



Highlights



Public Service Commission Audit Reports 2010

October 2010

The Public Service Commission (PSC) is an independent agency reporting to Parliament, mandated to safeguard the integrity of the public service staffing system and the political impartiality of the public service.

In addition, the PSC recruits qualified Canadians from across the country.

In 2010, the Public Service Commission (PSC) published all of its departmental audits in one consolidated report. Seven entity audits and one follow-up audit are included in the report. Organizations were identified for audit based on the PSC's risk-based Audit, Evaluation and Studies Plan of 2009-2011.

Objectives

Each audit aims to determine whether the organization in question has an appropriate framework, systems and practices in place to manage its appointment activities and whether appointments and appointment processes complied with the *Public Service Employment Act* (PSEA).

Follow-up audits are conducted on organizations on which the PSC has placed conditions on appointment delegation as a result of a previous audit; the purpose of the audit is to determine whether that organization has responded adequately to the PSC's recommendations.

Recurring themes

While the audit work performed in 2009-2010 does not allow the PSC to make generalizations about appointment practices in all 84 organizations subject to the PSEA, it does permit an overview of practices touching approximately 10% of the appointment activities affecting the PSEA workforce.

Three key themes appear consistently across the organizations audited:

- A number of reports recommended that organizations need to improve their quality control practices; these practices should be designed to **monitor appointments** to ensure they are complete and compliant with the PSEA and allow for corrective actions as required.
- Appointment processes should be completely, accurately and reliably **documented to demonstrate that they are based on merit**. Merit criteria should always be aligned with the essential qualifications for the work to be performed. Documentation enables sub-delegated managers to support appointment decisions and to demonstrate that they are based on merit.
- Several audit reports found poor rationales used for selecting **non-advertised processes that did not link to the values of the PSEA** or organizational criteria for using such processes.

Audit of Fisheries and Oceans Canada

This audit covers external appointment activities and related decisions for the period of April 1, 2008, to March 31, 2009.

Findings

Fisheries and Oceans Canada (DFO) has developed and communicated to its hiring managers and human resources (HR) advisors an HR plan that provides staffing strategies. DFO has identified its HR objectives and priorities for the next three years and has articulated staffing strategies to achieve them. DFO has an official written sub-delegation instrument that clearly defines the roles and responsibilities for staffing and the way in which the delegated authorities are to be exercised.

DFO has put in place appointment policies that are mandatory according to the Public Service Commission (PSC) Appointment Framework. However, the DFO *Policy on Area of Selection* is not in line with the requirement for organizations to have a national area of selection for external advertised processes and its *Policy on Non-Advertised Appointment Processes* is not consistent with the PSC policy, as it does not make reference to the value of representativeness. DFO has been monitoring a number of its higher-risk appointment activities. However, DFO has failed to establish an effective follow-up mechanism as part of its monitoring of casuals becoming term or indeterminate employees.

DFO's external appointments and appointment processes are not always compliant with the *Public Service Employment Act*. Merit was not met in some of the external advertised appointment processes and external non advertised appointment processes audited. Lastly, we found, in some of the external appointment processes audited, indicators of preferential treatment.

Action taken by the Public Service Commission

The PSC will monitor DFO's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Audit of Indian and Northern Affairs Canada

This audit covers appointment activities and related decisions in Indian and Northern Affairs Canada's (INAC) regional offices for the period of October 1, 2008, to March 31, 2010.

Findings

INAC has established human resource (HR) plans that have improved its identification of risks, HR strategies and performance measures. INAC has established the mandatory HR policies and is in the process of ensuring that the policies are current and comply with PSC policies. The roles, responsibilities and accountabilities have been clearly defined for the sub-delegated managers.

INAC has been monitoring its actual performance against its planned results and taking corrective actions on a timely basis. However, there is no departmental strategy in place to verify the compliance of individual appointments to the *Public Service Employment Act*, the PSC appointment policies and departmental policies.

The data in the departmental HR system dealing with the type of appointments made showed that approximately half of the files selected for this audit had missing or incorrect information.

In many of the files, merit could not be demonstrated due to improper assessment tools or processes, or missing or incomplete documentation on files. In some cases, merit was not met because the person appointed failed one or more merit criteria.

Action taken by the Public Service Commission

The PSC will monitor INAC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Audit of Library and Archives Canada

This audit covers appointment activities and related decisions for the period of April 1, 2008, to March 31, 2009.

Findings

On March 3, 2009, Library and Archives Canada (LAC) approved an integrated human resources (HR) plan for 2009-2012. However, the plan is not based on a workforce analysis or on intended results. In addition, it does not take into account organizational objectives defining current and future needs and does not provide any staffing strategies.

LAC has clearly defined the roles and responsibilities and the requirements that must be met in order to obtain sub-delegation. In fact, LAC has developed an instrument and policy for the sub-delegation of HR authorities, defining roles and responsibilities. It also provides a staffing course to managers affected by the sub-delegation of authorities. Each manager also has access to advice and guidance from HR advisors.

LAC has carried out some monitoring activities. It prepared its first staffing monitoring report, covering appointment activities that took place during the period of October 2007 to September 2008. However, LAC has not developed a specific action plan to tackle the problems raised in the report it released in February 2009.

Some staffing files were not complete; there was missing documentation for both the advertised and non-advertised processes audited.

Appointments and appointment processes at LAC are not always compliant. In several advertised and non-advertised appointment processes, there was evidence that merit was not met, or that an advantage or preferential treatment was given to the person appointed. None of the advertised appointment processes where preferential treatment was given to the person appointed demonstrated merit. Most of the non-advertised appointment processes favouring the person appointed did not demonstrate merit.

Action taken by the Public Service Commission

The PSC will monitor the LAC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Audit of the Atlantic Canada Opportunities Agency

This audit covers appointment activities and related decisions the period of April 1, 2008, to March 31, 2010.

Findings

The Atlantic Canada Opportunities Agency (ACOA) has a strategic human resources plan and a broad staffing strategy. Furthermore, appointment policies consistent with the *Public Service Employment Act* and the PSC Appointment Framework are in place. Sub-delegated managers are trained and have access to experienced human resources advisors regarding appointment processes.

ACOA must strengthen its framework, systems and practices to better align its staffing strategies and priorities. In particular, ACOA must review the design and application of the sub-delegation instrument. Roles, responsibilities and accountabilities for key stakeholders involved in the appointment system are not always clearly defined. As well, the current monitoring framework for staffing needs improvement.

Merit was met in most cases. However, the rationales for non-advertised processes did not always demonstrate respect for the guiding values.

Action taken by the Public Service Commission

The PSC will monitor ACOA's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Audit of the National Parole Board

This audit covers appointment activities and related decisions for the period of April 1, 2008, to March 31, 2010.

Findings

The National Parole Board (NPB) does not have an appropriate framework, systems and practices in place to appropriately manage its appointment

activities. The NPB does not have a corporate human resources (HR) plan, its HR support and challenge functions on staffing are insufficient, no monitoring program has been implemented and data on appointments is incomplete and inaccurate.

Most of the appointments we reviewed did not comply with the *Public Service Employment Act*. Merit was not met in some cases when the person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified. Merit was not demonstrated in the majority of the appointments reviewed because assessment tools were found to be inadequate, incomplete or non-existent. Documentation supporting appointment decisions requires improvement.

The guiding values may be at risk. In almost all appointments reviewed, sub-delegated managers did not address the values when choosing a non-advertised process. There were indicators of preferential treatment in almost half of the appointments reviewed.

The level of non-compliance found indicates that sub-delegated managers, HR advisors and corporate services managers have not demonstrated a clear understanding of their roles, responsibilities and accountabilities relative to staffing.

The Chairperson of the NPB has developed and approved a corporate HR plan, including staffing strategies; modified training requirements for sub-delegation; hired additional HR advisors; and undertaken a preliminary monitoring exercise. The Chairperson has also indicated that action would be taken to ensure completion of the required training.

Action taken by the Public Service Commission

The PSC has placed conditions on the delegation of staffing authorities at the NPB. The Chairperson of the NPB has provided the PSC with an action plan that outlines how the NPB will respond to the audit recommendations. The Chairperson of the NPB will also be required to provide the PSC with semi-annual reports on progress made against this action plan.

Audit of the Canadian Grain Commission

This audit covers appointment activities and related decisions for the period of April 1, 2008, to March 31, 2010, as well as a representative sample of appointments for the period of April 1, 2008, to November 30, 2009.

Findings

The Canadian Grain Commission (CGC) has in place most of the elements of a framework to manage its appointment activities. The CGC's human resources plan for 2009-2010 contains more clearly defined strategies. There is a variance analysis between planned and actual staffing results and an effort to align staffing strategies with the plan in both the short and long term.

The CGC has established the mandatory appointment policies. In addition, the CGC has a developmental program in place to provide cross-training and promotional opportunities for grain weighers and inspectors. However, the program guidelines need to provide clearer direction to help ensure the fair and transparent selection of participants.

A weakness in the control that allows managers to receive letters of sub-delegation before completing the required training resulted in four letters of offer being signed before the manager completed the mandatory training.

The CGC improved its monitoring in 2009-2010. However, there is a weakness in its monitoring activities that determines whether appointment and appointment-related decisions are compliant with the *Public Service Employment Act*.

Appointment and appointment process compliance requires improvement. In particular, the repeated use of an incorrect assessment method resulted in many advertised appointments not meeting or demonstrating merit. Overall, the majority of all appointments reviewed did not meet or demonstrate merit.

More than half of the non-advertised appointment processes did not demonstrate that one or more of the guiding values were respected.

Action taken by the Public Service Commission

The PSC will monitor the CGC's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Audit of the Public Service Labour Relations Board

The audit covers appointment activities and related decisions for the period of April 1, 2009, to March 31, 2010.

Findings

The Public Service Labour Relations Board (PSLRB) has developed and implemented an appropriate framework to manage its appointment activities. The PSLRB has staffing strategies and has approved a series of policies and guidelines to guide sub-delegated managers in conducting appointment activities. However, the PSLRB's area of selection policy puts the guiding values of access and transparency at risk.

The roles and responsibilities of sub-delegated managers and human resources officials are appropriately communicated. The PSLRB conducts monitoring activities and has mechanisms in place to ensure that appointments and appointment processes are monitored and that appropriate action is taken when deficiencies are identified.

Merit was met in all but one case. However, the PSLRB's appointments and appointment processes do not always respect the guiding values and the PSC Appointment Framework. In a few of the appointment processes audited, we found evidence that preferential treatment was given to the person appointed. Furthermore, in most of the non-advertised appointment processes audited, managers did not always demonstrate, with a rationale, that all of the guiding values had been considered.

Actions taken by the Public Service Commission

The PSC will monitor the PSLRB's follow-up action to the audit recommendations through its regular monitoring activities, including the annual Departmental Staffing Accountability Report.

Follow-up audit of the Canadian Space Agency

The PSC conducted a follow-up audit to determine whether the Canadian Space Agency (the Agency) had responded adequately to the PSC's recommendations from its May 2006 audit report. It examined the activities pertaining to the staffing management framework during the period of October 1, 2008, to March 31, 2010, as well as a representative sample of 60 advertised, non-advertised and acting appointments under the *Public Service Employment Act* from October 1, 2008, to September 30, 2009.

Findings

The Agency has implemented a staffing framework that ensures management leadership and accountability framework. It has defined the roles and responsibilities of sub-delegated managers and human resources (HR) advisors, and has implemented continuous learning programs for managers and HR advisors.

The Agency has developed an integrated HR plan and integrated HR planning with an operational and business planning cycle. It has also developed and implemented staffing strategies to better respond to organizational priorities.

The Agency has implemented a staffing activity monitoring system that assesses progress in terms of expected results and actively monitors risk areas.

However, in the case of acting appointment processes, the Agency needs to pay special attention to the guiding values.

Action taken by the Public Service Commission

As a result of this follow-up audit, the PSC has removed the conditions it imposed in 2006 on the Agency's delegated appointment authorities.

