p>Once the workload and capacity assessment is done, HRD will establish its service delivery model (including defined business processes) and develop its service delivery standards on all key functions.</p>	<p>Director of Learning, Diversity and Employee Programs</p> <p>Senior Assistant Deputy Minister</p> <p>Director General, HRD</p>	<p>November 2008</p> <p>September 2008</p> <p>March 2009</p>

Recommendations	Management Response	Officer of Prime Interest	Target Date
<p><b>Integrated human resources planning, training processes and strategies</b></p> <p>81 HRD should ensure that the Agency's Integrated Human Resources Plan identifies and addresses all of the important HR issues and concerns facing the Agency such as the inordinately high use of temporary employment measures.</p> <p>82 HRD should facilitate the use of Personal Development Plans (PDPs) as input to the development of a consolidated training and conference plan that identifies common needs and cost-effective options.</p>	<p>HRD will review the Integrated HR plan to ensure all human resources management issues and concerns facing the Agency are identified.</p> <p>HRD is already facilitating the use of Personal Development Plans. The information will be used this year to develop a consolidated training and conference plan that identifies common needs and cost-effective options.</p>	<p>Director of Planning, Recruitment, Accountability and Labour Relations</p> <p>Director of Learning, Diversity and Employee Programs</p>	<p>March 2009</p> <p>December 2008</p>
<p><b>Staffing practices in the Agency</b></p> <p>113 HRD should develop an Agency strategic staffing plan based on its Integrated Human Resources Plan.</p>	<p>A strategic staffing plan is currently under development and will be presented to PHAC HRC in September 2008. The plan, once approved, will be reviewed on a regular basis and will become the main tool to plan staffing in PHAC. Managers and HRD staff will also be trained to ensure a common understanding.</p>	<p>Director of Planning, Recruitment, Accountability and Labour Relations and Director of Operations</p>	<p>September 2008</p>

Recommendations	Management Response	Officer of Prime Interest	Target Date
114 HRD should ensure that managers and its staffing officers are fully aware of their respective responsibilities for having the required documentation on the staffing file. The staffing file constitutes the main source of evidence that merit and the staffing values have been respected in the staffing process.	Close monitoring of the HR files will be conducted on a regular basis. The importance of having the required documentation on the staffing files will be part of the mandatory staffing workshops.	Director of Planning, Recruitment, Accountability and Labour Relations and Director of Operations	October 2008
115 HRD should provide managers with the training and tools required (forms, templates and other information) to enable them to fully address their roles and responsibilities with respect to staffing documentation.	See answers to number 63 and number 114. Tools such as generic job descriptions, statement of merit criteria and collective staffing are being developed.	Director General, HRD	November 2008
116 HRD staffing officers and assistants should be using staffing checklists as intended and identify and request any missing documentation in a timely manner, and staffing files should be monitored for compliance.	Our checklist is being revised and staff will be required to use it diligently to ensure that the process has been followed in line with the staffing values and that all documentation is on file. The files will be monitored on a regular basis.	Director of Planning, Recruitment, Accountability and Labour Relations and Director of Operations	November 2008 and on-going
117 HRD should ensure that their staffing filing system is improved to the point where the Agency has adequate	See answer to number 116. The records management is under the responsibility of Information	Director General, HRD and	September 2008

Recommendations	Management Response	Officer of Prime Interest	Target Date
assurance that there is a staffing file in support of every appointment decision.	Management and Information technology (IM&IT). The file management process will be reviewed in conjunction with IM&IT, including a review of the physical structure of files to ensure documents cannot be readily separated and lost from the file.	Director General, IM&IT	
<b>Performance agreements and assessments</b>  131 HRD should remind managers of the requirement to use the performance agreement template to show how their ongoing and key commitments are linked to Agency and Government priorities.	For 2008-09 a set of 5 standard on-going commitments and 2 standard key commitments have been developed and approved by senior management. The performance measures are identified and all commitments are taking into consideration the Clerk of the Privy Council priorities, the PHAC Strategic plan and priorities, the Program Activity Architecture (PAA), Departmental Performance Report (DPR), and the key leadership competencies. The standard commitments have been written with a cascade down approach. It is mandatory for all executives and equivalent.	Director of Executive services and Interchange Canada Program	September 2008 and on-going

Recommendations		Management Response	Officer of Prime Interest	Target Date
132	HRD should review all performance assessments to ensure that there is always a narrative assessment in support of the performance rating.	HRD will ensure that the narrative assessment is in support of the performance rating.	Director of Executive services and Interchange Canada Program	July 2008 and on-going
133	HRD should provide managers with direction and guidance to ensure that their ongoing and key commitments are more specific and measurable.	See answer to point number 131	Director of Executive services and Interchange Canada Program	September 2008 and on-going

Opportunities for Improvement	Management Response	Officer of Prime Interest	Target Date
<b>Human Resources management roles, responsibilities and accountabilities</b>  42 HRD should develop an Agency specific manager's handbook to help them fully address their human resources management roles and responsibilities. This manager's handbook should describe human resources management responsibilities in practical terms and include the tools and templates, or their source, as well as contact points for information and assistance.	HRD will develop an Agency specific manager's handbook to help them fully address their human resources management roles and responsibilities. The handbook would likely be Intranet based to facilitate up-dates.	Director General, HRD	March 2009

Opportunities for Improvement	Management Response	Officer of Prime Interest	Target Date
<p><b>The Human Resources functions</b></p> <p>66 In the longer-term HRD should establish a job classification review cycle.</p> <p>67 HRD should determine and draw from the full range of external resources available to address the classification and staffing backlog and then adequately support those managers in areas of priority and high employee growth areas.</p> <p>68 In addition to input provided by the Management Committee (MC), Human Resources Committee (HRC) should consider sub-committees and working groups to provide input in support of HR management decisions related to HR policy procedures and guidelines.</p>	<p>The EC conversion has helped in that regard as we had over 600 positions in this conversion. We are down to 35 generics jobs description. More group conversion is expected in the coming years. HRD will also establish a job classification review cycle.</p> <p>HRD is currently seeking applications under a Request For Proposal (RFP) to outsource its classification operational work. Consultants have also been hired to help on the staffing backlog.</p> <p>As indicated in recommendation 64, the Agency is undertaking a review of its governance structure, in addition , PHAC already has support in a number of areas. We have appointed seven senior managers to lead some of the HR critical files. We have Champions for Learning, Recruitment, Diversity, Workplace wellness, Leadership, Official Languages. We have also employee-driven committees on workplace wellness, employee orientation and employee recognition</p>	<p>Director of Planning, Recruitment, Accountability and Labour Relations</p> <p>Director of HR Operations</p>	<p>December 2008</p> <p>September 2008</p>

Opportunities for Improvement	Management Response	Officer of Prime Interest	Target Date
<p>69 The opportunity to co-locate HRM specialists with managers be considered should circumstances permit.</p>	<p>programs.</p> <p>As part of its service delivery models review, HRD will be looking at options to improve services to clients. Co-location will be one of the considerations</p>	<p>Director General, HRD</p>	<p>March 2009</p>
<p><b>Integrated human resources planning, training processes and strategies</b></p> <p>83 HRD with input from managers should determine the human resources information requirements for planning and day-to-day management and take steps to ensure that complete, accurate</p>	<p>PHAC HR is relying on the Health Canada Human Resources Information system (HR Advantage) which is very limited. HRD will review its processes to ensure timely and accurate data</p>	<p>Director, Planning, Recruitment, Accountability and Labour Relations and Director of</p>	<p>November 2008 and on-going</p>



Opportunities for Improvement	Management Response	Officer of Prime Interest	Target Date
and timely information is available to meet these requirements.	entry to allow managers to best plan and meet their requirements. Because of the way in which HR Advantage was structured to reflect the PHAC organizational design at the time of its creation and because of the reorganizations that have taken place since 2005, the current management structure for the Agency is not reflected in HR Advantage. Reflecting the correct and up-to-date organizational design of the Agency is a fundamental requirement and baseline for information management in the area of HR.	Operations	
<b>Staffing practices in the Agency</b>  118 HRD needs to develop guidelines and documentation requirements applicable to acting appointments for periods of more than 4 months. This information needs to be made available to all managers.	HRD is revising these guidelines which will be presented to PHAC HRC for approval and communicated to managers.	Director, Planning, Recruitment, Accountability and Labour Relations	September 2008

Opportunities for Improvement	Management Response	Officer of Prime Interest	Target Date
<b>Performance agreements and assessments</b>  134 HRD instructions related to the development of performance agreements and performance assessments should remind and encourage the joint preparation of these documents.	This is part of the policy documentation. HRD will ensure the information is well communicated to managers and employees.	Director of Executive services and Interchange Program and Director of Learning, Diversity and Employee programs	July 2008 and on-going