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of Canada

Commission de la fonction publique
du Canada

PUBLIC
SERVICE
COMMISSION

2014-2015

AUDIT REPORTS



Canada

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AUDIT
REPORTS
2014-2015

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Introduction

Introduction

- 1.1 This volume presents the 2014-2015 audit reports and complements the Public Service Commission's (PSC) Annual Report tabled in Parliament. This Introduction provides information about the PSC's audit mandate, objectives and the methodology used by the PSC in undertaking its audits.
- 1.2 The *Public Service Employment Act* (PSEA) gives the PSC exclusive authority to make appointments, based on merit, to and within the public service. The PSEA authorizes the PSC to delegate appointment authorities to the deputy heads of organizations subject to the PSEA. The PSC is ultimately accountable to Parliament for the overall integrity of the staffing system and holds deputy heads accountable for how delegated authorities are exercised in their organizations. As a result, deputy heads and the PSC are both responsible for the overall success of the staffing system.
- 1.3 The PSC assures itself of the integrity of the staffing system through its oversight framework as well as its regulatory authority and policy-setting function. The oversight framework provides information on the integrity of the staffing system by systematically examining the different parts of that system and is comprised of three important oversight mechanisms: monitoring, audits and investigations. Collectively, the integrated results of these three oversight mechanisms allow the PSC to report to Parliament on the overall integrity of the staffing system, as well as provide feedback to deputy heads and promote learning about staffing practices in order to strengthen staffing performance. The PSC also uses these integrated oversight results to refine its policy framework and related guidance and to support delegated departments and agencies. The results of these oversight mechanisms, including a summary of audit findings, are presented in Chapter 4 of the PSC's Annual Report 2014-2015.

- 1.4 The PSC conducts audits to inform deputy heads and Parliament of how delegated appointment authority is being managed in organizations and whether appointments are being made on the basis of merit. Audit results contribute to deputy heads' understanding of the governance, controls and staffing risks within their respective organizations. Where appropriate, recommendations are included in the audits to help organizations address issues and make improvements to their staffing practices. Audits may also result in the identification of issues in appointment processes that warrant a PSC or organizational investigation. Through a systematic approach, the audits provide organizations with information on ongoing staffing issues and contribute to learning and improving system-wide performance.

2014-2015 Audit reports

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

- Citizenship and Immigration Canada;
- Agriculture and Agri-Food Canada;
- Treasury Board Secretariat of Canada;
- Canadian Heritage;
- Western Economic Diversification Canada;
- Federal Economic Development Agency for Southern Ontario;
- Office of the Registrar of the Supreme Court of Canada;
- Status of Women Canada;
- Civilian Review and Complaints Commission for the Royal Canadian Mounted Police;
- Veterans Review and Appeal Board;
- Office of the Commissioner of Lobbying;
- Military Grievances External Review Committee; and
- Farm Products Council of Canada.

Selection of audits

- 1.6 The PSC's audit engagement and work plan for 2015-2016 can be found in Appendix 4 of the PSC's Annual Report 2014-2015. This plan reflects how the PSC is continuing to evolve its approach to oversight, recognizing the maturity of the staffing system and capacity within delegated organizations and the results of the PSC's review of its policy and delegation frameworks and oversight model. An updated plan will be published in 2016-2017.



Mandate and authorities

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

Audit objectives and criteria

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



Table 1: Public Service Commission audit criteria¹

Sub-delegation of appointment authorities
‣ The organization's sub-delegation instrument is in place, is well managed and accessible across the organization.
Planning for staffing
‣ The organization established staffing plans and related strategies that are measurable, approved and communicated to employees.
Appointment policies
‣ The organization has established appointment policies and criteria compliant with the PSEA, any other applicable statutory and regulatory instruments, and the PSC's Appointment Framework.
Capacity to deliver
‣ Those who have been assigned a role in appointment processes are informed of their roles and responsibilities, and have access to tools and the human resources support to carry out this role.
Monitoring
‣ The organization has mandatory monitoring in place as outlined in the PSC's Appointment Framework, including the ADAI, and adjusts practices accordingly.
Appointments – Merit
‣ Appointments and appointment processes respect merit.
Appointments – Other requirements
‣ Appointments and appointment processes respect other PSEA requirements, any other applicable statutory and regulatory instruments, the PSC's Appointment Framework, including the ADAI, and the organization's own appointment policies.

¹ Note that these criteria were used for all audits of medium and large organizations. A more tailored approach was developed for audits of small and micro organizations, which is outlined in more detail in the next section.

Audit of small and micro organizations

- 1.11 In 2014-2015, the PSC undertook broad consultations with deputy heads of small and micro organizations on the renewal of its approach to these organizations. Given the nature, size and scope of small and micro organizations, it can be challenging for these organizations to meet requirements in the same way as larger ones.
- 1.12 Small and micro organizations often have highly specialized mandates, have few employees and undertake a low number of appointment activities. Some of these organizations have limited human resources (HR) capacity and many use external service providers. Given a limited number of staff to draw upon, they often need to act quickly to fill vacancies of experts in critical positions.
- 1.13 Taking these factors into consideration, as well as a desire to provide greater support to deputy heads of small and micro organizations, the PSC has been reviewing its expectations of these organizations. As an immediate step, the PSC renewed its audit methodology, including the scope and frequency of its audits, to ensure it is adapted to the size, level of risk and unique context of these organizations.
- 1.14 The PSC's renewed approach to auditing small and micro organizations, which was piloted in 2014-2015, focused on the most commonly reported risk areas for organizations of this size. The audits reviewed the management of sub-delegation, organizational capacity to support staffing, whether the organization was able to demonstrate that appointments were based on merit and whether persons with a priority entitlement were considered prior to making appointments.

Audit approach

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

Audit scope

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

Reliance

- 1.19 In some instances, the PSC may be able to rely on and accept the results of an organization's internal reviews or audits. In 2014-2015, the PSC found that an adequate basis existed to establish reliance on the comprehensive monitoring of appointments exercise performed by Citizenship and Immigration Canada.

After an audit

- 1.20 Once completed, audit reports are forwarded to the deputy head of the organization being audited. Where appropriate, recommendations are included in the audits to help organizations address issues and make improvements to their staffing practices. Two actions generally follow: the deputy head responds to the recommendations and develops an action plan with the support of the PSC, and the PSC determines whether it is satisfied with the response and action plan or whether additional action is required. Depending on the issues raised, the PSC may take additional action, ranging from working with the organization to address the issues to imposing additional terms and conditions on delegation to these organizations.
- 1.21 Following the 2014-2015 audits, the deputy heads of departments and agencies audited this year have provided the PSC with action plans that respond to the audit recommendations, where recommendations have been issued. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update to the action plan. The PSC can provide assistance for this implementation, as required.
- 1.22 The PSC will refer to deputy heads any internal appointment files in which issues have been found, in order that they may take appropriate action in an area of their authority. The PSC will monitor these files to ensure that appropriate action is taken. For external appointments, or if there are indications of fraud or political influence in either internal or external processes, files can be referred to the Investigations Branch of the PSC to determine whether an investigation is warranted.



Audit of Citizenship and Immigration Canada

Audit conclusion

We concluded that Citizenship and Immigration of Canada (CIC) had a sound and appropriate appointment framework, practices and systems in place to manage its appointment activities. We found that CIC had put in place a sub-delegation instrument that was well-managed and accessible to all employees. Mandatory appointment policies and criteria were established and compliant. We found that those who had been assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and human resources support to carry out this role. In addition, we found that CIC established staffing plans and related strategies that were measurable and communicated to employees. The planning for staffing practices implemented by CIC contributed to its ability to monitor organizational staffing performance.

Finally, we found that CIC had a staffing monitoring framework in place, conducted effective monitoring activities and adjusted practices accordingly. In addition, CIC conducted a noteworthy and comprehensive monitoring of appointments exercise that we were able to rely upon and accept the results, as reported by CIC. We found that CIC had adequately implemented the recommendations from its action plan to address issues identified through its monitoring exercise, illustrating CIC's commitment to ensuring continuous improvement of its staffing framework. As a result of the positive outcome of the audit, the Public Service Commission is not providing any recommendations to the deputy head of CIC.



Audit of Citizenship and Immigration Canada

- 2.1 The audit covers Citizenship and Immigration Canada's (CIC) appointment framework for the period of April 1, 2013, to March 31, 2015. The objective of the audit was to determine whether CIC had an appropriate framework, practices and systems in place to manage its appointment activities.
- 2.2 CIC was established in 1994 and its mandate is to select foreign nationals as permanent and temporary residents and offer Canada's protection to refugees. The department develops Canada's admissibility policy, which sets the conditions for entering and remaining in Canada. It also conducts, in collaboration with its partners, the screening of potential permanent and temporary residents to protect the health, safety and security of Canadians. CIC operates 27 offices in Canada and 70 offices in 63 countries.
- 2.3 As of March 31, 2014, CIC had 5 886 full-time equivalents in its workforce, most of whom worked in the National Capital Region and were of indeterminate status. The organization carried out 3 676 staffing activities in 2013-2014. This included a significant increase in term appointments to the public service to increase CIC's capacity to process temporary resident and citizenship applications.
- 2.4 CIC reported some challenges that had an impact on staffing in the organization. In July 2013, the primary responsibility for Passport Canada was transferred from the Department of Foreign Affairs, Trade and Development to CIC, with functions related to service delivery transferred to Service Canada. Consequently, CIC invoked Workforce Adjustment for 25 positions to eliminate duplication in internal services. In addition, CIC's Human Resources (HR) Branch underwent significant organizational restructuring as part of Spending Review 2012. According to CIC, another challenge was the centralization of all their regional HR services, including staffing. CIC also stated that Budget 2013 provided additional funding for temporary staffing to meet departmental priorities.
- 2.5 CIC conducted a comprehensive monitoring exercise of 40 appointments for the period of April 1, 2011, to March 31, 2013. Given the comprehensive nature of this monitoring activity, we performed an analysis to determine whether an adequate basis for reliance existed. To this end, we examined whether the work carried out by CIC was relevant to and aligned with the Public Service Commission's (PSC) audit objectives, criteria and scope and we assessed the independence and the objectivity of those responsible for the monitoring exercise. We also examined whether there was sufficient, reliable and relevant information to support the monitoring observations and conclusions. In addition, we assessed whether the monitoring exercise was appropriately documented and supervised. Finally, we examined whether the findings were communicated to senior management and corrective measures taken.
- 2.6 We found that an adequate basis for reliance on CIC's monitoring exercise existed. Consequently, the PSC's audit objective to determine the compliance of appointments and appointment processes was not required. Nevertheless, we examined whether CIC had implemented its action plan resulting from its monitoring exercise. In addition, we conducted interviews with HR professionals and analyzed relevant organizational documentation.



Observations on the Appointment Framework

Sub-delegation of appointment authorities

- 2.7 The *Public Service Employment Act* (PSEA) gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 2.8 During the period covered by the audit, the deputy head of CIC was subject to the Appointment Delegation and Accountability Instrument (ADAI) since its coming into force, granting the deputy head appointment and appointment-related authorities.
- 2.9 We found that the deputy head established an Instrument of Human Resources Signing Authorities that is well managed and included the conditions to be met prior to exercising appointment and appointment-related authorities. For example, sub-delegated managers must commit in writing to respect the conditions of sub-delegation by signing a letter entitled “Sub-delegation of Appointment Authorities Pursuant to the New PSEA” and must complete the mandatory training prior to being sub-delegated appointment and appointment-related authorities. The ADAI and the sub-delegation instrument were made accessible to employees on CIC’s intranet site.
- 2.10 In addition, we found that CIC established a Staffing Sub-delegation Conditions Approval Form to ensure that sub-delegated managers meet all conditions of sub-delegation. CIC also maintained a list of sub-delegated managers used by HR advisors to ensure that the offers of appointment were signed by a sub-delegated manager with the appropriate level of sub-delegation.
- 2.11 As part of our analysis of CIC’s monitoring activities, we found that CIC effectively monitored the exercise of sub-delegated appointment and appointment-related authorities. We noted that the monitoring checklists used to perform this monitoring activity included an element relating to whether the offer of appointment was signed by a manager with valid sub-delegation authorities.

Planning for staffing

- 2.12 Organizational staffing plans and related strategies describe organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing plans and related strategies that are measurable, approved and communicated to employees.
- 2.13 CIC developed an Integrated Corporate Plan (ICP) for 2013-2014, including an HR Plan and related strategies that were measurable, approved and communicated to employees on CIC’s intranet site. CIC updated its ICP for 2014 and developed an HR Plan for 2014-2015.
- 2.14 We found that CIC established measures to ensure the successful implementation of its staffing plans and related strategies such as quarterly reviews to allow for regular monitoring of commitments and milestones and progress reports to identify necessary adjustments.



- 2.15 We noted that CIC monitored the results of its staffing plans and related strategies. CIC also reported on the results of its analysis between planned and actual staffing activities to senior management, including the Departmental Management Committee, through various internal reports. In addition, we found that briefing notes were prepared for the deputy head's approval of quarterly staffing monitoring reports that included key findings and recommendations.

Appointment policies

- 2.16 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects the other appointment policies that organizations develop be compliant with the PSEA, any other applicable statutory and regulatory instruments and the PSC's Appointment Framework.
- 2.17 We found that CIC established appointment policies and criteria for the use of non-advertised processes that are compliant. CIC reviewed and updated its organizational appointment policies in 2014 and 2015. We noted that CIC's stakeholders, such as managers and bargaining agents, were consulted in the revision of its policies and criteria for the use of non-advertised processes.
- 2.18 We also found that CIC's organizational policies and criteria for the use of non-advertised processes were communicated and accessible to all sub-delegated managers, employees and bargaining agents on CIC's intranet site.

Capacity to deliver

- 2.19 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 2.20 We found that CIC's Instrument of Human Resources Signing Authorities serves to inform those who have been assigned a role in appointment processes of their roles and responsibilities.
- 2.21 We also noted that sub-delegated managers have access to various staffing tools on CIC's intranet site, such as a series of guides to support sub-delegated managers in making appointments and conducting appointment processes, including a guide to develop rating scales and Statement of Merit Criteria.
- 2.22 In addition, we found that sub-delegated managers had access to an HR advisor who had passed the PSC Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.
- 2.23 Although there is no PSC requirement to document the advice provided by HR advisors, we found that CIC had effective controls in place to monitor whether the advice provided was compliant with the PSC's Appointment Framework and whether it was followed by the sub-delegated manager. We noted that the monitoring checklists used by CIC to perform its monitoring of staffing activities included an element to assess the quality of the HR advice and guidance provided.



Monitoring

- 2.24 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC's Appointment Framework, including the ADAI, and adjust practices accordingly.
- 2.25 CIC developed a multi-year Staffing Monitoring Framework for 2014-2017 that identifies the requirement to monitor and report on certain policy-based risk areas, such as acting appointments over 12 months and appointment of casual workers to term or indeterminate status through non-advertised processes. We found that CIC conducted the required monitoring accordingly for the period covered by our audit. Comprehensive reports on the results were reported to senior management and included proposed actions and next steps.
- 2.26 As previously mentioned, we noted that CIC conducted a monitoring exercise on 40 appointments for the period of April 1, 2011, to March 31, 2013. This exercise was based on a Self-Assessment of Staffing Activities Tool developed by CIC's Internal Audit & Accountability Branch to assess its staffing framework and practices. The tool identified key compliance requirements and included similar audit objectives and criteria used by the PSC to perform organizational audits. For this monitoring exercise, CIC used an extraction from its HR database for sampling purposes. We conducted an electronic verification of CIC's data and found that it provided reliable information on their appointments.
- 2.27 Following the completion of its monitoring of appointments, CIC prepared a report that included key monitoring observations on merit and assessment, consideration of persons with a priority entitlement, area of selection, notification, selection and appointment and the choice of non-advertised process. CIC also developed an action plan to address issues identified. Key issues found pertained to insufficient information to conclude that merit was met, rationales for the use of non-advertised appointment processes, errors in advertisements or notifications, area of selection used and consideration of persons with a priority entitlement.
- 2.28 As indicated previously, we concluded that an adequate basis for reliance existed on CIC's monitoring exercise of 40 appointments and accepted the results as reported by the organization. During the course of our audit, we examined whether CIC had implemented the action plan resulting from its monitoring exercise. The following paragraphs provide a summary of our observations concerning the implementation of CIC's action plan.

"Inform and advise HR advisors via the monthly staffing teleconference and information sessions."

- 2.29 To inform and advise HR advisors on issues identified during its monitoring of appointments, CIC worked closely with the HR staffing community and sub-delegated managers to provide feedback using various mechanisms. For example, information sessions with the HR advisors and HR client service managers were held. In addition, information was provided during monthly staffing teleconference meetings on issues such as considering persons with a priority entitlement.

“Review CIC’s Policy on Non-Advertised Appointments.”

- 2.30 To address issues found relating to the rationales for the use of non-advertised appointment processes, CIC revised its *Policy on Non-Advertised Appointments*, effective April 1, 2014. The revised policy included an updated mandatory template to support managers in writing rationales for the use of non-advertised appointment processes and staffing-related definitions.

“Create tools for managers such as a one page document containing “Tips for managers on completing non-advertised rationales” and examples of acceptable non-advertised rationales management can use as a guide for future processes.”

- 2.31 We found that CIC developed several tools to support sub-delegated managers in preparing rationales for the use of non-advertised appointment processes, such as frequently asked questions and tips to writing a rationale for non-advertised processes. These tools were formally communicated to CIC employees through HR Bulletins. CIC indicated that some of these tools are currently being updated, based on feedback received from senior management.

“Monitor each non-advertised rationale.”

- 2.32 We found that CIC monitored the rationales for the use of non-advertised appointment processes through its bi-annual monitoring activity, as identified in its Staffing Monitoring Framework. CIC also indicated that a targeted monitoring exercise will be conducted in early 2015-2016 to review a sample of rationales for the use of non-advertised appointment processes completed in 2014-2015.

“Review CIC’s Policy and Guidelines on Area of Selection.”

- 2.33 To address issues relating to area of selection, CIC revised its *Policy on Area of Selection*, effective April 1, 2014. The revised policy included information to assist managers in determining the appropriate area of selection, such as a template for the area of selection justification and related definitions.

“Create guidelines and examples to help HR advisors and managers decide which area of selection best meets their needs and is compliant with policy.”

- 2.34 We found that CIC incorporated a guideline and examples in their revised *Policy on Area of Selection* to assist HR advisors and sub-delegated managers determine the appropriate area of selection.

“Create a new Guide on Communication in the Appointment Process which will provide detailed information on how and when to post advertisements.”

- 2.35 To address inconsistencies found in some of the advertisements and notifications, CIC developed a Guideline on Communication in an Appointment Process that took effect April 1, 2014. This guideline was established to ensure compliance with PSC policies and related guidance.



“Monitor closely the advertisement of job opportunities, notifications and information regarding acting appointments posted at CIC on Publiservice and jobs.gc.ca to ensure compliance.”

- 2.36 We found that CIC conducted two monitoring activities that included the monitoring of advertisements, notifications and information regarding acting appointments to ensure compliance with their *Policy on Area of Selection* and the PSC’s *Policy on Area of Selection*. These monitoring activities also included a review of areas of selection and Statements of Merit Criteria to ensure consistency in both official languages.

“Proceed with a follow up internal monitoring of staffing files exercise.”

- 2.37 To determine if issues identified in the initial monitoring exercise persisted, CIC conducted a follow-up monitoring of appointments exercise that was completed in May 2014. Key observations were included in a report that was shared with management. The report did not include additional recommendations further to the first report. According to CIC, notable improvements were observed during this subsequent monitoring exercise. It was therefore recommended to pursue those follow-up activities outlined in the initial internal monitoring exercise.
- 2.38 Based on our findings, we concluded that CIC had appropriately implemented the action plan resulting from this monitoring activity.



Overall response by Citizenship and Immigration Canada

Citizenship and Immigration Canada (CIC) was pleased to receive its Staffing Management audit report and welcomed the positive feedback.

CIC is committed to achieving excellence in staffing management. As such, it takes into consideration the outcomes of the audit exercise and continues to seek ways to improve its existing staffing management framework, tools, processes and systems.

One way CIC recently demonstrated its commitment to proactively improve people management outcomes is through the creation of the Strategic Workforce Management Steering Committee. This associate deputy minister-led committee brings managers and human resource professionals together to discuss human resources management issues with a particular emphasis on staffing management, and to collaborate on the identification of integrated solutions.

Through the work of the Committee and in consultation with stakeholders, a number of proactive initiatives have been implemented or are underway: The commissioning of a consultant to review internal staffing management processes and make recommendations regarding streamlined processes, the creation of a pilot exercise to test streamlined external recruitment approaches to reduce process duration, the development of an integrated Staffing Management Risk Framework to assist managers in exercising their sub-delegated authorities through informed decision-making, the creation of an e-placemat to centralize information available for managers regarding staffing options and the strengthening of human resources planning through close collaboration with partners in finance and the design of a department-specific staffing management curriculum for managers to ensure they are fully trained to make informed staffing management decisions.

CIC continues to work diligently to maintain a healthy staffing management regime, as the Public Service Commission encourages departments to innovate, to focus on the results of staffing management activities and to adhere to the objectives of the Public Service Modernization Act.

Action taken by the Public Service Commission

Citizenship and Immigration Canada (CIC) conducted a noteworthy and comprehensive monitoring of appointments exercise that the Public Service Commission (PSC) was able to rely upon and accept the results as reported by the organization. The PSC found that CIC had adequately implemented the recommendations from its action plan to address issues identified through its monitoring exercise, illustrating its commitment to ensuring continuous improvement of its staffing framework.

The PSC systematically reviews audit information and the organization's management response to determine whether any action should be taken by the PSC. This review confirmed to the PSC that CIC has put in place the key elements of a sound staffing management system and that the organization is committed to continue to build upon this solid foundation in the future, as evidenced in its management response.

The PSC commends CIC for its ongoing engagement in support of a strong staffing regime.



Audit of Agriculture and Agri-Food Canada

Audit conclusion

We concluded that Agriculture and Agri-Food Canada (AAFC) had an appropriate framework, practices and systems in place to manage its appointment activities. A sub-delegation instrument was established and communicated. We found that AAFC demonstrated that most of the sub-delegated managers had met the terms and conditions for sub-delegation, including the training established by the deputy head, and that most of the individuals exercising appointment authorities were duly sub-delegated to do so. However, we found that the authority to sub-delegate appointment and appointment-related authorities and limit or revoke sub-delegation, which may only be exercised by the deputy head, was sub-delegated and used. We found that the mandatory appointment policies and criteria for the use of non-advertised processes were established and compliant. We noted that roles and responsibilities were defined and communicated to managers and human resources professionals. Finally, we found that AAFC had undertaken monitoring activities and adjusted its practices accordingly.

We also concluded that most of AAFC's appointments and appointment processes were compliant with the *Public Service Employment Act*, any other applicable statutory and regulatory instruments, the Public Service Commission's Appointment Framework and the organization's own appointment policies. We found that AAFC demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in all 40 appointments audited. In addition, we found that persons with a priority entitlement were considered before appointments were made. In some instances, we found that the information used to make the priority clearance request and that was used to make the appointment decision was not the same, which could have had an impact on the consideration of persons with a priority entitlement. Finally, in several instances, we found that the English and French versions of the advertisements did not contain the same information, which could have had an impact on the decision of potential applicants to apply or avail themselves of their recourse rights.



Audit of Agriculture and Agri-Food Canada

- 3.1 This audit covers Agriculture and Agri-Food Canada's (AAFC) appointment activities for the period of October 1, 2013, to September 30, 2014. The first objective of the audit was to determine whether AAFC had an appropriate framework, practices and systems in place to manage its appointment activities. The second objective was to determine if appointments and appointment processes in AAFC complied with the *Public Service Employment Act* (PSEA), any other applicable statutory and regulatory instruments, the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI) and the organization's own appointment policies.
- 3.2 AAFC was created in 1868. Its mission is to provide leadership in the growth and development of a competitive, innovative and sustainable Canadian agriculture and agri-food sector. AAFC provides information, research and technology and policies and programs to help Canada's agriculture, agri-food and agri-based products sector compete in markets at home and abroad, manage risk and embrace innovation.
- 3.3 AAFC is a large organization, comprised of 5 287 employees as of March 31, 2014. It is regionally diversified, with approximately 63% of its employees located outside of the National Capital Region.
- 3.4 As a result of Spending Review 2012, AAFC underwent a structural reorganization and a reduction of its staff. The focus of the organization, over the period covered by the audit, was on managing workforce adjustment and most appointment requests were submitted to a senior management committee for approval. Therefore, the audit team did not audit whether AAFC established staffing plans and related strategies that were measurable, approved and communicated to employees.
- 3.5 The organization carried out 203 appointments within the scope covered by the audit. As part of our audit, we conducted interviews with human resources (HR) professionals and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 40 appointments.

Observations on the Appointment Framework

Sub-delegation of appointment authorities

- 3.6 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 3.7 We found that the deputy head had established an Instrument of Delegation of HR Authorities to sub-delegate appointment and appointment-related authorities. The sub-delegation instrument has been communicated and made accessible to all employees.



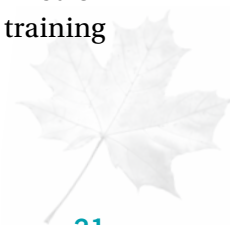
- 3.8 We found that the authority to sub-delegate appointment and appointment-related authorities and limit or revoke sub-delegation, which may only be exercised by the deputy head, was sub-delegated. We found that this authority had been exercised by sub-delegated managers. AAFC officials indicated that they were in the process of reviewing the instrument of sub-delegation.
- 3.9 We also found that the deputy head established terms and conditions of sub-delegation and mechanisms to ensure that terms and conditions of sub-delegation were met. AAFC demonstrated that most of the sub-delegated managers (21 out of the 23 managers who signed the 40 offers of appointment within the audit sample) had completed the training required for sub-delegation established by the deputy head.
- 3.10 In addition, we found that AAFC demonstrated that most of the individuals exercising appointment authorities were duly sub-delegated to do so. However, in 3 out of the 40 appointments, the manager who signed either the offer of appointment or the rationale for the use of a non-advertised process did not have the level of sub-delegated authority to do so, as per the sub-delegation instrument established by the deputy head. **Refer to recommendation 1 at the end of this report.**

Appointment policies

- 3.11 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects the other appointment policies that organizations develop be compliant with the PSEA, any other applicable statutory and regulatory instruments and the PSC's Appointment Framework.
- 3.12 We found that AAFC put in place the mandatory appointment policies and criteria for the use of non-advertised processes and that they were compliant with the PSC's Appointment Framework. AAFC's policies were communicated and accessible to all employees.
- 3.13 In the audit sample, 35 out of 40 appointments required an area of selection to be established. We found that all 35 instances complied with AAFC's *Area of Selection Policy*. Furthermore, for internal advertised processes, AAFC's policy identified different geographical areas, depending on the group and level of the position being advertised. In all instances, this requirement was adhered to.

Capacity to deliver

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



- 3.16 We also found that sub-delegated managers had access to HR advisors who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Monitoring

- 3.17 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC's Appointment Framework, including the ADAI, and adjust practices accordingly.
- 3.18 We found that AAFC conducted monitoring through file reviews and other mechanisms to ensure that the exercise of delegated and sub-delegated authorities and appointment decisions were compliant. The mandatory monitoring of risk-based policy areas such as acting appointments over 12 months was conducted. Results were reported to senior management and action taken, as needed.
- 3.19 Following a monitoring exercise, AAFC was implementing a plan for verification of evidence of academic credentials during the period covered by the audit. Therefore, the audit team did not examine whether appointees met the standard in terms of education, occupational certification or qualification.

Observations on appointments

Appointments – Merit

- 3.20 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head and, if applicable, any asset qualifications or organizational needs identified by the deputy head.
- 3.21 We found that AAFC demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in all 40 appointments audited. The Appendix includes tables summarizing our observations concerning merit for the appointments audited.



Appointments – Other requirements

Persons with a priority entitlement

- 3.22 The PSEA and the *Public Service Employment Regulations* provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements prior to making appointments and must obtain a priority clearance number from the PSC before proceeding with an appointment process or an appointment.
- 3.23 In the audit sample, 40 appointments required priority clearance from the PSC. We found that persons with a priority entitlement were considered prior to the appointment being made in all appointment processes (i.e., a priority clearance number was obtained from the PSC before the 40 appointments were made).
- 3.24 With respect to seeking priority clearance before proceeding with an appointment process, we were informed that AAFC had identified its intent to consider persons with a priority entitlement at the same time that it identified a candidate that it proposed to appoint (i.e., in the event that no persons with a priority entitlement were available and found qualified). This audit observation highlights a need for the PSC to clarify its expectations of how this policy requirement should be implemented.
- 3.25 We noted five instances where there were differences in the information used for the appointment decision and for the priority clearance request, which could have had an impact on the consideration of persons with priority entitlement. For example, there were differences between the essential qualifications or the conditions of employment used for the appointment decision and those used for the priority clearance request. **Refer to recommendation 2 at the end of this report.**

Information on appointment processes

- 3.26 The PSC's *Policy on Advertising in the Appointment Process* and *Policy on Official Languages in the Appointment Process* require that information be provided to allow persons in the area of selection to make an informed decision and that the information concerning appointment processes is communicated in both official languages, when required.
- 3.27 We found that in seven appointments there were differences between the English and French versions of the advertisements or Statements of Merit Criteria (SMC). For example, in four instances, we found essential qualifications included in the English version of the SMC, but not included in the French version. Inaccurate information on an advertisement or SMC could have had an impact on the decision of potential applicants to apply or persons in the area of selection to avail themselves of their recourse rights. **Refer to recommendation 2 at the end of this report.**



Recommendations

1. The deputy head of Agriculture and Agri-Food Canada should ensure:
 - To retain the authority to sub-delegate appointment and appointment-related authorities and to revoke sub-delegation, as required by the PSC through the ADAI; and
 - That managers meet the conditions of sub-delegation and have the appropriate level of sub-delegation before exercising appointment and appointment-related authorities.
2. The deputy head of Agriculture and Agri-Food Canada should ensure that:
 - Each request for priority clearance includes accurate information; and
 - The English and French versions of advertisements and Statements of Merit Criteria contain the same information.



Overall response by Agriculture and Agri-Food Canada

Agriculture and Agri-Food Canada (AAFC) welcomes the observations and recommendations of the Public Service Commission (PSC) and accepts the findings. AAFC recognizes the accomplishment that all appointments reviewed by the PSC demonstrated the core value of merit, which is a foundational element of Canada's professional public service.

AAFC agrees with the audit recommendations, which will help strengthen an already robust staffing regime. Furthermore, AAFC agrees with the observation that the PSC must clarify expectations of policy requirements related to priority clearance when bridging students and appointing from pools.

Following the recommendations of the PSC, AAFC has developed an action plan that addresses the findings outlined in this audit. Most measures have already been implemented and all remaining actions will be implemented by March 2016. Senior management has taken action to address the concerns raised in this audit, which will position AAFC to continue a practice of excellence in people management.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Agriculture and Agri-Food Canada's management response and the actions it has taken or has committed to take to address the audit recommendations. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation as required.

The Commission has also noted that audit observations highlight a need for the PSC to clarify its expectation of how the policy requirement to obtain a priority clearance before proceeding with an appointment process should be implemented and is committed to address this finding.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements	40*
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified	0
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements	0
Total appointments audited		40 (100%)

Source: Audit and Data Services Branch, Public Service Commission

* See paragraph 3.19

Table 2: Observations on merit not met and not demonstrated

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

Source: Audit and Data Services Branch, Public Service Commission

* See paragraph 3.19



Audit of Treasury Board of Canada Secretariat

Audit conclusion

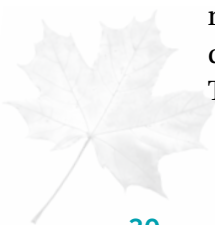
We concluded that Treasury Board of Canada Secretariat (TBS) had an appropriate framework in place to manage its appointment activities. We found that TBS had put in place a sub-delegation instrument that was accessible to all employees. Related controls around the exercise of sub-delegated authority were established, although there is room for improvement in how these controls are implemented. We noted that the mandatory appointment policies and criteria were established and compliant. We found that sub-delegated managers were informed of their roles and responsibilities and had the support to carry out this role. Finally, we found that monitoring activities were conducted, results were reported and practices were adjusted accordingly.

We also concluded that most of TBS' appointments and appointment processes were compliant with the *Public Service Employment Act*, any other applicable statutory and regulatory instruments, the Public Service Commission's Appointment Framework and the organization's own appointment policies. We found that TBS demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 93% (37 out of 40) of the appointments. In most instances, we found that persons with a priority entitlement were considered before appointments were made. We also found that information on appointment processes was sometimes incomplete or inaccurate, which could have had an impact on the decision of potential applicants to apply.



Audit of Treasury Board of Canada Secretariat

- 4.1 This audit covers the Treasury Board Secretariat's (TBS) appointment activities for the period of August 1, 2013, to July 31, 2014. The first objective of the audit was to determine whether TBS had an appropriate framework, practices and systems in place to manage its appointment activities. The second objective was to determine if appointments and appointment processes in TBS complied with the *Public Service Employment Act* (PSEA), any other applicable statutory and regulatory instruments, the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI) and the organization's own appointment policies.
- 4.2 As the administrative arm of the Treasury Board, the Secretariat has a dual mandate: to support the Treasury Board as a committee of ministers and to fulfill the statutory responsibilities of a central government agency. The Secretariat is tasked with providing advice and support to Treasury Board ministers in their role of ensuring value-for-money as well as providing oversight of the financial management functions in departments and agencies.
- 4.3 The Secretariat makes recommendations and provides advice to the Treasury Board on policies, directives, regulations and program expenditure proposals with respect to the management of the government's resources. The Secretariat is also responsible for the comptrollership function of government. Under the broad authority of sections 5 to 13 of the *Financial Administration Act*, the Secretariat supports the Treasury Board in its role as the general manager and employer of the public service.
- 4.4 As of March 31, 2014, TBS' workforce was comprised of 1 746 full-time equivalents (FTEs); most were of indeterminate status and all were working in the National Capital Region. According to TBS' Report on Plans and Priorities 2013-2014, the total number of FTEs for the next three fiscal years is expected to decline.
- 4.5 In 2012-2013, there was a decrease in the number of appointments to TBS. In 2012, the TBS Resourcing Committee was created to review staffing actions in order to ensure employees impacted by TBS' spending review reductions were given every opportunity for appointment within TBS. In 2013, the TBS Resourcing Committee evolved into the TBS Departmental Human Resources Committee (DHRC). Part of the DHRC's mandate is to provide strategic direction and integrated advice on issues and initiatives related to internal human resources (HR) management at TBS. Some of the Committee's specific areas of focus include the TBS HR Plan, workplace and workforce priority setting, strategies for departmental recruitment, staffing and skills development.
- 4.6 In July 2013, TBS' Internal Audit and Evaluation Bureau published a report on the Audit of Human Resources Planning for Recruitment and Staffing. The TBS internal audit bureau focused on whether the Secretariat had developed and communicated recruitment and staffing strategies and whether it had established an adequate monitoring and reporting regime to support HR planning for recruitment and staffing. The TBS audit concluded that the management of HR planning for recruitment and staffing within the organization was adequate and that there were no recommendations outlined in the report. Therefore, the PSC did not audit whether TBS had developed staffing plans and related strategies that were measurable and approved and whether TBS had monitored the results of its staffing plans and related strategies.



- 4.7 The organization carried out 248 appointments during the period covered by our audit. As part of our audit, we conducted interviews with HR advisors and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 40 appointments.

Observations on the Appointment Framework

Sub-delegation of appointment authorities

- 4.8 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 4.9 TBS was subject to the ADAI since the coming into force of the PSEA, delegating the Secretary appointment and appointment-related authorities. The Secretary established a sub-delegation instrument entitled “TBS Departmental Human Resources Delegation Instrument”. The ADAI and the sub-delegation instrument have been communicated and made accessible to employees on TBS’ intranet site.
- 4.10 We noted that the Secretary had established requirements to be met by managers prior to being sub-delegated appointment and appointment-related authorities. Once the managers met the requirements, a sub-delegation letter was issued by the Secretary and managers were required to sign it to confirm their acceptance of the sub-delegated authorities.
- 4.11 We found that TBS maintained a list of sub-delegated managers. This list was used by HR advisors to ensure that the manager signing an offer of appointment met the requirements to be sub-delegated and therefore was authorized to make the appointment. We noted that, for 14 out of the 24 managers who signed offers of appointment within our sample of appointments reviewed, the date of sub-delegation identified on the list used by HR advisors did not correspond to the date the manager accepted the sub-delegated authorities. We found that, for seven managers, TBS was unable to provide evidence that they had completed the mandatory training and/or that they had received and signed a sub-delegation letter. As a result, in 23% (9 out of 40) of the appointments audited, the offers of appointment were signed by a manager who did not meet all of the requirements to be sub-delegated or by managers for whom TBS was unable to provide evidence that they met the sub-delegation requirements.
- 4.12 Further, in its sub-delegation instrument, TBS has established a requirement that the TBS Employment Equity and Diversity Online Training be completed by managers prior to being sub-delegated. We found that the sub-delegation letter sent by the Secretary stipulated that this training must be completed within three months of sub-delegation, which differs from the requirements set out in the sub-delegation instrument. We also found that two managers had not completed the training within the timeline, as prescribed in the letter. **Refer to recommendation 1 at the end of this report.**

Appointment policies

- 4.13 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects the other appointment policies that organizations develop be compliant with the PSEA, any other applicable statutory and regulatory instruments and the PSC's Appointment Framework.
- 4.14 We found that TBS put in place the mandatory appointment policies as well as criteria for the use of non-advertised appointment processes and that they were compliant with the PSC's Appointment Framework. These policies were communicated and accessible to employees on TBS' intranet site.

Capacity to deliver

- 4.15 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 4.16 We found that roles and responsibilities were defined, documented and communicated through various documents such as the instrument of sub-delegation and organizational policies. All of these documents were available to employees through TBS' intranet site.
- 4.17 In addition, sub-delegated managers receive a copy of the ADAI and the TBS Departmental Human Resources Delegation Instrument with their sub-delegation letter. Furthermore, the letter informs the sub-delegated managers that the TBS intranet site provides further details on staffing-related information and tools for managers. These tools include a staffing process checklist for managers that describes steps that the manager must complete during the conduct of an appointment process.
- 4.18 We found that sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework. In addition, TBS developed a PE Development Program. According to TBS, this program aims to develop professional and versatile HR professionals to partner with and support TBS managers in attaining their business and HR management objectives.
- 4.19 Finally, we noted that the sub-delegation instrument and letter as well as the mandatory in-house staffing training indicated that sub-delegated managers are encouraged to seek advice from their HR advisor. Although it is not a PSC requirement to document the advice provided by HR, all the documented advice we reviewed was compliant with the PSC's Appointment Framework.



Monitoring

- 4.20 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC's Appointment Framework, including the ADAI, and adjust practices accordingly.
- 4.21 TBS established a Staffing System Monitoring Program to gather information and prepare staffing system monitoring and evaluation reports. We found that TBS monitored, through file review, appointments and appointment processes to ensure they were compliant with the PSEA as well as any other statutory requirements and policies pertaining to the integrity of appointments.
- 4.22 We also found that all mandatory monitoring of risk-based policy areas was completed (e.g., acting appointments of over 12 months and appointments of casual workers to term or indeterminate status through non-advertised processes). This monitoring was conducted by extracting a Staffing Activity Report from TBS' HR database. In order to determine the reliability of TBS' electronic information, we conducted an analysis of TBS' HR database, including the staffing action codes used. We found TBS' HR database was sufficiently accurate to produce reliable information regarding appointment processes.
- 4.23 The results of these monitoring exercises, as well as suggested strategies to address the areas of risk identified, were presented to senior management. For example, to help ensure that appointment decisions are effectively documented to demonstrate that persons appointed met the qualifications prior to appointment, it was suggested that staffing processes and tools be reviewed and updated. We found that some staffing tools, such as the rationale template for non-advertised appointments, have been updated to address the issues raised by the monitoring exercises. TBS also indicated that the HR advisors were informed of the issues identified through the monitoring of appointments and, in some cases, sub-delegated managers were consulted and were requested to take corrective measures.

Observations on appointments

Appointments – Merit

- 4.24 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head and, if applicable, any asset qualifications or organizational needs identified by the deputy head.
- 4.25 We found that TBS demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 93% (37 out of 40) of the appointments reviewed.



- 4.26 While merit was demonstrated in almost all of the appointments reviewed, the following section provides additional information, in the interest of promoting understanding and learning, on the three appointments where the essential qualifications were not fully assessed before the appointment was made. In one case, there was insufficient evidence to demonstrate how the appointee met two of the essential experience qualifications required for the appointment as they were not indicated on the appointee's curriculum vitae and no other form of assessment was done for these qualifications. In another case, the assessment of the appointee was completed eight months after the effective date of the appointment. In the last case, the appointee's Second Language Evaluation result for written expression was no longer valid on the date that the notification of appointment was issued. In June 2015, as a corrective measure, the appointee was tested and now has valid results for written expression. The Appendix includes tables detailing our observations concerning merit for the appointments audited. **Refer to recommendation 2 at the end of this report.**

Appointments – Other requirements

Persons with a priority entitlement

- 4.27 The PSEA and the *Public Service Employment Regulations* provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements prior to making appointments and must also obtain a priority clearance number from the PSC before proceeding with an appointment process or an appointment.
- 4.28 As part of our sample, 32 appointments reviewed required and obtained a priority clearance before proceeding with an appointment. In most instances, we found that persons with a priority entitlement were adequately considered. However, in three instances, there were differences in the essential qualifications or position requirements (e.g., tenure, location, group and level) used in the request for priority clearance and those used to make the appointment. For example, in one instance, the type of employment used in the request for priority clearance was "Part-time" when the appointment was "Full-time". Such situations could have resulted in persons with a priority entitlement not being appropriately considered. **Refer to recommendation 3 at the end of this report.**

Information on appointment processes

- 4.29 The PSC's *Policy on Advertising in the Appointment Process* and *Policy on Official Languages in the Appointment Process* require that information be provided to allow persons in the area of selection to make an informed decision and that the information concerning appointment processes is communicated in both official languages, when required.



- 4.30 We found that in 23% (9 out of 40) of the appointments, the English and French versions of the advertisement were not identical. For example, the English version of a Statement of Merit Criteria (SMC) stated “...experience in investment planning **OR** project management and recommending OPTIONS/Strategies to address them”, while the French version stated: “...expérience de planification des investissements **ET** de gestion de projets et de la recommandation d’option ET de stratégies visant à les régler.” Therefore, the French version of the SMC required more experience than the English version. Inaccurate information on an advertisement or SoMC could have had an impact on the decision of potential candidates to apply. **Refer to recommendation 2 at the end of this report.**

Recommendations

1. The Secretary of the Treasury Board of Canada Secretariat should ensure that managers meet the conditions of sub-delegation before exercising appointment and appointment-related authorities and that the controls in place are effective.
2. The Secretary of Treasury Board of Canada Secretariat should ensure that:
 - All of the qualifications used to make the appointment are fully assessed before proceeding with the appointment; and
 - Information on appointments and/or advertisements provided to potential candidates or persons entitled to be notified is the same in both official languages.
3. The Secretary of Treasury Board of Canada Secretariat should ensure that the essential qualifications and position requirements used for the appointment decision and those used for the priority clearance request are the same.



Overall response by Treasury Board of Canada Secretariat

The Treasury Board of Canada Secretariat (TBS) has reviewed the Public Service Commission (PSC) audit report, and acknowledges that the facts presented are accurate and accepts its recommendations.

TBS takes its delegated authorities seriously and works hard to ensure that appointments are made in accordance with legislative, regulatory and policy requirements as well as the preamble of the Public Service Employment Act.

TBS is committed to continuously improving its staffing regime and to addressing the risks identified in the audit in a timely and effective manner. TBS will use the recommendations as opportunities to further improve its existing staffing framework. To this end, consultations with key stakeholders within the Human Resources Division have taken place during the development of the action plan to ensure successful implementation of the recommendations outlined in this report. TBS will also align its framework with the PSC's new policy direction once it is implemented.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with the Treasury Board of Canada's management response and the actions it has taken or has committed to take to address the audit recommendations. The PSC expects the Secretary to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation as required.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements	37 (93%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements	3 (7%)
Total appointments audited		40 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

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

Source: Audit and Data Services Branch, Public Service Commission



Audit of Canadian Heritage

Audit conclusion

We concluded that Canadian Heritage had an appropriate appointment framework, practices and systems in place to manage its appointment activities. We found that Canadian Heritage had put in place a sub-delegation instrument that is accessible to all employees. The conditions that must be met by sub-delegated managers prior to exercising appointment authorities were established and the organization was able to demonstrate that these conditions had been met. We also found that Canadian Heritage had established measurable staffing plans and related strategies. Mandatory appointment policies and criteria for the use of non-advertised processes were also established and accessible to employees, sub-delegated managers and bargaining agents. We noted that sub-delegated managers were informed of their roles and responsibilities and had the support to carry out this role. Finally, we found that some monitoring activities were conducted and the results were reported to senior management.

We also concluded that most of Canadian Heritage's appointments and appointment processes were compliant with the *Public Service Employment Act*, any other applicable statutory and regulatory instruments, the Public Service Commission's (PSC) Appointment Framework and the organization's own appointment policies. We found that Canadian Heritage was able to demonstrate that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 94% (33 out of 35) of the audited appointments. We noted that, in all of the audited appointments, a priority clearance number was obtained from the PSC before the appointment was made. We found that there is some room for improvement in the consistency and accuracy of information on requests for priority clearance as well as on advertisements, including the Statement of Merit Criteria, or notifications of consideration. This would help ensure that priority entitlements are respected, that persons with a priority entitlement are appropriately considered for the position being staffed and that potential candidates are provided with accurate information throughout the process.

Audit of Canadian Heritage

- 5.1 This audit covers Canadian Heritage's appointment activities for the period of April 1, 2013, to September 30, 2014. The first objective of the audit was to determine whether Canadian Heritage had an appropriate framework, practices and systems in place to manage its appointment activities. The second objective was to determine if appointments and appointment processes in Canadian Heritage complied with the *Public Service Employment Act* (PSEA), any other applicable statutory and regulatory instruments, the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI) and the organization's own appointment policies.
- 5.2 Canadian Heritage was created in June 1993. Its legislative mandate is set out in the *Department of Canadian Heritage Act*. Canadian Heritage's mission is to promote an environment in which all Canadians take full advantage of dynamic cultural experiences, celebrate our history and heritage and participate in building creative communities. As of March 31, 2014, Canadian Heritage had 1 724 full-time equivalents in its workforce, most of whom worked in the National Capital Region and were of indeterminate status.
- 5.3 According to Canadian Heritage, several changes and challenges have had an impact on staffing in the organization during the period covered by our audit. As part of Budget 2013, Canadian Heritage became responsible for the Capital Experience functions from the National Capital Commission (NCC), which resulted in the transfer of more than 80 employees from the NCC to Canadian Heritage. In addition, as part of Budget 2014, the responsibility for the administration of the Online Works of Reference program was also transferred from the Minister of Canadian Heritage to the Canadian Museum of History, in addition to the responsibility for the Virtual Museum of Canada. Another challenge through this period was the ongoing placement of employees who were affected by the budget reduction related to Spending Review 2012.
- 5.4 The organization carried out 116 appointments during the period covered by our audit. As part of our audit, we conducted interviews with human resources (HR) professionals and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 35 appointments.

Observations on the Appointment Framework

Sub-delegation of appointment authorities

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



- 5.6 Canadian Heritage was subject to the ADAI since its coming into force, granting the deputy head delegated appointment and appointment-related authorities. We found that the deputy head established a sub-delegation instrument and a policy on sub-delegation that lists roles and responsibilities of sub-delegated managers and terms and conditions of sub-delegation. These documents were accessible to employees on Canadian Heritage's intranet site.
- 5.7 According to Canadian Heritage's Sub-delegation of Human Resources Authorities, sub-delegated managers must commit in writing to respect the conditions of sub-delegation by signing a letter confirming their acceptance of sub-delegated authorities and must complete the mandatory training prior to exercising staffing authorities. We noted that Canadian Heritage also maintains a list that identifies individuals who have sub-delegated staffing authorities.
- 5.8 We found that all sub-delegated managers who signed offers of appointment had the appropriate level of sub-delegation and had signed a letter confirming their acceptance of sub-delegated authorities prior to exercising these authorities. In addition, we noted that all sub-delegated managers who signed offers of appointment had completed the required training prior to exercising their sub-delegated authorities.

Planning for staffing

- 5.9 Organizational staffing plans and related strategies describe organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing plans and related strategies that are measurable, approved and communicated to employees.
- 5.10 We found that Canadian Heritage established a "Resourcing Strategy for 2011-2015" with measurable staffing plans and related strategies. However, the organization was unable to provide evidence that these plans were approved and communicated to employees. We noted that Canadian Heritage completed an analysis between planned and actual staffing activities for 2012-2013 that identified variances, areas for improvement and recommendations to senior management. However, the organization was unable to demonstrate whether any action was taken following this analysis and the development of recommendations.

Appointment policies

- 5.11 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects the other appointment policies that organizations develop be compliant with the PSEA, any other applicable statutory and regulatory instruments, and the PSC's Appointment Framework.
- 5.12 We found that Canadian Heritage established the mandatory appointment policies and criteria for the use of non-advertised appointment processes. Canadian Heritage's mandatory policies were communicated and accessible to employees, sub-delegated managers and bargaining agents on the intranet site.



- 5.13 We noted that Canadian Heritage's *Policy on the Areas of Selection and Recourse* included an exemption from the national area of selection (NAOS) for the Co-operative Education and Internship Program, although NAOS applies to all full-time student appointments. Canadian Heritage was informed of this discrepancy and plans to address it during the revision of their appointment policies, which is under way. **Refer to recommendation 1 at the end of this report.**

Capacity to deliver

- 5.14 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 5.15 We found that sub-delegated managers had access to various staffing tools, templates and publications on the organization's intranet site to support the exercise of their sub-delegated authorities, including a staffing process project plan and an orientation guide for assessment board members.
- 5.16 We found that sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.
- 5.17 Although it is not a PSC requirement to document the advice provided by HR advisors, we noted that the advice that was documented and that we reviewed was compliant with the PSC's Appointment Framework.

Monitoring

- 5.18 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC's Appointment Framework, including the ADAI, and adjust practices accordingly.
- 5.19 Canadian Heritage conducted a monitoring activity of 17 staffing actions completed between April 1, 2012, and September 30, 2013 to identify issues requiring attention and to develop an action plan. Following the completion of this monitoring activity, a report on the findings was prepared and presented to the Branch Management Committee as well as the organization's Human Resources and Business Services Committee and Executive Committee. The monitoring report included recommendations for improvements. Canadian Heritage also developed an action plan, with timelines, to address the issues identified in this monitoring activity. At the end of our audit, we found that the action plan developed in March 2014 was still in the process of being implemented. **Refer to recommendation 2 at the end of this report.**



- 5.20 Monitoring of the use of Public Service Official Languages Exclusion Approval Order was conducted by Canadian Heritage and reported to senior management. The mandatory monitoring of other risk-based policy areas such as acting appointments of over 12 months or appointments of casual workers to term or indeterminate status through non-advertised processes was not completed for the period covered by our audit. Canadian Heritage has indicated that mandatory monitoring for 2014-2015 will be completed in the summer of 2015 and that the results would be reported to senior management at that time.
- 5.21 In order to determine the reliability of Canadian Heritage's electronic information, we conducted an analysis of Canadian Heritage's HR database. We found that Canadian Heritage's HR database was sufficiently accurate to produce reliable information regarding appointment processes.

Observations on appointments

Appointments – Merit

- 5.22 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head and, if applicable, any asset qualifications or organizational needs identified by the deputy head.
- 5.23 We found that Canadian Heritage demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 94% (33 out of 35) of the appointments audited.
- 5.24 While merit was demonstrated in almost all of the appointments reviewed, the following section provides additional information, in the interest of promoting understanding and learning, on two appointments where the essential qualifications or the asset qualification were not fully assessed before the appointment was made. In one instance, the narrative assessment of the appointee did not contain sufficient evidence to demonstrate how the appointee met one of the essential qualifications and the asset qualification used to make the appointment. In the other instance, one of the essential qualifications was not included in the narrative assessment and, consequently, was not assessed. With regard to the latter, the sub-delegated manager prepared another narrative assessment that included an assessment of the essential qualification in question as a corrective measure. The Appendix includes tables detailing our observations concerning merit for the appointments audited.

Appointments – Other requirements

Persons with a priority entitlement

- 5.25 The PSEA and the *Public Service Employment Regulations* provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements prior to making appointments and must also obtain a priority clearance number from the PSC before proceeding with an appointment process or an appointment.

- 5.26 We found that, in all of the audited appointments, a priority clearance number was obtained from the PSC before the appointment was made. In some instances, the priority clearance was not obtained before proceeding with the appointment process. This audit observation highlights a need for the PSC to clarify its expectations of how this policy requirement should be implemented.
- 5.27 In three audited appointments, we found there were differences in the essential qualifications used in the request for priority clearance and those used to make the appointment. For example, four essential qualifications used in the request for priority clearance were different in the Statement of Merit Criteria (SMC) that was used to make the appointment. We also found that in one appointment, there was no evidence to demonstrate that priority referrals were assessed prior to making the appointment. Such situations could have resulted in persons with a priority entitlement not being appropriately considered. **Refer to recommendation 3 at the end of this report.**

Information on appointment processes

- 5.28 The PSC's *Policy on Advertising in the Appointment Process* and *Policy on Official Languages in the Appointment Process* require that information be provided to allow persons in the area of selection to make an informed decision and that the information concerning appointment processes is communicated in both official languages, when required.
- 5.29 We noted that in 72% (21 out of 29) of the appointments audited, the information available to candidates was sufficient to allow them to make an informed decision. However, we found that in 28% (8 out of 29) of the appointments audited, the English and French versions of the advertisement were not identical. In one instance, the English version identified for the position stated: "Experience in dealing with on-line applications and in using word processing software, DATA ENTRIES and spreadsheets", while the French version stated: "...Expérience dans un environnement de traitement de demandes en ligne et dans l'utilisation de logiciels de traitement de texte et de chiffrier électronique". Consequently, the English version of the advertisement required more elements than the French version. Inaccurate information in an advertisement, including the SMC, could have had an impact on the decision of potential candidates to apply. **Refer to recommendation 4 at the end of this report.**

Recommendations

1. The deputy head of Canadian Heritage should review the organization's *Policy on Areas of Selection and Recourse* to ensure it is compliant with the PSC's Appointment Framework.
2. The deputy head of Canadian Heritage should ensure that the organization continues to perform monitoring and adjust its staffing practices accordingly.
3. The deputy head of Canadian Heritage should ensure that the essential qualifications used for the appointment decision and those used to request priority clearance are the same.
4. The deputy head of Canadian Heritage should ensure that information on advertisements, including the SMC, or on notifications of consideration provided to potential candidates, is the same in both official languages.



Overall response by Canadian Heritage

Canadian Heritage welcomes favourably the observations presented in the 2014-2015 audit report from the Public Service Commission (PSC). Even though there are some improvements to be made, we are pleased with the results and we would like to thank our employees, both human resources advisors and sub-delegated managers, for their collaboration and excellent work.

Our department is in agreement with the conclusions presented in the audit report. Following the recommendations of the PSC, an action plan has been developed with concrete undertakings to ensure that relevant changes are made within a reasonable timeframe. These changes will ensure that we remain in compliance with the legislative and regulatory requirements, including the Appointment Framework. That being said, Canadian Heritage has already made the required changes to the Policy on Areas of Selection and Recourse.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Canadian Heritage's management response and the actions it has taken or has committed to take to address the audit recommendations. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation, as required.

The Commission has also noted that audit observations highlight a need for the PSC to clarify its expectation of how the policy requirement to obtain a priority clearance before proceeding with an appointment process should be implemented and is committed to address this finding.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements	33 (94%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements	2 (6%)
Total appointments audited		35 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

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

Source: Audit and Data Services Branch, Public Service Commission

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



Audit of Western Economic Diversification Canada

Audit conclusion

The first objective of the audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of Western Economic Diversification Canada (WD) were adequately managed. We concluded that these authorities were adequately managed. WD had a sub-delegation instrument in place that was accessible across the organization. We also found that those who have been assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and the human resources support to carry out this role. In a few instances, we found however that persons who assessed candidates in appointment processes had not been sub-delegated this authority, which is a requirement that WD has established in its sub-delegation instrument.

The second objective of the audit was to determine whether WD's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and WD's own organizational policies with regard to merit and priority entitlements. We concluded that the appointments complied with these requirements in all cases. In all 24 appointments audited, WD was able to demonstrate that the person who was appointed met the essential and asset qualifications established by the deputy head. We found that persons with a priority entitlement were considered before appointments were made.



Audit of Western Economic Diversification Canada

- 6.1 Western Economic Diversification Canada (WD) was established in 1988 under a provision of the *Western Economic Diversification Act*. WD's mandate is to promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy, program and project development and implementation. WD's western base enables the department to foster partnerships with Western Canadian business and community organizations, research and academic institutions and provincial and municipal governments. In September 2014, WD's workforce was comprised of 279 employees.
- 6.2 This audit covers WD's appointment activities for the period between August 1, 2013, and August 1, 2014. WD made 39 appointments during that period. As part of the audit, the Public Service Commission (PSC) conducted interviews with human resources (HR) advisors and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 24 appointments.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 6.3 During the period covered by the audit, the deputy head had established an instrument to sub-delegate appointment authorities to managers and outlined terms and conditions of sub-delegation. The instrument was accessible to all sub-delegated managers, employees and bargaining agents.
- 6.4 As outlined in WD's sub-delegation instrument, in order to be sub-delegated at a certain level, an individual had to be in a managerial position, complete the required training, receive a sub-delegation letter from the deputy head and sign the letter to confirm their acceptance of the sub-delegated authorities. In order to maintain their sub-delegation of authorities, managers were required to take re-validation training every five years and receive a re-validation letter from the deputy head confirming the sub-delegation of authorities. We found that these conditions were generally met, although there was some room for improvement in how the re-validation of sub-delegation was implemented. For example, in some instances, although managers had taken the re-validation training, WD was unable to provide the re-validation letters, which can make it difficult to confirm that managers are authorized to exercise sub-delegated authorities.



- 6.5 Further, in its sub-delegation instrument, WD had also established a requirement that only managers who have completed the required training, and have been sub-delegated authority by the deputy head, were allowed to use assessment tools to assess candidates in an appointment process. Using assessment tools could include activities such as correcting written exams, conducting interviews and checking references. We found that in 21% (5 out of 24) of the appointments audited, persons using the assessment tools in appointment processes had not been sub-delegated this authority.

Recommendation 1: The deputy head of WD should ensure that expectations of who may assess candidates and under what conditions, are met.

PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 6.6 We found that roles and responsibilities were defined, documented and communicated through WD's HR Toolkit for Managers. It included the instrument of sub-delegation, the organizational appointment policies, staffing checklists, templates and tools. This toolkit was available to employees through WD's intranet site.
- 6.7 We also found that WD's sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 6.8 We found that, in all 24 appointments, WD demonstrated that the person who was appointed met the essential and asset qualifications established by the deputy head.
- 6.9 We also found that the audited appointments met PSC's and WD's policy requirements on area of selection and criteria for non-advertised appointments.



PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 6.10 We found that, in all of the 24 appointments, persons with a priority entitlement were considered prior to the appointment being made (i.e., a priority clearance number was obtained from the PSC before the appointment was made).
- 6.11 With respect to seeking priority clearance before proceeding with an appointment process, we were informed that WD had identified its intent to consider persons with a priority entitlement at the same time that it identified a candidate that it proposed to appoint from an existing pool (i.e., in the event that no persons with a priority entitlement were available and found qualified). This audit observation highlights a need for the PSC to clarify its expectations of how this policy requirement should be implemented.



Overall response by Western Economic Diversification Canada

Western Economic Diversification Canada (WD) is in agreement with the observations and the recommendation of this report, and concurs that the facts presented are accurate. The organization takes its delegated authorities seriously. It will continue to ensure that appointments are made in accordance with the Public Service Employment Act, the Public Service Employment Regulations, the PSC Appointment Framework, and WD's own organizational policies, with regard to merit and priority entitlements.

WD is committed to continuously improving its staffing regime and to addressing the issue raised in the audit in a timely and effective manner. To this end, an action plan has been developed to address the observations and the recommendation outlined in this report. WD is engaged in a successful implementation of the recommendation.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Western Economic Diversification Canada's management response and the actions it has taken or has committed to take to address the audit recommendation. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation as required.

The Commission has also noted that audit observations highlight a need for the PSC to clarify its expectation of how the policy requirement to obtain a priority clearance before proceeding with an appointment process should be implemented and is committed to addressing this finding.



Audit of the Federal Economic Development Agency for Southern Ontario

Audit conclusion

We concluded that the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) had an appropriate appointment framework in place to manage its appointment activities. FedDev Ontario had put in place a sub-delegation instrument that was accessible to all employees and the conditions to be sub-delegated were established. Mandatory appointment policies and criteria were established, although one policy was not fully compliant with the Public Service Commission's (PSC) Appointment Framework. Sub-delegated managers were informed of their roles and responsibilities and had the support to carry out this role. Finally, we found that monitoring activities were conducted and that the results and actions taken to address the areas for improvement were reported to senior management.

We also concluded that most of FedDev Ontario's appointments and appointment processes were compliant with the *Public Service Employment Act* (PSEA), any other applicable statutory and regulatory instruments, the PSC's Appointment Framework and the organization's own appointment policies. FedDev Ontario demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 84% (21 out of 25) of the appointments. We found that in 40% (10 out of 25) of the appointments, the English and French versions of the advertisement or the Statement of Merit Criteria were not identical, which could have had an impact on the decision of potential applicants to apply. In a few instances, the legal requirement of the PSEA or the organizational requirements regarding administering an oath or solemn affirmation were not respected. In most instances, we found that persons with a priority entitlement were considered before appointments were made.



Audit of the Federal Economic Development Agency for Southern Ontario

- 7.1 This audit covers the Federal Economic Development Agency for Southern Ontario's (FedDev Ontario) appointment activities for the period of November 1, 2012, to October 31, 2014. The first objective of the audit was to determine whether FedDev Ontario had an appropriate framework, practices and systems in place to manage its appointment activities. The second objective was to determine if appointments and appointment processes in FedDev Ontario complied with the *Public Service Employment Act* (PSEA), any other applicable statutory and regulatory instruments, the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI) and the organization's own appointment policies.
- 7.2 FedDev Ontario was created in August 2009, as a priority outlined in the Government of Canada's Budget 2009, to help the region of southern Ontario mitigate and overcome regional and global economic challenges. At the time, it was provided \$1 billion over five years to financially support priorities of southern Ontario communities, businesses and not-for-profit organizations primarily geared to technological innovation, business development and community economic development. The Government's Budget 2013 extended the mandate by another five years.
- 7.3 According to FedDev Ontario, the Agency has faced human resources (HR) challenges since its creation in 2009. FedDev Ontario initially started with a block transfer of 38 employees from another federal organization. This number of employees increased to 188 by August 2011. FedDev Ontario indicated that it has been challenging to staff positions in the Kitchener office that require public service experience in leadership and specialized functional areas.
- 7.4 During the period covered by our audit, FedDev Ontario informed us that there was uncertainty surrounding the renewal of the Agency's mandate and a significant turnover of its executive positions. Consequently, the PSC did not audit whether FedDev Ontario had developed staffing plans and related strategies that were measurable, approved and communicated to employees. Following the period covered by our audit, FedDev Ontario indicated that it had established three staffing priorities and related strategies for 2014-2015, which were approved by the President and communicated to employees in January 2015.
- 7.5 As of March 31, 2014, FedDev Ontario had 223 employees. The organization carried out 52 appointments within the scope of our audit. As part of our audit, we conducted interviews with HR professionals and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited a representative sample of 25 appointments.



Observations on the Appointment Framework

Sub-delegation of appointment authorities

- 7.6 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 7.7 FedDev Ontario was subject to the ADAI since its creation, delegating the President appointment and appointment-related authorities. The ADAI has been communicated to employees on FedDev Ontario's intranet site.
- 7.8 We found that FedDev Ontario had established a sub-delegation instrument entitled "Instrument of Delegation of Human Resources Authorities" that outlined roles and responsibilities of sub-delegated managers. We noted that no requirement was formally defined in the sub-delegation instrument with respect to the training to be completed prior to being sub-delegated. However, we noted that the sub-delegation process evolved during the period covered by our audit and that under the current President, HR would prepare a briefing note detailing the training completed for each manager and, on that basis, the President would issue a letter to the manager granting sub-delegation authorities.
- 7.9 As per the ADAI, the sub-delegation terms and conditions must also be accessible to all sub-delegated persons and employees within their jurisdiction. In April 2015, FedDev Ontario confirmed that the requirements that must be met prior to being sub-delegated were formally established and communicated to all employees on FedDev Ontario's intranet site.

Appointment policies

- 7.10 The PSC expects deputy heads to establish mandatory appointment policies for area of selection, corrective action and revocation, as well as criteria for the use of non-advertised processes. The PSC also expects the other appointment policies that organizations develop be compliant with the PSEA, any other applicable statutory and regulatory instruments and the PSC's Appointment Framework.
- 7.11 We found that FedDev Ontario put in place the mandatory appointment policies as well as criteria for the use of non-advertised appointment processes and that they were communicated and accessible to employees on FedDev Ontario's intranet site.



- 7.12 We also found that organizational policies and criteria contained the provisions required by the PSC, with the exception of the *Area of Selection Policy*. We found that the FedDev Ontario *Area of Selection Policy* did not require the use of the national area of selection (NAOS) for all external advertised processes as required by the PSC's *Appointment Policy*. This requirement was included in an annex of the FedDev Ontario policy and was presented as a consideration only. This situation could have led to managers not being aware of this mandatory requirement and affect access to employment opportunities. Despite this fact, we noted that the risk identified above did not materialize as FedDev Ontario used the prescribed NAOS for all the external processes advertised within the period covered by our audit.
- 7.13 During the course of our audit, FedDev Ontario revised its *Area of Selection Policy* to include the use of the NAOS under the "Requirements" section.

Capacity to deliver

- 7.14 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 7.15 We found that roles and responsibilities were defined and communicated in various documents such as the sub-delegation instrument and appointment policies. Various staffing tools, guides and templates were accessible to sub-delegated managers through the organization's shared drive, such as the non-advertised rationale template and tips for managers on how to conduct interviews. In December 2014, FedDev Ontario also developed and shared a Staffing Guide for Managers.
- 7.16 We found that sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.
- 7.17 The sub-delegation instrument and letter indicated that sub-delegated managers were encouraged to seek advice from their HR advisor. Although there is no requirement to document the advice provided, for the appointments reviewed for which we saw evidence of the advice given by the HR advisor, it was compliant with the PSC's Appointment Framework.

Monitoring

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



- 7.19 FedDev Ontario established a Staffing Monitoring Framework to focus on trends, identify issues, assess potential risks and provide communication and recommendations on appropriate action. We found that FedDev Ontario reviewed appointments and appointment processes to ensure that its appointment activities were compliant with the PSEA as well as any other statutory requirements and policies.
- 7.20 We also found that all mandatory monitoring of risk-based policy areas was completed (e.g., acting appointments over 12 months and appointments of casual workers to term or indeterminate status through non-advertised processes). This monitoring was conducted through an analysis of the HR database. We conducted an analysis of FedDev Ontario's HR database and found that it was sufficiently accurate to produce reliable information regarding appointment processes.
- 7.21 The results of these monitoring exercises, as well as actions taken to address the areas for improvement, were presented to senior management on a semi-annual basis. FedDev Ontario also indicated that the HR advisors and assistants were informed of the issues identified through the monitoring of appointments and appointment processes.

Observations on appointments

Appointments – Merit

- 7.22 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head and, if applicable, any asset qualifications or organizational needs identified by the deputy head.
- 7.23 We found that FedDev Ontario demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 84% (21 out of 25) of the appointments reviewed. However, merit was not demonstrated in 12% (3 out of 25) of appointments and not met in 4% (1 out of 25) of appointments.
- 7.24 In the interest of promoting understanding and learning, the following section provides additional information on appointments where merit was not demonstrated or was not met. In one appointment where merit was not demonstrated, the appointee had failed an essential qualification at the interview stage and the manager requested that reference checks be performed. However, FedDev Ontario was unable to provide evidence to demonstrate that the qualification was assessed through reference checks. In another case, some of the merit criteria, namely the leadership competencies that were used to make the appointment, were not assessed individually, which is a requirement of the Treasury Board Secretariat's qualification standard for the Executive Group. In the third case where merit was not demonstrated, there was insufficient evidence to demonstrate how the appointee met the education or qualification standard. Finally, in the case where merit was not met, the appointee did not meet an asset qualification used to make the appointment. The Appendix includes tables detailing our observations concerning merit for the appointments audited. **Refer to recommendation 1 at the end of this report.**

Appointments – Other requirements

Persons with a priority entitlement

- 7.25 The PSEA and the *Public Service Employment Regulations* provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements prior to making appointments and must obtain a priority clearance number from the PSC before proceeding with an appointment process or an appointment.
- 7.26 All appointments reviewed required and received a priority clearance before proceeding with an appointment. In most instances, we found that persons with a priority entitlement were adequately considered. However, in two instances, there were differences in the essential qualifications and position requirements used in the request for priority clearance and those used to make the appointment. For example, the position location used to obtain the priority clearance was Kitchener, whereas the appointee worked in Toronto. Such situations could have resulted in persons with a priority entitlement not being properly considered. **Refer to recommendation 2 at the end of this report.**

Information on appointment processes

- 7.27 The PSC's *Policy on Advertising in the Appointment Process* and *Policy on Official Languages in the Appointment Process* require that information be provided to allow persons in the area of selection to make an informed decision and that the information concerning appointment processes be communicated in both official languages, when required.
- 7.28 We found that in 40% (10 out of 25) of the appointments, the English and French versions of the advertisement or the Statement of Merit Criteria (SMC) were not identical. For example, the English version of the SMC stated: "Experience preparing or assessing business or economic development plans or strategies", while the French version stated: "Expérience de la préparation ou l'évaluation ou des plans de développement économique ou de stratégies". Therefore, the French version of the SMC did not require the same experience as the English version. Inaccurate information on an advertisement or SMC could have had an impact on the decision of potential candidates to apply. **Refer to recommendation 1 at the end of this report.**

Oath or solemn affirmation

- 7.29 As required by the PSEA, the effective date of appointment for a person being newly appointed to the public service is the later of the date that is agreed to in writing by the sub-delegated manager and the appointee and the date on which the appointee takes and subscribes the oath or solemn affirmation. As per the ADAI, the authority to administer the oath was delegated to the President who, in turn, sub-delegated this authority to certain employees through the sub-delegation instrument.



- 7.30 As part of our sample, nine appointments reviewed required that an oath or solemn affirmation be taken. While the requirement was met in most instances, we found that for one appointment the oath or solemn affirmation was not taken on or before the date of the appointment identified in the offer of appointment. In another instance the oath or solemn affirmation was not administered by an authorized person. As a result, these two persons were appointed without having met the legal requirement of the PSEA or the organizational requirements. **Refer to recommendation 1 at the end of this report.**

Recommendations

1. The President of the Federal Economic Development Agency for Southern Ontario should ensure that:
 - All of the qualifications used to make the appointment are fully assessed and met before proceeding with the appointment;
 - Information on appointments and/or advertisements provided to potential candidates or persons entitled to be notified is the same in both official languages; and
 - The person to be appointed takes and subscribes the oath or solemn affirmation in front of an authorized person prior to or on the date of the appointment, when applicable.
2. The President of the Federal Economic Development Agency for Southern Ontario should ensure that the essential qualifications and position requirements used for the appointment decision and those used to request priority clearance are the same.



Overall response by Federal Economic Development Agency for Southern Ontario

The Federal Economic Development Agency for Southern Ontario (FedDev Ontario) has reviewed the Public Service Commission's audit report and accepts its findings and recommendations.

FedDev Ontario takes its delegated staffing authorities seriously and is dedicated to ensuring appointments are made in accordance with legislative, regulatory and policy requirements.

The audit process provided valuable insight and information regarding areas of strength and areas for improvement. FedDev Ontario is committed to addressing the findings and recommendations in a timely manner. An action plan to further improve staffing practices has been developed in response to the audit findings. To supplement the action plan, a Staffing Education Strategy is being implemented to embed within the Agency a comprehensive understanding of staffing requirements, roles and flexibilities.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with the Federal Economic Development Agency for Southern Ontario's management response and the actions it has taken or has committed to take to address the audit recommendations. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation as required.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements	21 (84%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified	1 (4%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements	3 (12%)
Total appointments audited		25 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

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

Source: Audit and Data Services Branch, Public Service Commission



Audit of the Office of the Registrar of the Supreme Court of Canada

Audit conclusion

We concluded that the Office of the Registrar of the Supreme Court of Canada (ORSCC) had most elements of an appropriate framework, practices and systems in place to manage its appointment activities. ORSCC had put in place a sub-delegation instrument that was accessible to all employees. Related controls around the exercise of sub-delegated appointment authorities were established, although there is room for improvement in how these controls are implemented. We found that staffing plans and related strategies were in place, monitored and communicated. Also, we found that the mandatory appointment policies and criteria for the use of non-advertised processes were established and compliant. We found that roles and responsibilities were defined and communicated to managers and human resources professionals. Finally, we found that ORSCC had undertaken the mandatory monitoring outlined in the Public Service Commission's Appointment Framework and adjusted practices accordingly.

We found that the ORSCC demonstrated that the person appointed met the essential and asset qualifications and organizational needs established by the deputy head in 74% (14 out of 19) of appointments examined and that merit was not demonstrated in 26% (5 out of 19) of these appointments. Further, we found that persons with a priority entitlement were considered before appointments were made.



Audit of the Office of the Registrar of the Supreme Court of Canada

- 8.1 This audit covers the Office of the Registrar of the Supreme Court of Canada's (ORSCC) appointment activities for the period of April 1, 2012, to August 31, 2014. The first objective of the audit was to determine whether ORSCC had an appropriate framework, practices and systems in place to manage its appointment activities. The second objective was to determine if appointments and appointment processes in the ORSCC complied with the *Public Service Employment Act* (PSEA), any other applicable statutory and regulatory instruments, the Public Service Commission's (PSC) Appointment Framework, including the Appointment Delegation and Accountability Instrument (ADAI) and the organization's own appointment policies.
- 8.2 The Supreme Court of Canada (SCC) is Canada's final court of appeal. The ORSCC enhances the independence of the Court by providing all necessary administrative services and support for the Court to process, hear and decide cases. It also serves as the interface between litigants and the Court. The Registrar is the deputy head of the ORSCC and is responsible for the management of its employees, resources and activities.
- 8.3 The ORSCC had 218 employees in fiscal year 2013-2014. All employees are located in the National Capital Region. With the exception of the Registrar and Deputy Registrar, SCC's employees are appointed under the PSEA.
- 8.4 Of the 89 appointments carried out by the organization during the period covered by the audit, 59 were appointments to law clerk positions and 30 were appointments to other positions. Of the 30 appointments to other positions, 19 were audited as part of a representative sample. As part of our audit, we conducted interviews with human resources (HR) professionals and sub-delegated managers involved in appointment activities.

Observations on the Appointment Framework

Sub-delegation of appointment authorities

- 8.5 The PSEA gives the PSC exclusive authority to make appointments to and within the public service. The PSC delegates many of its appointment and appointment-related authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. The PSC expects deputy heads to have a sub-delegation instrument in place that is well managed and accessible across the organization.
- 8.6 The Registrar had established a sub-delegation policy and an Instrument of Delegation – Human Resources Management Authorities to sub-delegate appointment authorities to managers. These documents set out the terms and conditions of sub-delegation and were accessible to all employees.



- 8.7 In order for managers to have sub-delegated appointment authorities, the deputy head of the ORSCC required that they must occupy a position with direct reports, have financial delegation and a responsibility centre, have completed the required training, have access to an HR advisor with expertise in the PSC's Appointment Framework and must have received a letter signed by the Registrar giving the authority and have accepted the sub-delegation of authority. We found that the organization was able to demonstrate that 8 out of 10 managers who signed offers in the appointments examined met all the conditions of sub-delegation. For one manager, ORSCC was unable to locate the manager's sub-delegation letter, and, for another manager, the organization was unable to provide evidence of financial delegation.
- 8.8 We observed that 7 out of 26 offers of appointment made through non-advertised processes between September 10, 2012, and August 31, 2014 were signed by two different sub-delegated managers who did not have the appropriate level of signing authority required by ORSCC's sub-delegation instrument. **Refer to recommendation 1 at the end of this report.**

Planning for staffing

- 8.9 Organizational staffing plans and related strategies describe organizational staffing priorities and how and when they will be achieved. The PSC expects deputy heads to establish staffing plans and related strategies that are measurable, approved and communicated to employees.
- 8.10 We found that the organization had established a Strategic Plan 2012-2016 as well as organizational staffing priorities and strategies. The Strategic Plan and the staffing priorities and strategies were reviewed, updated and approved by the Executive Committee, which was chaired by the deputy head, each year during their planning retreat.
- 8.11 We also found that the ORSCC's organizational staffing plans and related strategies for 2013-2014 were measurable, approved and communicated to all employees.

Appointment policies

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



Capacity to deliver

- 8.14 The PSC expects deputy heads to ensure that those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.
- 8.15 We found that the organization's sub-delegated managers who were assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools to carry out this role and to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate the knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Monitoring

- 8.16 Monitoring is an ongoing process that allows deputy heads to assess staffing management and performance related to appointments and appointment processes. Monitoring makes it possible to identify issues that should be corrected, to manage and minimize risk and to improve staffing performance. The PSC expects deputy heads to undertake the mandatory monitoring outlined in the PSC's Appointment Framework, including the ADAI, and adjust practices accordingly.
- 8.17 We found that the organization conducted monitoring through file reviews to ensure that the exercise of delegated and sub-delegated authorities and appointment decisions were compliant. Results were reported to senior management and action taken, as needed.
- 8.18 We also noted that the organization monitored the results of its staffing plans and related strategies and an explanation of variances was documented and reported to senior management.

Observations on appointments

- 8.19 The PSEA requires that all appointments be made on the basis of merit. Merit is met when the Commission is satisfied that the person to be appointed meets the essential qualifications for the work to be performed, as established by the deputy head and, if applicable, any asset qualifications or organizational needs identified by the deputy head.
- 8.20 We found that the ORSCC demonstrated that the person appointed met the essential and asset qualifications established by the deputy head in 74% (14 out of 19) of appointments to positions and that merit was not demonstrated in 26% (5 out of 19) of these appointments.
- 8.21 In these five appointments, the organization was not able to demonstrate that all essential qualifications were assessed as a result of missing information, such as proof of education and assessment material. In one out of the five appointments, the assessment of some qualifications did not demonstrate how the appointee met the qualifications of the position. The Appendix includes tables detailing our observations concerning merit for the appointments audited.
Refer to recommendation 2 at the end of this report.



- 8.22 For appointments to law clerk positions, the PSC is committed to work collaboratively with the deputy heads of the organizations that hire law clerks to clarify administrative requirements around these appointments.
- 8.23 The PSEA and the *Public Service Employment Regulations* provide an entitlement for certain persons who meet specific conditions to be appointed in priority to others. The organization must take into consideration persons with priority entitlements prior to making appointments and must obtain a priority clearance number from the PSC before proceeding with an appointment process or an appointment.
- 8.24 In the 19 appointments, we found that the PSC requirements that are designed to ensure that qualified persons with a priority entitlement are appointed ahead of all others were respected.

Recommendations

1. The deputy head of the Office of the Registrar of the Supreme Court of Canada should ensure that the organization is able to demonstrate that managers meet the conditions of sub-delegation before exercising appointment and appointment-related authorities.
2. The deputy head of the Office of the Registrar of the Supreme Court of Canada should ensure that all of the qualifications used to make an appointment are fully assessed and that appointment decisions are documented.



Overall response by the Office of the Registrar of the Supreme Court of Canada

As a small organization, the Office of the Registrar of the Supreme Court (ORSCC) is fully aware that staffing each position in a timely manner with a qualified, competent and knowledgeable candidate is essential in achieving its mandate. The ORSCC is committed to maintaining a strong and dynamic staffing framework which helps to ensure that appointments are made in accordance with all relevant legislative and policy requirements, as well as being reflective of public service staffing values and the merit principle.

We welcome the Public Service Commission recommendations and look forward to implementing an action plan to address those areas where our staffing program can be improved. Throughout the audit, we have taken action where we could to address issues brought up during the audit process. Our action plan reflects those actions already taken.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with the Office of the Registrar of the Supreme Court of Canada's management response and the actions it has taken or has committed to take to address the audit recommendations. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation, as required.

For appointments to law clerk positions, the PSC is committed to working collaboratively with the deputy heads of the organizations that employ law clerks to clarify administrative requirements around these appointments.



Appendix

Table 1: Observations on merit

Observations		Total appointments
Merit was met	Assessment tools or methods evaluated the essential qualifications and other merit criteria identified for the appointment; the person appointed met these requirements	14 (74%)
Merit was not met	The person appointed failed to meet one or more of the essential qualifications or other applicable merit criteria identified	0 (0%)
Merit was not demonstrated	Assessment tools or methods did not demonstrate that the person appointed met the identified requirements	5 (26%)
Total appointments audited		19 (100%)

Source: Audit and Data Services Branch, Public Service Commission

Table 2: Observations on merit not met and not demonstrated

Reasons for merit not being met or demonstrated*	Number of incidences
Appointee did not meet one or more essential qualifications (experience, knowledge, abilities, competencies, personal suitability)	0
Appointee did not meet the official language proficiency	0
Appointee did not meet the education/occupational certification or qualification standard	0
Appointee did not meet the additional qualifications (asset and/or organizational needs) used to make the appointment	0
The essential qualifications (experience, knowledge, abilities, competencies, personal suitability) of the appointee were not fully assessed	5
The official language proficiency of the appointee was not fully assessed	0
The education/occupational certification or qualification standard were not fully assessed for the appointee	1
The additional qualifications (asset and/or organizational needs) used to make the appointment were not fully assessed	0

Source: Audit and Data Services Branch, Public Service Commission

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



Audit of Status of Women Canada

Audit conclusion

The first objective of the audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of Status of Women Canada (SWC) were adequately managed. We concluded that these authorities were adequately managed. SWC had a sub-delegation instrument in place that was accessible across the organization. We also found that those who have been assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and the human resources support to carry out this role.

The second objective of the audit was to determine whether SWC's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and SWC's own organizational policies with regard to merit and priority entitlements. We concluded that the appointments complied with these requirements in all cases. In all thirteen appointments audited, SWC was able to demonstrate that the person who was appointed met the essential and asset qualifications established by the deputy head. We also found that persons with a priority entitlement were considered before appointments were made.



Audit of Status of Women Canada

- 9.1 Status of Women Canada (SWC) was established in 1976 as an agency to coordinate policy with respect to the status of women and administer related programs. SWC promotes equality for women and their full participation in the economic, social and democratic life of Canada. As of January 2015, SWC had 91 employees, the majority of whom were located in the National Capital Region. The remaining employees work in offices in Montreal, Moncton and Edmonton. SWC relies on its own human resources (HR) unit for staffing services.
- 9.2 This audit covers SWC's appointment activities for the period between November 1, 2012, and October 31, 2014. As part of the audit, the Public Service Commission (PSC) conducted interviews with HR advisors and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited 13 appointments.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 9.3 During the period covered by the audit, the deputy head had established an instrument to sub-delegate appointment authorities to managers and the terms and conditions of sub-delegation. The instrument was accessible to all sub-delegated managers, employees and bargaining agents.
- 9.4 As outlined in SWC's sub-delegation instrument, in order to be sub-delegated at a certain level, employees had to be in a managerial position, complete the required training, receive a sub-delegation letter from the deputy head and sign the letter to confirm their acceptance of the sub-delegated authorities. We found that all 10 sub-delegated managers had met these conditions.
- 9.5 The PSC requires that only deputy heads can approve the extension to become bilingual for non-imperative appointments in the Executive Group (i.e., when the appointee is temporarily exempted from meeting the official language proficiency requirements in bilingual positions) and that any extensions cannot exceed two years in total. However, we found that this authority was sub-delegated in SWC's instrument of sub-delegation and the required time limit for extensions was not specified. Nevertheless, we found that this posed a low risk as, in practice, SWC did not exercise this delegated authority. SWC has committed to adjusting its sub-delegation instrument accordingly.



PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 9.6 We found that roles and responsibilities were defined, documented and communicated through newsletters, e-mails and SWC's shared drive. We also found that sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 9.7 We found that, for all 13 appointments audited, SWC demonstrated that the person appointed met the essential and asset qualifications established by the deputy head. Furthermore, we found that the four non-advertised appointments audited met the PSC's and SWC's related requirements.
- 9.8 We also found that in three appointments, the advertised area of selection was limited to SWC employees in the National Capital Region instead of all organizations in the region of the position, as required by SWC's policy. Nevertheless, given there was a sufficient number of employees within SWC who could have potentially applied to the advertised jobs, we found that this advertised area of selection provided reasonable access and thus complied with the PSC's policy requirement. We noted that SWC had since revised its area of selection policy to provide greater flexibility to managers, while ensuring that it continues to provide reasonable access.

PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 9.9 We found that, in all the 13 appointments audited, persons with a priority entitlement were considered prior to the appointment being made (i.e., a priority clearance number was obtained from the PSC before the appointment was made).
- 9.10 With respect to seeking priority clearance before proceeding with an appointment process, we found that most of the appointments were made before this requirement was articulated in the PSC's *Priority Appointment Policy* and related directive. Of the remaining appointments, SWC had in most instances obtained a priority clearance number before proceeding with an appointment process. In a few instances, SWC identified a candidate that it proposed to appoint from an existing pool prior to considering persons with a priority entitlement. This audit observation highlights a need for the PSC to clarify its expectations of how this policy requirement should be implemented.



Overall response by Status of Women Canada

The report provided a clear understanding of the observations and of the Public Service Commission (PSC) expectations in relation to the management of delegated appointment authorities as well as appointment activities. The report also presented a context of transparency and collaboration by ensuring perspectives from both the PSC's audit function and SWC's functional responsibilities were considered in the analysis.

The facts, in parallel with the observations as they are now expressed in the report, are accurate, based on SWC's current Sub-Delegation Instrument and the 13 appointments audited. We are committed to adjusting our instrument of sub-delegation in accordance with these observations

We share your commitment to ensuring that appointments comply with the Public Service Employment Act, the Public Service Employment Regulations as well as the PSC Appointment Framework and, to this end, will continue to work in collaboration with your organization.

Overall response from the Public Service Commission

The Public Service Commission (PSC) systematically reviews audit information and an organization's management response to determine whether any action should be taken by the PSC. This review confirmed to the PSC that Status of Women Canada has put in place the key elements of a sound staffing management system.

The Commission has also noted that audit observations highlight a need for the PSC to clarify its expectation of how the policy requirement to obtain a priority clearance before proceeding with an appointment process should be implemented and is committed to address this finding.



Audit of the Civilian Review and Complaints Commission for the RCMP

Audit conclusion

The first objective of the audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of the Civilian Review and Complaints Commission for the RCMP (CRCC) were adequately managed. We concluded that these authorities were adequately managed. The CRCC had a sub-delegation instrument in place that was accessible across the organization. We also found that those who were assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and the human resources support to carry out this role. During the period covered by the audit, we found that specific appointment activities, namely selecting assessment methods, developing assessment tools and assessing persons with a priority entitlement, were performed by individuals who were not sub-delegated, as per the CRCC's sub-delegation instrument.

The second objective of the audit was to determine whether the CRCC's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and the CRCC's own organizational policies with regard to merit and priority entitlements. We concluded that the appointments complied with these requirements in most cases. In 91% (10 out of 11) of the appointments, the CRCC was able to demonstrate that the person who was appointed met the essential and asset qualifications established by the deputy head. We also found that persons with a priority entitlement were considered before appointments were made.



Audit of the Civilian Review and Complaints Commission for the RCMP

- 10.1 The Civilian Review and Complaints Commission for the RCMP (CRCC), formerly known as the Commission for Public Complaints Against the RCMP (CPC), is an independent federal agency, created in 1988, to receive and review public complaints about the conduct of RCMP members, in a fair and impartial manner. On November 28, 2014, the organization was renamed the Civilian Review and Complaints Commission for the RCMP (CRCC) after the coming into force of the *Enhancing Royal Canadian Mounted Police Accountability Act*. This Act affirmed that the CRCC would assume the CPC's mandate and be tasked with new authorities to work jointly with other law enforcement review bodies.
- 10.2 The CRCC had a staff of approximately 58 employees and is headquartered in Ottawa, Ontario, with a National Intake Office located in Surrey, British Columbia. The CRCC did not have its own human resources (HR) unit but had a Memorandum of Understanding with Public Safety Canada for staffing services. The CRCC remained responsible for the appointments made within the organization, even though it used a staffing service provider.
- 10.3 This audit covers the CRCC's appointment activities for the period between November 1, 2012, and October 31, 2014. The CRCC made 11 appointments during that period. As part of the audit, the Public Service Commission (PSC) conducted interviews with HR advisors and managers, analyzed relevant documentation and audited the 11 appointments.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 10.4 During the period covered by the audit, the deputy head had established an instrument to sub-delegate appointment authorities to managers and outlined terms and conditions of sub-delegation. The instrument was accessible to all sub-delegated managers, employees and bargaining agents.
- 10.5 As outlined in the CRCC's sub-delegation instrument, in order to be sub-delegated at a certain level, an individual had to be in a managerial position, complete the necessary training, receive a sub-delegation letter from the deputy head and sign the letter to confirm their acceptance of the sub-delegated authorities.
- 10.6 Further, the CRCC's sub-delegation instrument authorized only one sub-delegated manager to undertake specific appointment activities, namely selecting assessment methods, developing assessment tools and assessing persons with a priority entitlement. In practice, we found that these specific appointment activities were performed by individuals who were not sub-delegated, as per the CRCC's sub-delegation instrument.



Recommendation 1: The deputy head of the CRCC should review its sub-delegation instrument to clarify who may undertake specific appointment activities related to the assessment of candidates and persons with a priority entitlement.

PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 10.7 We found that roles and responsibilities were defined, documented and communicated through various tools such as the Delegation of Human Resources Authorities, Staffing Roles and Responsibilities in the Context of Staffing Authorities Sub-Delegation within the CRCC, the *Area of Selection Policy* and the *Policy for Non-advertised Appointment Processes*. These tools were available to employees through the CRCC's intranet site.
- 10.8 We also found that sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 10.9 We found that, in 91% (10 out of 11) of the appointments, the CRCC demonstrated that the person appointed met the essential and asset qualifications established by the deputy head. In one appointment, the organization was unable to demonstrate that the person appointed met one of the essential knowledge qualifications. We also found that the audited appointments met the PSC's and the CRCC's policy requirements on area of selection and criteria for non-advertised appointments.

PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 10.10 We found that persons with a priority entitlement were considered prior to the appointment being made in all applicable appointment processes (i.e., a priority clearance number was obtained from the PSC before the appointments were made).
- 10.11 With respect to seeking priority clearance before proceeding with an appointment process, we were informed that the CRCC had identified its intent to consider persons with a priority entitlement at the same time that it identified a candidate that it proposed to appoint (i.e., in the event that no persons with a priority entitlement were available and found qualified). This audit observation highlights a need for the PSC to clarify its expectations of how this policy requirement should be implemented.

Overall response by the Civilian Review and Complaints Commission for the RCMP

The Civilian Review and Complaints Commission for the RCMP has reviewed the Public Service Commission audit report and accepts its findings and recommendation. We appreciate the insight provided by the audit and will use its advice and recommendation to further improve our existing policies, practices and framework. We have already put in place measures to ensure priority entitlements are considered at the appropriate stage in the staffing process. To address the recommendation, we will review the sub-delegation instrument to clarify roles and responsibilities and ensure that those managers who are sub-delegated have the appropriate training, tools and support to carry out their responsibilities.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with the Civilian Review and Complaints Commission for the RCMP's management response and the actions it has taken or has committed to take to address the audit recommendation. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation, as required.

The Commission has also noted that audit observations highlight a need for the PSC to clarify its expectation of how the policy requirement to obtain a priority clearance before proceeding with an appointment process should be implemented and is committed to addressing this finding.



Audit of Veterans Review and Appeal Board

Audit conclusion

The first objective of the audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of the Veterans Review and Appeal Board (VRAB) were adequately managed. We concluded that most of the key components of an appointment framework were in place and that VRAB sub-delegated managers had access to staffing-related tools, training and human resources support. We also found that VRAB's area of selection policy should be revised to ensure that it provides reasonable access to internal appointments and a reasonable area of recourse for internal non-advertised appointments. The conditions of sub-delegation should also be formally established.

The second objective of the audit was to determine whether VRAB's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and VRAB's own organizational policies with regard to merit and priority entitlements. In the two advertised appointments audited, VRAB was able to demonstrate that the person who was appointed met the essential and asset qualifications established by the deputy head. We also found that persons with a priority entitlement were considered before appointments were made.



Audit of Veterans Review and Appeal Board

- 11.1 The Veterans Review and Appeal Board (VRAB) was created by Parliament in 1995 to provide veterans and other applicants with an independent avenue of appeal for disability decisions made by Veterans Affairs Canada (VAC). VRAB is located in Charlottetown, Prince Edward Island and had 77 employees as of March 31, 2014. The organization had a Memorandum of Understanding (MOU) with VAC to provide staffing services as it does not have its own human resources (HR) unit. VRAB remained responsible for the appointments made within the organization although it received staffing services from another organization.
- 11.2 This audit covers VRAB's appointment activities for the period between November 1, 2012, and October 31, 2014. As part of the audit, the Public Service Commission (PSC) conducted interviews with VAC HR professionals and VRAB sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited two advertised appointments. The PSC also examined five non-advertised appointment processes to determine whether the person appointed met the education criteria and whether the non-advertised process met PSC and VRAB policy requirements.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 11.3 During the period covered by the audit, we found that the deputy head had established a sub-delegation instrument and staffing policies to support the exercise of these authorities. The instrument also identified the management levels authorized to exercise certain appointment authorities. We found that sub-delegated managers had taken staffing-related training and had received a letter confirming the sub-delegation of appointment authorities from the deputy head.



- 11.4 We also found that the deputy head had not formally established conditions of sub-delegation, such as training, that must be met prior to exercising these appointment authorities. In practice, the service provider applied the conditions of sub-delegation that were in place in its own organization. We found that this omission posed a low risk as VRAB's sub-delegated managers had taken staffing-related training from the service provider and had received a letter confirming the sub-delegation of authorities from the deputy head. Moreover, VRAB's sub-delegated managers were consistently supported by the service provider when exercising these authorities.
- 11.5 We were informed that VRAB's appointment framework, including the sub-delegation instrument and staffing policies, was designed based on the service provider's framework. While many elements of the framework were transferrable, we found instances where it was not adapted to VRAB's unique circumstances. For example, VRAB's area of selection policy, which was based on that of the service provider, established a minimum area of selection that could have had the effect of limiting access to internal job opportunities and recourse to its own employees. In a larger organization, this minimum area of selection would have provided reasonable access to internal appointments and recourse to potential candidates. However, in the case of VRAB – a smaller organization that is based solely in Charlottetown – the application of the minimum area of selection outlined in its policy would not always provide reasonable access to internal appointments and area of recourse as the organization has a limited number of employees in certain professions, particularly at the senior level.

Recommendation 1: The Chair of VRAB should review its area of selection policy to ensure it provides reasonable access to internal appointments and area of recourse, given the size of the organization, and establish formally the conditions that sub-delegated managers must meet before exercising appointment authorities.

PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 11.6 Through the MOU with their service provider, VRAB sub-delegated managers had access to staffing-related tools and training and to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate the knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.



Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 11.7 We found that, in the two audited advertised appointments, VRAB demonstrated that the person who was appointed met the essential and asset qualifications and was within the established area of selection.
- 11.8 For the five non-advertised appointment processes that we examined, all appointments met the education criteria and the non-advertised policy requirements. However, in one case, we found that the area of recourse was restricted beyond what was stated in VRAB's area of selection policy. As a result, reasonable access to recourse was not provided.

PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 11.9 We found that persons with a priority entitlement were considered prior to the appointment being made in all applicable appointment processes (i.e., a priority clearance number was obtained from the PSC before the appointment was made). We also found that a priority clearance number was obtained from the PSC before proceeding with an appointment process.



Overall response by Veterans Review and Appeal Board

The Veterans Review and Appeal Board (VRAB) accepts the overall recommendation of the Public Service Commission (PSC) and has developed an action plan to address the audit recommendation.

VRAB is committed to reviewing its area of selection policy and formally establishing the conditions for sub-delegation in consultation with our service provider, Veterans Affairs Canada, the PSC and bargaining agents with a view to further strengthening and communicating the requirements.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Veterans Review and Appeal Board's management response and the actions it has taken or has committed to take to address the audit recommendation. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation, as required.



Audit of the Office of the Commissioner of Lobbying of Canada

Audit conclusion

The first objective of the audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of the Office of the Commissioner of Lobbying of Canada (OCL) were adequately managed. We concluded that these authorities were adequately managed. The OCL had a sub-delegation instrument in place that was accessible across the organization. We also found that those who have been assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and the human resources support to carry out this role.

The second objective of the audit was to determine whether the OCL's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and the OCL's own organizational policies with regard to merit and priority entitlements. We concluded that the appointments complied with these requirements in all cases. In all seven appointments audited, the OCL was able to demonstrate that the person who was appointed met the essential and asset qualifications established by the deputy head. We found that persons with a priority entitlement were considered before appointments were made.



Audit of the Office of the Commissioner of Lobbying of Canada

- 12.1 The Office of the Commissioner of Lobbying (OCL) was established in July 2008 under the *Lobbying Act* to support the Commissioner of Lobbying. The OCL is located in the National Capital Region and had 25 employees as of March 31, 2014. The OCL did not have its own human resources unit but had a Memorandum of Understanding (MOU) with Shared Human Resources Services (SHRS) of Public Works and Government Services Canada for staffing services. The OCL remained responsible for the appointments made within the organization, even though it used a staffing service provider.
- 12.2 The audit covers the OCL's appointment activities for the period between November 1, 2012, and October 31, 2014. As part of the audit, the Public Service Commission (PSC) conducted interviews with SHRS human resources (HR) advisors and sub-delegated managers involved in appointment activities, analyzed relevant documentation and audited four advertised and three non-advertised appointments.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 12.3 During the period covered by the audit, the deputy head had established an instrument to sub-delegate appointment authorities to managers and outlined terms and conditions of sub-delegation. The instrument was accessible to all sub-delegated managers, employees and bargaining agents.
- 12.4 As outlined in the OCL's sub-delegation instrument, in order to be sub-delegated at a certain level, an individual had to be in a managerial position, complete the required training, receive a sub-delegation letter from the deputy head and sign the letter to confirm their acceptance of the sub-delegated authorities.
- 12.5 We found that the required training was provided to all seven of the OCL's sub-delegated managers. However, five managers were granted appointment authorities before having completed the staffing sub-delegation training required by the deputy head.

Recommendation 1: The deputy head of the OCL should ensure that the required training is completed by managers before granting sub-delegated appointment authorities.



PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 12.6 We found that roles and responsibilities were defined, documented and communicated through various tools such as the Policy and the Delegation of Human Resources Authorities, the Area of Selection Policy and the Policy for Non-advertised Appointment Processes and the instrument of sub-delegation. These tools were available to employees through the OCL's intranet site.
- 12.7 We also found that, through the MOU with their service provider, the OCL's sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 12.8 We found that, for all seven appointments audited, the OCL demonstrated that the person who was appointed met the essential and asset qualifications established by the deputy head.
- 12.9 We also found that the audited appointments met the PSC's and the OCL's policy requirements on area of selection and criteria for non-advertised appointments.

PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 12.10 We found that, in all of the three appointments that required it, persons with a priority entitlement were considered prior to the appointment being made (i.e., a priority clearance number was obtained from the PSC before all appointments were made). We did not examine whether the OCL had obtained a clearance number before proceeding with the appointment process, as all three appointments were made before this requirement was articulated in the PSC's *Priority Appointment Policy* and related directive.



Overall response by the Office of the Commissioner of Lobbying of Canada

The Office of the Commissioner of Lobbying (OCL) is in agreement with the findings and the recommendation of this report, and acknowledges that the facts presented are accurate. The organization takes its delegated authorities seriously. It will continue to ensure that appointments are made in accordance with legislative, regulatory and policy requirements as well as with the Public Service Employment Act core and guiding values.

The OCL is committed to continuously improving its staffing regime and to addressing the issue raised in the audit in a timely and effective manner. To this end, a Management Action Plan has been developed to address the recommendation outlined in this report and its implementation has already been initiated.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with the Office of the Commissioner of Lobbying of Canada's management response and the actions it has taken or has committed to take to address the audit recommendation. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation as required.



Audit of the Military Grievances External Review Committee

Audit conclusion

The first objective of the audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of the Military Grievances External Review Committee (MGERC) were adequately managed. We concluded that, in general, these authorities were adequately managed. The MGERC had a sub-delegation framework in place that was accessible across the organization. We also found that those who have been assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and the human resources support to carry out this role.

The second objective of the audit was to determine whether the MGERC's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and the MGERC's own organizational policies with regard to merit and priority entitlements. We concluded that the appointments complied with these requirements. In all five appointments audited, the MGERC was able to demonstrate that the person who was appointed met the essential qualifications and asset qualifications established by the deputy head. We also found that persons with a priority entitlement were considered before appointments were made.



Audit of the Military Grievances External Review Committee

- 13.1 The Military Grievances External Review Committee (MGERC) was established in 1998 and is an independent administrative tribunal that reports to Parliament through the Minister of National Defence. Its *raison d'être* is to provide an independent and external review of military grievances. As of September 30, 2014, the MGERC had 35 employees.
- 13.2 This audit covers the MGERC's appointment activities for the period between November 1, 2012, and October 31, 2014. The MGERC made five appointments during that period. As part of the audit, the Public Service Commission (PSC) conducted interviews with the human resources (HR) team and sub-delegated managers involved in appointment activities. The PSC also analyzed relevant documentation and audited all the appointments.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 13.3 During the period covered by the audit, the deputy head had established a framework to sub-delegate appointment authorities to managers and outlined terms and conditions of sub-delegation. The instrument and policy were accessible to the sub-delegated managers, employees and bargaining agents.
- 13.4 As outlined in the MGERC's sub-delegation instrument, in order to be sub-delegated at a certain level, an individual had to be in a managerial position, complete the required training, receive a sub-delegation letter from the deputy head and sign the letter to confirm their acceptance of the sub-delegated authorities.
- 13.5 Seven of the eight sub-delegated managers had met the conditions of sub-delegation. However, we found that one individual had received their sub-delegation before having completed the training required by the deputy head. That individual has since completed the training.
- 13.6 In addition, we found that, in the MGERC sub-delegation instrument and policy, the description of certain authorities exclusive to the PSC (namely the authority to investigate an external staffing process) and those exclusive to the deputy head of the MGERC (namely the authority to sub-delegate and to limit or revoke sub-delegation) did not align with the *Public Service Employment Act* and the Appointment Delegation and Accountability Instrument (ADAI). However, we found that these authorities had not been exercised during the period covered by this audit. The MGERC has committed to adjusting its sub-delegation framework accordingly.



PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 13.7 We found that roles and responsibilities were defined, documented and communicated through various tools such as the sub-delegation instrument and the organizational appointment policies.
- 13.8 We also found that the MGERC's sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 13.9 We found that, for all five appointments audited, the MGERC demonstrated that the person who was appointed met the essential and asset qualifications established by the deputy head.
- 13.10 We also found that the audited appointments met the PSC's and the MGERC's policy requirements on area of selection and criteria for non-advertised appointments.

PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 13.11 We found that, in all of the appointments, persons with a priority entitlement were considered prior to the appointment being made (i.e., a priority clearance number was obtained from the PSC before the appointment was made).
- 13.12 With respect to seeking priority clearance before proceeding with an appointment process, we were informed that the MGERC had identified its intent to consider persons with a priority entitlement at the same time that it identified a candidate that it proposed to appoint from an existing pool (i.e., in the event that no persons with a priority entitlement were available and found qualified). This audit observation highlights a need for the PSC to clarify its expectations of how this policy requirement should be implemented.



Overall response by the Military Grievances External Review Committee

The Military Grievances External Review Committee (MGERC) is in agreement with the conclusions of the report. The organization's sub-delegation framework has been modified. The authorities exclusive to the PSC, along with those of the deputy head of the MGERC, are adequately described.

Action taken by the Public Service Commission

The Public Service Commission (PSC) systematically reviews audit information and the organization's management response to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with the Military Grievances External Review Committee's management response.

The Commission has also noted that audit observations highlight a need for the PSC to clarify its expectation of how the policy requirement to obtain a priority clearance before proceeding with an appointment process should be implemented and is committed to addressing this finding.



Audit of the Farm Products Council of Canada

Audit conclusion

The first objective of this audit was to determine whether the appointment authorities the Public Service Commission (PSC) has delegated to the deputy head of the Farm Products Council of Canada (FPCC) were adequately managed. We concluded that some key components of the PSC's Appointment Framework were in place. A policy on the sub-delegation of human resources (HR) authorities and the policies required by the PSC were in place. We also found that those who have been assigned a role in appointment processes were informed of their roles and responsibilities and had access to tools and the HR support to carry out this role. Furthermore, we found that the FPCC had not put an appointment sub-delegation instrument in place and that in practice it was using the service provider's instrument. The service provider's instrument did not refer to the FPCC employees. Consequently, it was not possible to confirm the appointment authorities that had been sub-delegated to them.

The second objective of the audit was to determine whether the FPCC's appointments complied with the *Public Service Employment Act*, the *Public Service Employment Regulations*, the PSC's Appointment Framework and the FPCC's own organizational policies with regard to merit and priority entitlements. We concluded that the appointments were generally compliant with these requirements. In all eight appointments audited, the FPCC was able to demonstrate that the person who was appointed met the essential and asset qualifications established by the deputy head. In some cases, we noted that the requirements of PSC and organizational policies on area of selection had not been met. We found that persons with a priority entitlement were considered before appointments were made.



Audit of the Farm Products Council of Canada

- 14.1 Since its creation in 1972, the Farm Products Council of Canada (FPCC) has authorized the establishment of national marketing boards for farm products. On behalf of the Government of Canada, the FPCC ensures that Canadians have affordable, ongoing access to the food that they need, while maintaining fair market prices for farmers. The FPCC is located in the National Capital Region and had 18 employees as of September 30, 2014. The FPCC did not have its own human resources (HR) unit but had a Memorandum of Understanding (MOU) with Agriculture and Agri-Food Canada (AAFC) for its HR operations, including staffing. The FPCC remained responsible for the appointments made within the organization, even though it used a staffing service provider.
- 14.2 The audit covers the FPCC's appointment activities for the period between November 1, 2012, and October 31, 2014. As part of this audit, the Public Service Commission (PSC) conducted interviews with the members of the service provider's HR team and with a FPCC sub-delegated manager. The PSC also analyzed relevant documentation and audited two advertised and six non-advertised appointments.

Observations on the management of delegated appointment authorities

PSC expectation: The PSC delegates many of its appointment authorities to deputy heads who, in turn, may sub-delegate the exercise of these authorities. As a result, the PSC expects the organization to have a sub-delegation instrument in place that is well managed and accessible across the organization.

- 14.3 During the period covered by the audit, we found that the FPCC's deputy head had put in place a policy on the sub-delegation of HR authorities and policies on corrective measures and revocation, non advertised appointment processes and area of selection. These policies were accessible to the four sub-delegated managers and the other employees.
- 14.4 We also found that the FPCC had not established an appointment sub-delegation instrument and, in practice, was using the service provider's instrument. While many elements of the service provider's instrument were transferable to the FPCC, we found that the levels of delegation set out in that instrument did not match the FPCC's organization chart. In addition, the instrument applied only to employees occupying a position within the service provider's organization and did not refer to the FPCC employees. Consequently, it was not possible to confirm the staffing authorities that applied to the FPCC employees while they made decisions in that area.
- 14.5 As indicated by the FPCC representatives, in order to be sub-delegated authorities at a certain level, a person must have completed the required training, received a sub-delegation letter from the deputy head and signed the letter to confirm their acceptance of the sub-delegated authorities.



- 14.6 We found that two out of the four sub-delegation letters were not dated when they were signed by the deputy head and the sub-delegated managers. Consequently, it was not possible to confirm the date on which the appointment authorities had been sub-delegated to those managers. In addition, one out of the four sub-delegated managers was sub-delegated appointment authorities before completing the training on sub-delegation of staffing authorities, which did not fulfill the deputy head's requirements. The FPCC representatives indicated that the person concerned had subsequently completed the required training and had not exercised any appointment authorities in the interval.

Recommendation 1: The deputy head of the FPCC should review his staffing sub-delegation management framework to ensure that it is tailored to the needs of the organization, communicate the framework to the service provider and ensure that sub-delegation prerequisites are met.

PSC expectation: Those who have been assigned a role in appointment processes have been informed of their roles and responsibilities and have access to tools and the HR support to carry out this role.

- 14.7 Sub-delegated managers had access to the tools and support required to fulfill their HR obligations and they had been informed of their roles and responsibilities, with the exception of the sub-delegated staffing authorities, at the time they signed the sub-delegation agreement with the deputy head.
- 14.8 We also found that, through the MOU with their service provider, the FPCC's sub-delegated managers had access to an HR advisor who had passed the PSC's Appointment Framework Knowledge Test. This test is designed to evaluate knowledge of all parts of the PSC's Appointment Framework (policy, delegation and accountability) and the legislative framework.

Observations on appointments

PSC expectation: Appointees meet the essential and asset qualifications required for the appointment. The PSC's and organizational policy requirements on area of selection and criteria for non-advertised appointments are met.

- 14.9 We found that, for the eight appointments audited, the FPCC demonstrated that the person who was appointed met the essential and asset qualifications established by the deputy head. In addition, the audited appointments met the PSC's and FPCC's policy requirements on the criteria for non-advertised appointments.
- 14.10 In some cases, we noted that PSC and organizational policy requirements on area of selection had not been met. In one case, the area of selection used "Employees of AAFC who occupy a position in the National Capital Region" did not include the FPCC and, in two other cases, the notice regarding the acting appointment had not been posted. In April 2015, in response to the audit observations, the FPCC posted the notice for the acting appointment that was still in effect.



Recommendation 2: The deputy head of the FPCC should put in place effective monitoring mechanisms in collaboration with the service provider to ensure that PSC and organizational policy requirements on area of selection are met.

PSC expectation: Persons with a priority entitlement are considered prior to making an appointment and a priority clearance number is obtained before proceeding with an appointment process or appointment.

- 14.11 We found that, in both the appointments that required it, persons with a priority entitlement were considered prior to the appointment being made (i.e., a priority clearance number was obtained from the PSC before the appointments were made). We did not examine whether the FPCC had obtained a clearance number before proceeding with the appointment process, as both appointments were made before this requirement was articulated in the PSC's *Priority Appointment Policy* and related directive.



Overall response by the Farm Products Council of Canada

The Farm Products Council of Canada (FPCC) analyzed the Public Service Commission audit report and agrees with the observations and proposed recommendations.

More specifically, the FPCC supports the findings of the report and the recommendations concerning the staffing sub-delegation management framework and area of selection. An action plan was prepared by the FPCC management in response to the audit report observations and recommendations.

Action taken by the Public Service Commission

Organizations that have been audited by the Public Service Commission (PSC) receive guidance and assistance from the PSC to develop an action plan that will address the audit recommendations. The PSC systematically reviews audit information, the organization's management response and associated action that it has taken or will take in response to the audit recommendations to determine whether any action should be taken by the PSC. As a result of this review, the PSC is satisfied with Farm Products Council of Canada's management response and the actions it has taken or has committed to take to address the audit recommendations. The PSC expects the deputy head to monitor the implementation of the organizational action plan and the PSC may request an update on the action plan. The PSC can provide assistance for this implementation, as required.



